

REMUNERATION REPORT

The Remuneration Report provides detailed, personalized information about the remuneration granted and owed to the members of the Managing Board and Supervisory Board of SMA Solar Technology AG in the reporting year. In addition, the Remuneration Report summarizes the principles that are decisive when it comes to determining remuneration for the Supervisory Board and the Managing Board and also explains the remuneration structure. The Report meets the requirements of Section 162 of AktG. Further detailed information regarding the remuneration systems for the Managing Board and Supervisory Board members can be found on the company's [website](#).

Remuneration of the members of the Managing Board

A REVIEW OF THE FISCAL YEAR WITH REGARD TO REMUNERATION

In 2021, the Supervisory Board stipulated adjustments to the remuneration system for the Managing Board, which had been in place since 2017, to take effect starting in the 2021 fiscal year. The adjustments made accounted for the new statutory requirements imposed by the Second Shareholder Rights Directive (ARUG II) as well as the new version of the German Corporate Governance Code. The adjusted remuneration system for the Managing Board (hereinafter referred to as the 2021 remuneration system) was put to a vote at the ordinary Annual General Meeting on June 1, 2021, in accordance with Section 120a (1) of AktG and approved by a majority of 84.45%. This applies to the employment contracts concluded in 2022 for Thomas Pixa and Barbara Gregor and will continue to apply to future employment contracts with Managing Board members in the event of both the reappointment of an existing Managing Board member and the appointment of a new member. For the employment contracts concluded before 2021 for Dr.-Ing. Jürgen Reinert and Ulrich Hadding (who left the company in the reporting year), the company shall apply the 2017 remuneration system based on Section 26j (1), sentence 3 of the Introductory Act to the German Stock Corporation Act (EGAktG). This system was approved at the Annual General Meeting on May 23, 2017.

The major differences between the 2017 and 2021 remuneration systems can be summarized as follows:

Differences between the 2017 and 2021 remuneration systems

Subject	Remuneration system 2017	Remuneration system 2021
Variable remuneration: annual bonus	40% EBT target (150% max.) 30% sales target (150% max.) 30% personal targets, e.g., quality, ESG (100% max.) Cap at 100% fulfillment	1st component: 40% EBIT target (150% max.) 2nd component: 30% financial performance target (150% max.) 3rd component: 30% two personal targets (150% max.); of which 50% from financial and 50% from non-financial performance criteria; non-financial criteria from ESG
Variable remuneration: long-term bonus	Average EBIT margin over three fiscal years Overfulfillment not possible (cap at 100%) Paid out after third fiscal year	One to two long-term financial performