Remuneration system for members of the Management Board

On 8 July 2020, the Supervisory Board of secunet Security Networks AG (hereinafter "***secunet AG***" or "***Company***") adopted a remuneration system for the members of the Management Board in accordance with Section 87a AktG with effect from 1 January 2021, which was submitted to the Annual General Meeting on 12 May 2021 for resolution in accordance with the provisions of Section 120a AktG and approved by the latter with a majority of approximately 97.44% of the votes cast (hereinafter the "**2021 remuneration system**"). Pursuant to Section 120a (1) sentence 1 AktG, the Annual General Meeting of a listed company must pass a resolution on the approval of the remuneration system for the members of the Management Board presented by the Supervisory Board every time there is a significant change to the remuneration system, but at least every four years.

On the occasion of a review of the remuneration of the Management Board members, the Supervisory Board resolved on 20 March 2024 to adjust the remuneration system with effect from 1 January 2024, in particular to introduce an additional, optional special bonus component with a multi-year assessment basis at the discretion of the Supervisory Board, which is intended to provide the opportunity for additional incentivisation of the Management Board members to achieve ambitious (in particular value enhancement) targets. The new remuneration system contains the following adjustments (in addition to a few clarifications):

- Introduction of the option to grant a multi-year special bonus on the basis of a new Performance Share Plan II by means of a separate individual agreement defining the relevant performance criteria and targets.
- Adjustment of the relative shares of the fixed and variable remuneration components in the total target remuneration (in the case of 100% target achievement) in the event of a multi-year special bonus being granted, taking into account a new Performance Share Plan II, in that the relative share of the fixed remuneration components is reduced accordingly and the share of the long-term variable remuneration is increased accordingly in the event of a multi-year special bonus being granted on the basis of a Performance Share Plan II.
- For all variable remuneration components (bonus, Performance Share Plan I and Performance Share Plan II), introduction of an option for the Supervisory Board to adjust the target achievement measurement for one-off effects in addition to the already existing adjustment possibilities in measuring target achievement in the event of extraordinary developments as defined in G.11, sentence 1 GCGC.

- Maximum remuneration: Increase in the maximum remuneration, in particular to take account of the possibility of paying a multi-year special bonus on the basis of a new Performance Share Plan II; clarification that severance payments are not included in the maximum remuneration.
- Pension commitment: Increase in the annual pension contribution for Management Board members who joined after 2017 and for any new Management Board members joining in the future who are to be remunerated in accordance with this remuneration system to 6% of the fixed annual salary plus the target value of the short-term variable remuneration (bonus) and plus the target value of the regular long-term variable remuneration (Performance Share Plan I) (but without taking into account any multi-year special bonus).

The new remuneration system applies with effect from 1 January 2024 to all members of the Management Board whose employment contracts are newly concluded, extended or adjusted accordingly from the date on which this remuneration system is presented to the Annual General Meeting for a resolution on the approval of the remuneration system. Remuneration entitlements for periods prior to 1 January 2024, including those from previously relevant regulations on variable remuneration, are based on the respective underlying contracts of the Management Board members, which were still concluded on the basis of the 2021 Management Board remuneration system. The Supervisory Board proposes that the remuneration system for members of the Management Board of secunet Security Networks AG described below and adopted by the Supervisory Board with effect from 1 January 2024 be approved:

A. General principles of remuneration

The system for the remuneration of Management Board members makes a significant contribution to implementation of the corporate strategy of secunet Security Networks AG (hereinafter also secunet AG). The structure of the individual remuneration components is to be linked to the achievement of key Company targets. In this respect, Management Board remuneration is based in particular on long-term and sustainable growth, increased profitability, competitiveness and sustainability targets. Besides key financial indicators, it also takes non-financial performance indicators into account, which are equally essential to the long-term and sustainable success of the Company. These incentives align the interests of the Management Board with those of shareholders, employees, customers and other stakeholders for the benefit of the Company's successful development. The remuneration system also ensures that the members of the Management Board are remunerated appropriately according to their performance and respective area of responsibility.

When structuring the remuneration of the Management Board, the Supervisory Board takes into account the following principles in particular:

- Promotion of the corporate strategy
- Long-term and sustainable development
- Appropriateness
- Pay for performance
- Alignment with shareholder interests
- Market conformity
- Consistency of the remuneration system

B. Procedures for establishing, implementing and reviewing the remuneration system

The remuneration system for the Management Board is determined by the Supervisory Board pursuant to the provisions of Sections 87 (1), 87a and 107 (3), sentence 7 of the Stock Corporation Act (AktG). The Supervisory Board may, if necessary, make use of external consultants for the purpose of developing the system. When appointing remuneration consultants, particular attention is paid to their independence.

In structuring the remuneration system, due consideration is given to the appropriateness of Management Board remuneration (see B.2 below). When determining the variable remuneration parameters, the Supervisory Board also ensures consistency with the remuneration system in relation to the employees of secunet AG by fundamentally applying at least partially identical performance criteria for the variable remuneration of employees as for the Management Board.

The requirements of the German Stock Corporation Act and the German Corporate Governance Code in the version adopted on 28 April 2022 (*GCGC 2022*) for handling conflicts of interest in the Supervisory Board are also observed in the establishment, implementation and review of the remuneration system for the members of the Management Board. Members of the Supervisory Board are required to disclose any potentially conflicting interests. In such cases, the members concerned shall not be involved in the items subject to conflict.

B.1. Review and confirmation of the remuneration system

The remuneration system adopted by the Supervisory Board will be submitted to the Annual General Meeting for approval.

The Supervisory Board regularly reviews the remuneration system. In the event of significant changes, but at least every four years, the remuneration system shall again be submitted to the Annual General Meeting for approval (if applicable, in its amended version). If the Annual General Meeting does not approve the remuneration system submitted, a (reviewed, not necessarily modified) remuneration system will be presented at the following Annual General Meeting at the latest.

B.2. Determination of the appropriate target remuneration by the Supervisory Board

In keeping with the remuneration system, the Supervisory Board determines the amount of the target total remuneration for the individual members of the Management Board as well as the assessment basis or performance criteria for the variable remuneration components. In this context, care is taken to ensure that the target total remuneration is commensurate with the duties and performance of the Management Board member as well as the situation of the Company, is geared towards the long-term and sustainable development of the Company and does not exceed the customary remuneration without special reasons. When assessing the customary level of remuneration of the respective Management Board member, both the comparable external corporate environment (horizontal comparison) and the internal Company remuneration (vertical comparison) are taken into account:

Horizontal comparison

In horizontal terms, reference is made to an appropriate comparison group (so-called *peer group*) when determining the remuneration level. Generally, the peer group is selected using the criteria of sales, market capitalisation, balance sheet total, company location, number of employees and sector comparability. Against the background of the Company's specialisation in IT security solutions, the Supervisory Board normally takes into account a representative number of comparable IT companies headquartered in Germany as the peer group.

Vertical comparison

In the vertical comparison, the appropriateness of the remuneration is reviewed with due regard to the remuneration of the group of senior executives (in the sense of the first level below the Management Board without the central divisions (secunet Services and staff departments)) and the relevant total workforce, also taking into account the development of remuneration over time

B.3. Overview of the remuneration system

The remuneration of the members of the Management Board comprises performance-based and non-performance-based components. An overview of the remuneration system is outlined below:

Overview of the remuneration system

	Remuneration component	Purpose	Contractual design	
Non-performance-based components	Basic remuneration	Assurance of an appropriate income Consideration of portfolio/duties of the Management Board member	Fixed contractually agreed remuneration paid in twelve equal monthly instalments	
	Fringe benefits	Assumption of costs / compensation for disadvantages	Benefits in kind and other benefits; essentially the granting of private use of company cars and insurance allowances (accident insurance, allowances for health, long-term care and pension insurance), conclusion of a D&O insurance policy as well as continued payment of remuneration in the event of illness, and death grants	
	Pension commitment	Private pension scheme development	Different pension commitments depending on the date of joining the Management Board: lifelong pension with surviving dependants' benefits or payment of a monthly pension contribution • For one Management Board member who was already appointed to the Company's Management Board in 1999, a defined benefit pension commitment applies in accordance with the pension scheme of Rheinisch-Westfälischer TÜV in its currently valid version, with the pensionable remuneration as the assessment parameter being individually capped • For the Management Board member appointed in 2017, a defined contribution, module-based pension commitment in the form of a direct commitment with a fixed annual pension module applies • For the other members of the Management Board who joined after this date and for any new Management Board members joining in the future who are to be remunerated in accordance with this remuneration system, a defined contribution plan applies, which is generally implemented externally and provides for an annual pension contribution in the amount of a specific percentage of the contractually regulated pensionable annual income •	
Performance-based components	Short-term (one-year) variable remuneration	Achievement of Company targets for the current financial year	Type	Short-term (one-year) variable remuneration
			Assessment period	Financial year
			Bonus cap	• » 200% of target achievement • » 200% payment of target value
		Focus on the operational success of the Company and steady cash flow	Performance criteria	Financial Company targets related to the financial year (e.g. earnings target (EBIT) and growth target (sales)), where the targets and their weighting can be redefined for each financial year
			Possibility of adjustment for one-off effects / option of adjustment in the event of extraordinary developments	Adjustment to take into account one-off effects; adjustment by decreasing or increasing the calculated bonus by up to 20% possible in the event of extraordinary developments, but limited by the bonus cap; if the calculated payout amount is zero, an increase to up to 10% of the target bonus amount can be made
			Payout	In the following financial year, one month after adoption of the annual financial

	Remuneration component	Purpose	Contractual design	
				statements for the respective previous financial year
Performance-based components	Long term (multi-year) variable remuneration	Incentive to sustainably increase the Company's success	Plan type	Virtual (forward-looking) Performance Share Plan I (cash payout)
			Assessment period	Four years
		Special consideration of shareholder interests	Limitation / Cap	• 150% of target achievement • 200% payment of target amount
		Alignment with the capital market performance of secunet AG, e.g. in comparison with a benchmark index	Performance criteria	• Capital market target, e.g. relative total shareholder return (TSR) compared to benchmark index • Strategic targets • Environmental, social, governance (ESG targets) / sustainability targets
			Possibility of adjustment for one-off effects / option of adjustment in the event of extraordinary developments	Adjustment to take into account one-off effects; adjustment by decreasing or increasing the calculated PSP payout amount by up to 20% possible in the event of extraordinary developments, but limited by the cap; if the calculated PSP payout amount is zero, an increase to up to 10% of the target Performance Share Plan I amount can be made
			Payout	Payment in cash with the next possible salary statement after adoption of the Company's consolidated financial statements following the end of the respective performance period, but not later than 31 December of the financial year following the end of the performance period
	Multi-year special bonus based on a Performance Share Plan II	Creation of additional incentives for long-term achievement of certain strategic goals and to increase the company's value growth	Type	Special bonus based on a virtual (forward-looking) Performance Share Plan II (paid out in cash) No regular variable remuneration component: Awarded only at the discretion of the Supervisory Board, based on a separate special bonus agreement with the Management Board member
			Assessment period for performance criteria	Three years
			Holding period with value development linked to the share price	Number of virtual shares after the end of the three-year assessment period that are held for one year from the end of the assessment period and paid out after the end of the one-year period dependent on the share price
			Maximum target achievement	200%
			Payout cap	200% of the target amount

	Remuneration component	Purpose	Contractual design	
			Performance criteria	Four strategic key performance indicators: • Sales, • EBITDA, • Free cash flow (FCF) and • TSR compared to benchmark index. Other strategically relevant KPIs of the respective Management Board department can be provided in addition to or instead of the aforementioned key performance indicators, but at least 4 performance criteria in total
			Possibility of adjustment for one-off effects / option of adjustment in the event of extraordinary developments	Adjustment to take into account one-off effects; adjustment by decreasing or increasing the calculated PSP payout amount by up to 20% possible in the event of extraordinary developments, but limited by the cap; if the calculated PSP payout amount is zero, an increase to up to 10% of the target Performance Share Plan II amount can be made.
			Payout	Payment in cash with the next possible salary statement after adoption of the Company's consolidated financial statements following the end of the holding period.
Other remuneration regulations	Maximum remuneration	Inappropriate levels of disbursement are avoided	The maximum possible remuneration under this remuneration system is set at 1,650,000 euros gross for the Chairman of the Management Board and at 1,250,000 euros gross per year for all other members of the Management Board (including any annualised multi-year special bonus based on a Performance Share Plan II); a lower maximum remuneration can be contractually agreed	
Other remuneration regulations	Malus and clawback	Compliance Rectification of incorrect bases	Partial or complete reduction (malus) or recovery (clawback) of the variable remuneration if the variable remuneration is determined on the basis of incorrect data or in case of intentional or grossly negligent breach of duty	
Other remuneration regulations	Termination of contract	Limitation of inappropriately high severance payments in case of (early) termination of contract	• Linking clause with severance pay entitlement (limited to max. two years' salary or remuneration for the remaining term) • So-called good/bad leaver arrangements in relation to outstanding tranches under Performance Share Plan I and in relation to multi-year special bonuses based on a Performance Share Plan II in the event of departure before the end of the assessment period or holding period	

C. Structure of the remuneration elements in detail

The remuneration system comprises all non-performance-based (fixed) and performance-based (variable) remuneration components, the sum of which constitutes the total remuneration of the respective Management Board members and is presented below in its individual components. The non-performance-based fixed remuneration consists of basic remuneration as well as benefits in kind and other benefits (so-called fringe benefits) as well as pension benefits.

The performance-based remuneration of the Management Board members comprises a short-term and a long-term variable component. The short-term variable remuneration is paid in the form of a bonus. The long-term variable remuneration is based on a (virtual) Performance Share Plan

I and – at the discretion of the Supervisory Board – possibly also from a multi-year special bonus based on a Performance Share Plan II.

In this remuneration structure, the target level of long-term variable remuneration always exceeds the target level of short-term variable remuneration.

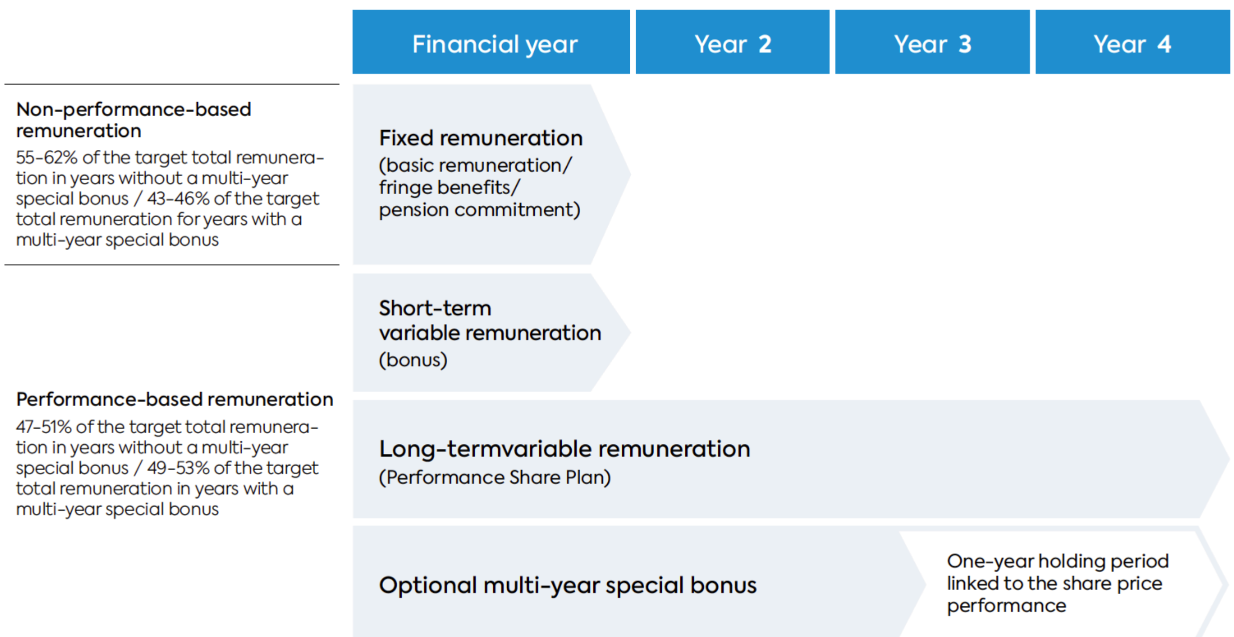
In years for which no multi-year bonus special based on a Performance Share Plan II is awarded, the basic remuneration amounts to between 50% and 55% of the target direct remuneration (i.e. excluding fringe benefits and company pension benefits), depending on the member of the Management Board. The short-term variable remuneration (bonus) represents approximately 21% to 25% of the target direct remuneration (i.e. excluding fringe benefits and company pension benefits), while the long-term variable remuneration in the form of Performance Share Plan I contributes between approximately 23% and 26% to the target direct remuneration (i.e. excluding fringe benefits and company pension benefits), thereby ensuring that long-term variable remuneration exceeds short-term variable remuneration in the target amounts (i.e. for 100% target achievement). The share of the fixed remuneration components in the total target remuneration for one year (i.e. including fringe benefits and company pension benefits[3]) thus lies between approximately 55% and 62% in years without a multi-year special bonus, with the performance-based variable remuneration components being set at the value for 100% target achievement, while the variable remuneration components account for between approximately 38% and 45% of the total target remuneration.

In years for which an additional multi-year special bonus is awarded on the basis of a Performance Share Plan II, the basic remuneration amounts to between approximately 43% and 46% of the target direct remuneration (i.e. excluding fringe benefits and company pension benefits), depending on the Management Board member, and the short-term variable remuneration (bonus) in this case corresponds to approximately 18% to 21% of the target direct remuneration (i.e. excluding fringe benefits and company pension benefits), while the long-term variable remuneration based on Performance Share Plan I and the multi-year special bonus based on a Performance Share Plan II (the latter estimated at one third of the target amount) corresponds to between approximately 36% and 37% of the target direct remuneration (i.e. excluding fringe benefits and company pension benefits). In this case, i.e. taking into account the multi-year special bonus based on a Performance Share Plan II, the long-term variable remuneration exceeds the short-term variable remuneration even more significantly in the target amounts (i.e. with 100% target achievement). The share of the fixed remuneration components in the total target remuneration for one year (i.e.

[3] On the basis of an IAS 19 valuation

including fringe benefits and company pension benefits) thus lies between approximately 47% and 51% in years to which a multi-year special bonus based on a Performance Share Plan II is allocated (with the performance-based variable remuneration components being set at the value for 100% target achievement), while the variable remuneration components, including the pro rata multi-year special bonus based on a Performance Share Plan II, account for between approximately 49% and 53% of the total target remuneration.

For the relative shares stated in this section, minor shifts of a few percentage points may occur due to fluctuating valuation of the fringe benefits (which, for the purposes of the percentage shares of the target total remuneration stated here, were set at a lump sum amount based on past experience with a small supplement) and pension costs.



C.1. Non-performance-based (regular) remuneration

C.1.1. Basic remuneration

The basic remuneration is a fixed cash remuneration based on the entire year and paid in twelve equal monthly instalments. The amount of the respective basic remuneration is based on the role on the Management Board (Chairman / Vice Chairman / ordinary member), the area of responsibility, the experience and the position of the respective Management Board member.

C.1.2. Fringe benefits

In addition, each member of the Management Board receives benefits in kind and other benefits (so-called fringe benefits). These essentially include the granting of private use of company cars, continued payment of remuneration in the event of illness and allowances for insurance. In particular, Management Board members receive accident insurance as well as allowances for health, long-term care and pension insurance and participate in a D&O insurance policy (with the usual deductible provided for by law). In addition, a death grant is paid to their dependants in the event of their death. All members of the Management Board are essentially entitled to the same benefits in kind, although the amount may vary depending on their personal situation. The taxes attributable to the pension and accident insurance allowances are borne by the Company. The Supervisory Board may grant other or additional fringe benefits customary in the market, such as the possibility of private use of company mobile devices or, in the case of newly appointed members, the assumption of relocation costs.

C.1.3. Pension commitment

The company pension scheme at secunet AG is currently still organised in different systems, depending on when the members of the Management Board took up their positions.

The pension commitment for the Chairman of the Management Board, Mr Deininger, is based on a direct commitment with a fixed annual pension component (defined contribution), which is credited to a personal pension account. The pension module allocated annually to the pension account is determined on the basis of a fixed notional pension contribution and an age-related actuarial transformation factor valid at the time of annual allocation. The sum of the earned pension components results in the pension capital to which the Management Board member is entitled upon reaching the age of 67 and which at the same time forms the assessment basis for pension benefits to be paid prematurely, namely due to early retirement benefits (from the age of 62 at the earliest), disability benefits and benefits to surviving dependants in the event of death. If the Management Board member leaves the Management Board prior to the occurrence of a pension event, the entitlement to pension benefits achieved at that time shall be maintained in the amount of the pension modules earned at that time. Irrespective of this, there is a minimum survivor benefit, which in principle amounts to twice the relevant annual fixed salary of the Management Board member in accordance with the employment contract when the insured event occurs. In the event of early retirement before the requirements for the payment of a pension benefit are met, the minimum survivor benefit based on twice the annual fixed salary last paid by the Company is multiplied by the ratio of the actual length of service from entry into service to the possible length of service up to the fixed retirement age. In principle, the Management Board member can choose between payment as a one-time capital benefit or as a regular monthly pension, where in the latter case the Company can redefine the implementation method (e.g. through a pension fund). In addition, Mr Deininger is entitled to pension benefits from a previous pension commitment as an employee (in the form of a defined contribution plan).

Mr Pleines' pension is based on a defined benefit pension commitment in accordance with the pension scheme of Rheinischer Westfälischer TÜV in the currently valid version, from which he is entitled to a retirement pension or, if applicable, to an early retirement pension upon reaching a certain age limit or an occupational or disability pension or a widower's/widow's pension, with the pensionable remuneration as the assessment parameter being individually capped.

The other members of the Management Board receive a pension commitment in the form of a lifelong pension with surviving dependants' benefits, which is generally managed externally. For these purposes, secunet AG pays an annual contribution of 6% of the fixed annual salary (basic remuneration) plus the target value of the short-term one-year variable remuneration (bonus) plus the target value of the long-term variable remuneration (Performance Share Plan I). The pension commitment comprises old-age pension benefits and benefits to surviving dependants in the event of death. In the event of the premature departure of a Management Board member, any pension benefit is maintained. The amount of the entitlement acquired up to that point corresponds to the benefits from the reinsurance exempted from premium payment at the time of departure. With regard to payment of the pension benefit, the member of the Management Board can generally choose between payment as a one-time capital benefit or as a regular monthly pension, with the Management Board member and his surviving dependants remaining bound by the decision regarding payment once it has been made. In the event of death of the Management Board member before drawing an old-age pension benefit, the surviving spouse as beneficiary receives a one-off capital payment as a survivor benefit. Regular pension benefits are increased annually by at least 1% of their last payment amount, commencing one year after the start of payment. If profit participation from the reinsurance policy taken out by the provident fund results in a higher adjustment, this higher adjustment shall be granted.

C.2. Performance-based (variable) remuneration

The variable remuneration is intended to promote sustainable development of the Company and the ambitious strategic orientation of secunet AG by focusing on both short-term and long-term success.

The performance-related variable remuneration is made up of the short-term bonus and the long-term variable remuneration from Performance Share Plan I and, if applicable, a multi-year special bonus based on a Performance Share Plan II.

The parameters for the short-term (bonus) and long-term (Performance Share Plan I and, if applicable, multi-year special bonus based on a Performance Share Plan II) variable remuneration differ primarily in terms of the assessment period and the respective performance criteria. While the bonus is based exclusively on financial performance criteria, the Performance Share Plan also takes into account non-financial (in particular ESG or sustainability) targets over a four-year assessment period. In the case of any multi-year special bonus based on a Performance Share Plan II, ambitious strategic value enhancement targets based on at least four measurable KPIs over an assessment period of three years are also taken into account; any multi-year special bonus based on a Performance Share Plan II is also linked to the share price performance during a one-year holding period following the assessment period for the performance criteria. When selecting the respective performance criteria, the Supervisory Board pays attention to measurability, at least in the case of the financial performance criteria, as well as to strategic relevance, i.e. the key performance indicators are geared in particular to the growth and increase in profitability of secunet AG. To the extent that non-financial performance criteria are assessed on a discretionary basis, the Supervisory Board shall ensure that the assessment is transparent. The consideration of various performance categories under the Performance Share Plan I ensures a holistic and comprehensive representation of the Company’s success.

As part of setting targets, the Supervisory Board may adjust targets underlying the financial performance criteria with variable remuneration components (including any multi-year special bonus based on a Performance Share Plan II) for effects from special factors, in particular effects from or in connection with transactions, from the reduction in the number of consolidated companies or other changes in the scope of consolidation, restructuring measures (including in the years following the restructuring) and strategic reorganisations. Moreover, the Supervisory Board may adjust for one-off effects for which the Executive Board is not responsible, which are not budgeted and therefore not included in the calculation of the target values.

In addition, even after the relevant performance criteria and targets have been set, the Supervisory Board may, in justified special cases, take appropriate account of extraordinary developments when determining target achievement for all variable remuneration components (including any multi-year special bonus based on a Performance Share Plan II). In the event of extraordinary developments, this may lead to an increase (but not exceeding the respective cap for the variable remuneration component) as well as to a reduction of the variable remuneration component by up to 20% in each case; if the variable remuneration component is zero, the Supervisory Board may increase the variable remuneration component in such cases to up to 10% of the respective target amount in order to take appropriate account of the extraordinary developments. Extraordinary developments during the year include, in particular, unusually far-reaching changes in the economic environment, provided that neither they nor their concrete effects were foreseeable. In contrast, any normal fluctuations in market developments are not considered to be extraordinary developments. The option of reduction pursuant to Section 87 (2) AktG shall remain unaffected.

C.2.1. Short-term variable remuneration (bonus)

The one-year variable remuneration (bonus) aims to reward the respective contribution to the operational implementation of secunet AG's strategy within a specific financial year.

The target achievement for the bonus is determined on the basis of financial targets for the Company, such as the earnings target (EBIT) and the growth target (sales). The Company's financial targets and the respective target values are set annually as planning values for the following financial year. Performance measurement for each of the defined performance targets is based on the ratio of the achieved result at the end of the financial year to the respective planned target. The bonus is based on a target amount specified in the employment contract, assuming 100% target achievement. The total payout amount from the bonus is capped at 200% of the target amount (*bonus cap*).

Before the beginning of each financial year, the Supervisory Board determines for each target a target value derived from the budget (with 100% target achievement being assumed if this is reached) as well as a target corridor with a minimum value and a maximum value. If the target value for a set target is reached, the target achievement level is 100% in each case. The minimum value forms the lower end of the target corridor, at which the target achievement level is 50% for the respective target. The maximum value forms the upper end of the target corridor, at or above which the target achievement level is 200% for the respective target. If the value achieved in respect of a target falls below the minimum value, the target achievement level for this target corresponds to 0%. If the value achieved in respect of a target exceeds the minimum value but does not reach the target value, or if the value achieved exceeds the target value but does not reach the maximum value, the target achievement level for the target in question is determined by linear interpolation between the respective minimum and target values or between the respective target and maximum values.

In accordance with the relative weighting of the target categories, an overall target achievement level is determined from the calculated individual target achievement levels, on the basis of which the payout amount, limited by the bonus cap, is calculated with the aid of the bonus target amount:

Total target achievement level x bonus target amount = bonus payout amount (not exceeding the bonus cap)

Target achievement is determined for each year as part of the annual financial statements of secunet Group. Any bonus shall be paid in the financial year following the financial year relevant to the bonus in the month following the adoption of the annual financial statements for the respective past financial year.

Short-term variable remuneration (bonus)

Performance targets	e.g. earnings target (EBIT)	e.g. growth target (sales revenue)
Performance measurement	Earnings at end of financial year compared with planned EBIT Target achievement < 50% = 0% payout (weighted for this target) Target achievement = 100% = 100% payout (weighted for this target) Target achievement ≥ 200% = 200% payout (weighted for this target) Linear interpolation between the reference values	Earnings at end of financial year compared with planned sales revenue Target achievement < 50% = 0% payout (weighted for this target) Target achievement = 100% = 100% payout (weighted for this target) Target achievement ≥ 200% = 200% payout (weighted for this target) Linear interpolation between the reference values

C.2.2. Long-term variable remuneration (Performance Share Plan I)

a. Overview of the functional principle of the Performance Share Plan I

secunet AG's Performance Share Plan I is a share-based variable remuneration component with a four-year assessment period and a corresponding waiting period of just over four years until the variable remuneration component is available for the first time.

The Performance Share Plan I is divided into three consecutive steps, beginning with the allocation of virtual shares, followed by the measurement of target achievement during the four-year forward-looking performance period, and ending with determination of the payout amount.

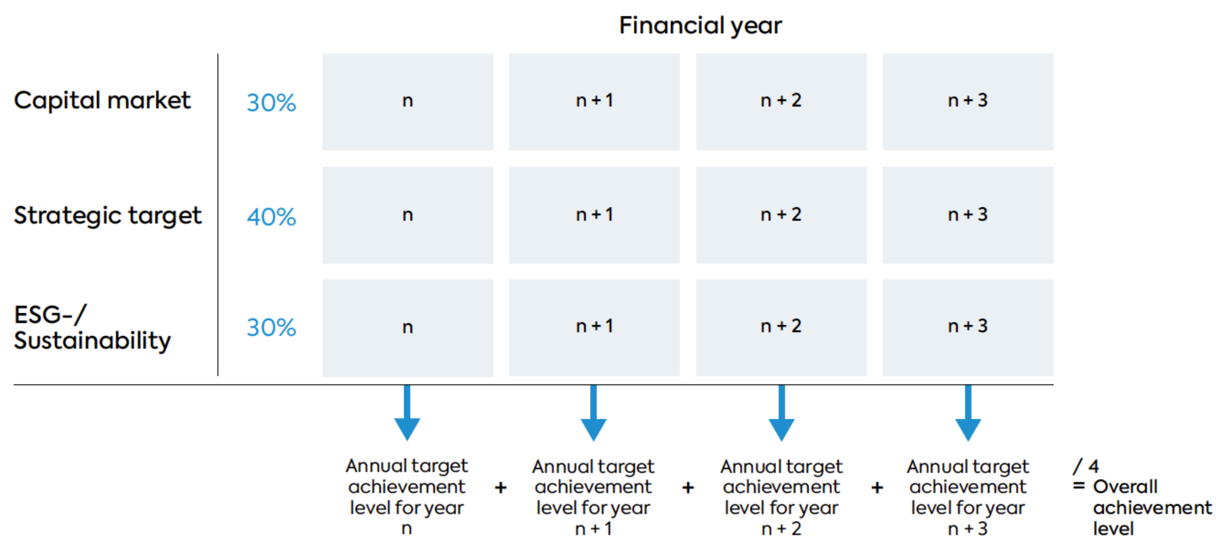
In the first step, a tranche of virtual shares (*performance shares*) is allocated annually. This is done by converting the contractually agreed target amount into virtual shares in accordance with the initial price of the secunet share (commercially rounded to the nearest full number of virtual shares). The initial price corresponds to the average closing price of the secunet share – rounded to two decimal places – on the last 30 trading days before the start of the respective performance period. Allocation of the virtual shares takes place on 1 January of each year. The four-year assessment period for the respective tranche also begins at this time. It ends on 31 December of the third following year (four-year performance period).

In the second step, performance is measured on the basis of the performance targets in three performance categories, taking into account their relative weighting over a forward-looking performance period of four years.

In the third step, the final number of virtual shares is determined according to the overall target achievement level and the payout amount is calculated on this basis. For this purpose, the annual target achievement levels for the four years of the performance period are first determined. These are derived from the sum of the target achievement levels for the three performance categories, taking into account their relative weighting, with the target achievement level for each performance target being limited to 150%. The average overall target achievement level for the performance period is then determined on the basis of the annual target achievement levels.

The payout amount corresponds to the product of the final number of performance shares and the sum of the arithmetic mean of the closing prices on the last 30 trading days before the end of the performance period (commercially rounded to two decimal places) and the dividends paid per share during the performance period. No interest is calculated for the dividends, nor are they reinvested. The payout amount is limited to 200% of the target amount. In the event of a capital increase from Company funds or a capital reduction without repayment of contributions, the number of performance shares allocated shall increase or decrease in the same proportion as the total amount of the share capital. In the case of other measures under company law that affect the value of a share, the Supervisory Board shall adjust the initially allocated number of performance shares in such manner as is reasonably necessary to take account of the relevant measure.

In principle, the annual measurement of the performance targets over the four-year performance period is carried out as summarised in the following overview:



The payout amount will be paid with the next possible salary statement after adoption of the Company's consolidated financial statements following the end of the respective performance period, but not later than 31 December of the financial year following the end of the performance period.

b. Performance criteria of the Performance Share Plan I in detail

The Performance Share Plan links target achievement to three performance categories, namely (i) a capital market target, generally based on the relative total shareholder return (TSR) compared to a peer group, (ii) at least one strategic target and (iii) sustainability targets or environmental, social, governance (ESG) targets. These three performance categories are in principle weighted at (i) 30%, (ii) 40%, (iii) 30%. The specific targets within the performance categories as well as their relative weighting can be redefined with each new performance period (new individual targets can be defined annually for the sustainability and ESG targets).

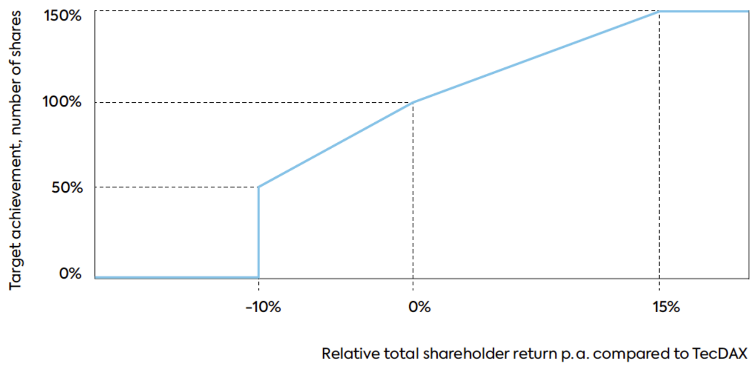
- The capital market target is generally included in the long-term variable remuneration with a weighting of 30% and is an external performance criterion geared to the capital market. In particular, the relative total shareholder return comes into consideration as the capital market target. This takes into account the share price performance of secunet AG plus notionally reinvested gross dividends during the four-year assessment period compared to a benchmark index.

  The relative performance measurement of the TSR directly links the interests of the Management Board with those of the shareholders. In this way, long-term outperformance on the capital market and thus the attractiveness of the capital investment for shareholders are particularly incentivised. In principle, the TecDAX is to be used as the benchmark index for measuring the TSR, as long as this constitutes an adequate peer group for secunet AG as an IT service company. However, the Supervisory Board may also use a different suitable stock exchange index as a benchmark if the Company were to be listed in another index in the future.

To calculate the TSR of the secunet AG share and the relevant benchmark index, the arithmetic mean of the XETRA closing prices over the last 30 trading days before the start of each year of the performance period and over the last 30 trading days before the end of the respective year of the performance period is determined for each year of the performance period, and the annual TSR of the secunet AG share thus calculated is compared with the annual TSR of the benchmark index. The notionally reinvested gross dividends of the secunet shares are also taken into account when determining the arithmetic mean of the closing prices at the end of the respective year.

TSR target achievement is 100% if the TSR performance of the secunet share equals the TSR performance of the benchmark index. If the TSR performance of the secunet share is 10 percentage points below the TSR performance of the benchmark index, the target achievement is 50% (minimum threshold). If the TSR performance of the secunet share is 15 percentage points or more above the TSR performance of the benchmark index, the target achievement is 150% (*cap*). If the TSR performance falls below the minimum threshold, the target achievement is 0%. The levels of target achievement between the defined reference values are determined by linear interpolation. When each new tranche of performance shares is issued, the Supervisory Board may redefine the target or threshold values for determining the target achievement levels.

Example of target achievement measurement for capital market target “Relative TSR”:



- As a further performance category, strategic objectives are included in the assessment, generally with a weighting of 40%. The strategic objective is initially based on the strategic target of **sales growth** in the sense of a sustainable increase in the share of business both in the private sector and in the international environment. The background to this is the incentive to align secunet AG in a profit-oriented manner and thus ensure long-term profitability. In this context, appropriate account is taken of secunet AG's strategic orientation, particularly with regard to securing and expanding its good market position with German public authorities, expanding business in the (national) private sector as well as internationalisation.

  Against this backdrop, the strategic target is initially assessed on the basis of the planned sales figures in the Business and International segments. For this purpose, target sales values are set for these segments as well as a minimum threshold and a maximum threshold. If the sales volume falls below the minimum threshold, the target achievement is 0%. If the minimum threshold is reached, the target achievement for the strategic target is 50%. If the target value is reached, the target achievement level is 100%. If the maximum threshold is reached or exceeded, the target achievement is 150% (*cap*). Between the individual target or threshold values, the level of target achievement is determined by linear interpolation.

  When each new tranche of performance shares is issued, the Supervisory Board may redefine the specific strategic targets – including targets other than the aforementioned sales growth targets – or the thresholds for determining the target achievement levels.

- As an integral element of corporate strategy, the topic of sustainability is also reflected in the long-term variable remuneration as a performance criterion, generally with a weighting of 30%. As an innovation and market leader in the field of IT security solutions, secunet AG is committed to the goal of contributing to societal development and economic sustainability – particularly in the thematic cluster of IT security and combating cybercrime – through high-performance software and hardware products and services as well as state-of-the-art corporate structures. In doing so, the Supervisory Board focuses primarily on the needs of the employees, an effective compliance strategy and consideration of environmental and social issues.

Against this backdrop, the Supervisory Board usually defines up to three different sustainability or ESG targets each year. Examples include diversity targets within the workforce, junior staff development and the attractiveness of secunet AG as an employer, occupational health and safety, as well as training and further education goals. Attention to environmental concerns or the creation and maintenance of compliance structures, for example, can also be included in the sustainability performance category.

The progress of the corresponding measures in the area of the relevant annual sustainability targets is assessed at yearly intervals (in particular on the basis of a sustainability report) and the respective performance of the Management Board member is evaluated on a scale from 50% to 150%, with the aim of achieving measurability of target achievement as far as possible.

To the extent that measurability of target achievement is not ensured, the Supervisory Board shall determine target achievement in relation to all sustainability/ESG targets at its due discretion. If the minimum performance of 50% of the set sustainability targets is not attained, the target achievement is 0%. It is not possible to exceed the 150% threshold.

In summary, the following chart illustrates the various elements of the Performance Share Plan I of secunet AG and their incentive effects in relation to the corporate strategy:

Performance Share Plan I

Performance criteria	Influence on the corporate strategy
Capital market, e.g. relative TSR (generally 30%)	• For example, relative performance measurement and incentivisation for long-term outperformance on the capital market
Strategic target (generally 40%)	• For example, incentivising profitable and profit-oriented management • For example, generating long-term and sustainable growth by achieving the strategic targets of secunet AG
ESG / Sustainability (generally 30%)	• Holistic implementation of the sustainability strategy relevant to secunet AG, taking account of employee interests, compliance structures and environmental and social issues by setting relevant sustainability targets on an annual basis

C.2.3. Multi-year special bonus based on a Performance Share Plan II

a. Overview of the functional principle of the Performance Share Plan II

The Supervisory Board may, at its discretion and in view of the Company's strategically ambitious targets, provide for an additional long-term variable, share-based special remuneration component based on a Performance Share Plan II for all or individual members of the Management Board, which depends on the achievement of certain performance criteria and targets defined in advance by the Supervisory Board on a three-year assessment basis (three financial years) and also on the performance of the secunet AG share price up to the end of a further year after the three-year assessment period (*multi-year special bonus*). Such a multi-year special bonus is granted for the three-year assessment period and subsequent one-year holding period. The total remuneration of the individual members of the Management Board must be commensurate with the Company's situation, even taking into account such a multi-year special bonus.

The multi-year special bonus based on a Performance Share Plan II is not a regular remuneration component and is therefore not part of the regular target remuneration, but can be awarded by the Supervisory Board at its discretion. The multi-year special bonus based on a Performance Share Plan II serves to provide an additional incentive in relation to ambitious strategic targets, in particular targets for successful strategic development. The performance criteria for the multi-year special bonus are derived from the strategic objectives of secunet AG and are based on at least four relevant key performance indicators, in particular sales, EBITDA, FCF and TSR (compared to a benchmark index, whereby the provisions of Performance Share Plan I apply accordingly to the calculation of TSR, see C.2.2.b.). Different key performance indicators for the respective Management Board department can also be provided in addition to or instead of the aforementioned key performance indicators.

Similar to Performance Share Plan I (as a long-term variable standard component), Performance Share Plan II is divided into four successive steps, starting firstly with the allocation of virtual shares, secondly with the measurement of target achievement during the three-year forward-looking performance period, thirdly with the further link to the share price performance of the secunet AG share during a further subsequent year and fourthly with the determination of the payout amount.

In the first step, a tranche of virtual shares (*performance shares*) is allocated annually on the basis of the Performance Share Plan II approved by the Supervisory Board. This is done by converting the target amount determined at the discretion of the Supervisory Board for the multi-year special bonus for the respective Management Board member into virtual shares according to the initial price of the secunet share (commercially rounded to the nearest whole number of virtual shares). As is the case with the Performance Share Plan I, the initial price corresponds to the average closing price of the secunet share – rounded to two decimal places – on the last 30 trading days before the start of the respective performance period. Here also, the virtual shares are allocated on 1 January of the first year for which the multi-year special bonus is to be awarded. The three-year assessment period for the respective tranche also begins at this time. It ends on 31 December of the second following year (three-year performance period).

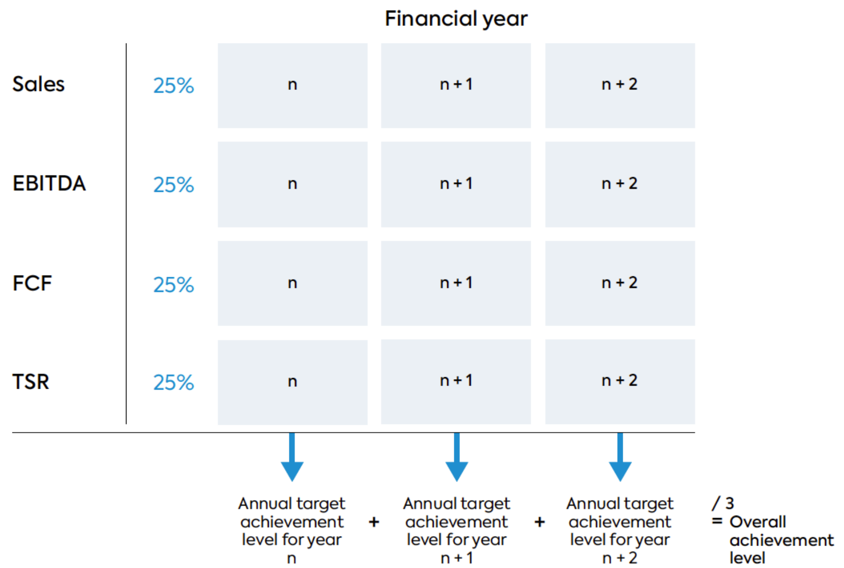
In the second step, performance is measured on the basis of at least four key performance indicators, taking into account their relative weighting over a forward-looking performance period of three years.

The final virtual number of shares is then determined according to the overall target achievement level. For this purpose, the annual target achievement levels for the three years of the performance period are first determined. These are derived from the sum of the (at least) four defined key performance indicators, taking into account their relative weighting, with the target achievement level for each key performance indicator being limited to 200%. The average overall target achievement level for the performance period is then determined on the basis of the weighted annual target achievement levels. The final virtual number of shares is then determined by multiplying the calculated overall target achievement level by the initial number of virtual shares allocated on the basis of the Performance Share Plan II as a calculation parameter.

The number of virtual shares calculated in this way is held virtually for a further year immediately following the end of the assessment period (holding period). The payout amount is determined after the holding period has expired. This corresponds to the product of the final number of performance shares calculated at the end of the three-year performance period and the sum of the arithmetic mean of the Xetra closing prices on the last 30 trading days before the end of the one-year holding period following the performance period (commercially rounded to two decimal places) and the dividends paid per share during the performance period and holding period. No interest is calculated for the dividends, nor are they reinvested. The payout amount is limited to 200% of the target amount.

In the event, before the end of the holding period, of a capital increase from Company funds or a capital reduction without repayment of contributions, the number of performance shares allocated shall increase or decrease in the same proportion as the total amount of the share capital. In the case of other measures under company law before the end of the holding period that affect the value of a share, the Supervisory Board shall adjust the initially allocated number of performance shares in such manner as is reasonably necessary to take account of the relevant measure.

In principle, the annual measurement of the performance targets over the three-year performance period is carried out as summarised in the following overview:



The payout amount is paid with the next possible salary statement after adoption of the Company's consolidated financial statements following the end of the holding period.

b. Performance criteria of the Performance Share Plan II in detail

The Performance Share Plan II is generally based on at least four key performance indicators for target achievement, namely (i) Sales, (ii) EBITDA, (iii) FCF and (iv) TSR (compared to a benchmark index, whereby the provisions of Performance Share Plan I apply accordingly for the calculation of TSR, see C.2.2.b.). Different key performance indicators for the respective Management Board department can also be provided in addition to or instead of the aforementioned key performance indicators. These relevant key performance indicators are weighted equally and determined by the Supervisory Board for three years. At the same time, the Supervisory Board defines the respective target and threshold values in advance at the beginning of the assessment period for each year of the three-year assessment period. There is no annual adjustment of the key performance indicators and/or the respective target or threshold values.

- The TSR generally (i.e. for four performance criteria) has a 25% weighting in the multi-year special bonus based on a Performance Share Plan II and is an external performance criterion geared towards the capital market. It takes into account the share price performance of secunet AG plus notionally reinvested gross dividends during the three-year assessment period compared to a benchmark index.

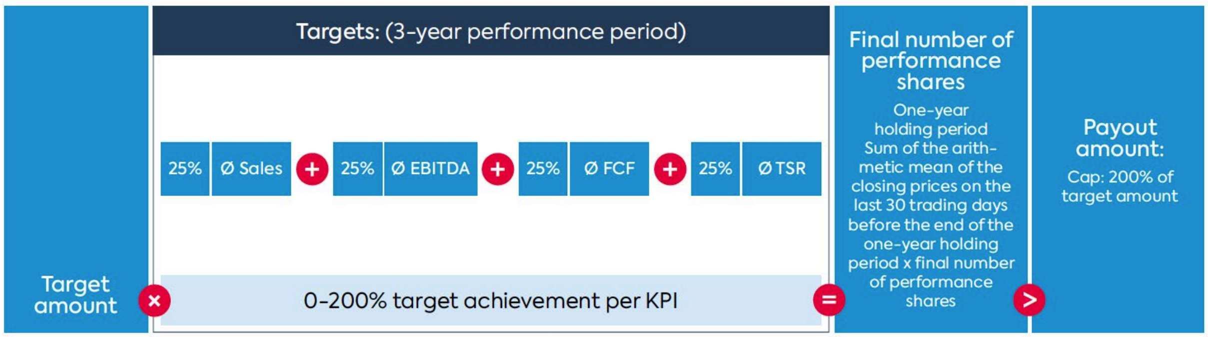
The above explanations under C.2.2.b. apply accordingly to the TSR in the context of Performance Share Plan II, with the following deviation with regard to the target achievement assessment in order to take account of the exceptional nature of Performance Share Plan II:

TSR target achievement is generally 100% if the TSR performance of the secunet share corresponds to the TSR performance of the benchmark index. If the TSR performance of the secunet share is 10 percentage points below the TSR performance of the benchmark index, the target achievement is generally 50% (minimum threshold). If the TSR performance of the secunet share is 15 percentage points or more above the TSR performance of the benchmark index, the target achievement is generally 200% (*cap*). If the TSR performance falls below the minimum threshold, the target achievement is 0%. The levels of target achievement between the defined reference values are determined by linear interpolation. When each new tranche of performance shares on the basis of a Performance Share Plan II is issued, the Supervisory Board may redefine the target or threshold values for determining the target achievement levels for the TSR.

- Other key performance indicators used to calculate the multi-year special bonus are generally included (equally weighted):
  - FCF; this key performance indicator can be used to assess how the funds available to the company have changed as part of secunet AG's strategic development. The members of the Management Board are incentivised by ambitious targets for this key performance indicator to keep stable the funds that are not required for either the operating business or investments or to increase them. This key performance indicator thus also serves to harmonise the interests of the Management Board and shareholders.
  - EBITDA as an integral performance indicator for measuring value enhancement.
  - Sales.

The Supervisory Board sets a target value, a minimum threshold value and a maximum threshold value for each of these aforementioned key performance indicators (FCF, EBITDA, sales) in advance for all three years of the assessment period. If the sales volume falls below the minimum threshold, the target achievement is 0%. If the minimum threshold is reached, the target achievement for the target is 50%. If the target value is reached, the target achievement level is 100%. If the maximum threshold is reached or exceeded, the target achievement is 200% (cap). Between the individual target or threshold values, the level of target achievement is determined by linear interpolation.

When each new tranche of performance shares on the basis of a Performance Share Plan II is issued, the Supervisory Board may redefine the target or threshold values for determining the target achievement levels



D. Other provisions relevant to remuneration

D.1. Amount and determination of maximum remuneration

The variable remuneration is intended to appropriately reflect both opportunities and risks of the Management Board's activities. If the targets are not met, the entire variable remuneration may be forfeited. If, on the other hand, the targets are exceeded by a wide margin, the payout is capped at a maximum of 200% of the respective target amount.

Taking into account Section 87a (1), sentence 2, no. 1 AktG as well as the GCGC 2022, the Supervisory Board has also set an amount as the upper limit for the maximum total remuneration (*overall cap*) per Management Board member. This maximum total remuneration represents the maximum value that a member of the Management Board may receive for a financial year in accordance with this remuneration system and includes all fixed and variable remuneration components (including any multi-year special bonus based on a Performance Share Plan II). The amount of the maximum total remuneration is therefore composed of the basic remuneration, the one-year and multi-year variable remuneration components, fringe benefits and the expense for benefits under the company pension scheme. Severance payments are not included in the maximum remuneration. The maximum possible remuneration determined by the Supervisory Board under this remuneration system is thus 1,650,000 euros gross per year for the Chairman of the Management Board and 1,250,000 euros gross per year for each of the other ordinary members of the Management Board. A lower maximum remuneration may be agreed contractually.

D.2. Malus and clawback provisions

If the contractual requirements are met, the Supervisory Board has the option of reducing variable remuneration components that have not yet been paid out (including any multi-year special bonus based on a Performance Share Plan II) and/or reclaiming variable remuneration components that have already been paid out.

In the event of a breach of duty that has led to or would justify a legally effective extraordinary termination, or in the event of a grossly negligent or intentional breach by a member of the Management Board of one of his material duties of care within the meaning of Section 93 AktG , the Supervisory Board may reduce the variable remuneration components (bonus or payout amounts under the Performance Share Plan I or the multi-year special bonus based on a Performance Share Plan II) at its due discretion (if necessary also to “zero”): ***malus***.

If the variable remuneration components in question have already been paid out, the Supervisory Board may, at its due discretion and in accordance with the contractual preconditions, demand partial or full return of the amounts of variable remuneration paid out: ***clawback***.

If variable remuneration components were determined or paid out on the basis of incorrect data (for example, due to incorrect consolidated financial statements), the Supervisory Board may correct the determination or reclaim remuneration components already paid out that are affected by the incorrect data.

In the event of breaches of duty in the aforementioned sense, the reduction or recovery shall in principle apply to the variable remuneration for the year in which the significant breach of duty was committed. In the case of a multi-year special bonus based on a Performance Share Plan II, the multi-year special bonus based on a Performance Share Plan II can be reduced or reclaimed if the significant breach of duty was committed within the three-year assessment period. The clawback period ends one year after payment of the respective variable remuneration component. Recovery is also still possible if the term of office or the employment relationship with the respective Management Board member has already ended.

Any obligation of the Management Board member to pay damages to secunet AG remains unaffected by the reduction or recovery of variable remuneration components.

D.3. Remuneration due to internal and external mandates

Any remuneration received by a member of the Management Board for activities in corporate bodies (e.g. supervisory boards, advisory boards, executive boards, management) of companies in which the Company holds an interest, which are in a group relationship with the Company, or which the member performs at the request of the Company, shall be offset against the remuneration of the Management Board member in accordance with this remuneration system. In the event of the acceptance of supervisory board mandates outside the Group, the Supervisory Board shall decide whether and to what extent any remuneration paid for such mandates is to be offset.

D.4. Benefits upon termination of contract

D.4.1. Contract term and premature termination

The employment contracts of the members of the Management Board are concluded for a fixed term covering the period of appointment. When appointing members of the Management Board, the Supervisory Board observes in particular the legal requirements of Section 84 AktG. In accordance with the provisions of company law, the employment contracts do not provide for the possibility of ordinary termination; the right of both parties to terminate for good cause without notice (cf. Section 626 (1) of the German Civil Code) remains unaffected, however. Additionally, according to the Management Board service contracts, personal suitability is a prerequisite for Management Board activity; this also includes a positive result of the official security clearance.

The Supervisory Board is entitled to revoke the appointment to the Management Board for good cause within the meaning of Section 84 (4), sentence 1 AktG. In this case and in the event that the Management Board member for his part resigns from office for good cause prematurely and unilaterally, the employment contract shall automatically terminate upon the expiry of a notice period in accordance with statutory periods of notice, but no later than the end of the regular term of office of the Management Board member.

In the event of a Management Board member's appointment being revoked or resignation from office for good cause for which the Company is responsible, the employment contracts for the Management Board members provide for a severance payment, the amount of which shall be limited to the remuneration for the remaining term of the employment contract, but no more than two years' total remuneration (*severance payment cap*). In other cases of premature termination, too, any payments shall be limited to a maximum of two years' total remuneration or the remuneration for the remaining term of the employment contract. Calculation of the severance payment or severance payment cap is based on the total remuneration for the financial year preceding the premature termination of the Management Board activity and, under certain circumstances, on the expected total remuneration for the current financial year. No severance payment shall be made in the event of extraordinary termination by the Company for good cause or in the event of premature termination of the Management Board activity at the request of the Management Board member or if the result of the security clearance is negative for good cause for which the Management Board member is responsible.

In certain exit situations (so-called bad leaver cases), performance shares for performance periods that have not yet expired and a multi-year bonus special based on a Performance Share Plan II for performance periods or holding periods that have not yet expired are forfeited without compensation entitlement. In the event of premature termination of the employment contract due to death or permanent disability, the performance shares already granted (on the basis of Performance Share Plan I or II) whose four-year performance period (or three-year performance period and one-year holding period) has not yet expired will, by way of exception, be converted into a payout amount and paid out early. The payout amount corresponds to the respective allocation value (i.e. the target value) of the relevant tranche of the Performance Share Plan I or II. In all other cases where the Management Board member leaves the company before the end of an unexpired performance period or holding period, the overall degree of target achievement for the respective plan tranche is determined unchanged (pro rata temporis) after the regular end of the performance period. The final number of performance shares determined in this way is then converted into a PSP payout amount or, in the case of the multi-year special bonus based on a Performance Share Plan II, converted into a PSP payout amount after expiry of the holding period and paid out (subject to a full or partial reduction in accordance with the malus and clawback rules) on the regular due date.

D.4.2. Joining or leaving during the year / incapacity to work or suspension of employment for more than six months

If a member of the Management Board joins or leaves the board during an ongoing financial year, the total remuneration – including the short-term variable remuneration and the allocation value under the long-term Performance Share Plan I – shall be reduced *pro rata temporis* in accordance with the length of the employment relationship in the relevant financial year.

If a member of the Management Board joins during a current performance period or leaves before the end of the holding period, any multi-year special bonus based on a Performance Share Plan II *is reduced pro rata temporis* in accordance with the duration of the employment relationship during the three-year assessment period and the one-year holding period.

If an Management Board member is unable to work for more than six months (not necessarily consecutively) in a calendar year due to illness or if the Management Board employment relationship is suspended for more than six months in a calendar year for other reasons, the provisional number of performance shares allocated on the basis of the Performance Share Plan I for the corresponding financial year or on the basis of the Performance Share Plan II for the three-year assessment period and the one-year holding period, is reduced pro rata temporis from the seventh month by 1/12 (Performance Share Plan I) or 1/48 (Performance Share Plan II) for each full month of suspension or incapacity to work.

D.5. Deviations from the remuneration principles

The Supervisory Board may temporarily deviate from the remuneration system if this is necessary in the interests of the welfare of secunet AG. Extraordinary developments in this sense include, in particular, unusually far-reaching changes in the economic environment. Generally unfavourable market developments are explicitly not regarded as extraordinary developments.

However, such deviations from the remuneration system are only possible through a corresponding Supervisory Board resolution. In particular, the latter shall establish the extraordinary circumstances and the necessity of a deviation.

Temporary deviations in this sense are possible with regard to the performance criteria for the short-term and long-term variable remuneration components (including those for a possible multi-year special bonus based on a Performance Share Plan II) and the total maximum remuneration as well as the relation between fixed and variable remuneration components (if applicable, including a possible multi-year special bonus based on a Performance Share Plan II) and also the temporary expenses for extraordinary fringe benefits.

If an adjustment of the existing remuneration components is not sufficient to restore the incentive effect of the remuneration of the Management Board member, the Supervisory Board retains the option of temporarily granting additional remuneration components in the event of extraordinary developments within the term of the Management Board contracts.

Furthermore, the Supervisory Board has the right to grant special payments to newly appointed members of the Management Board to compensate for salary losses from a previous employment relationship or to cover costs arising from a change of location.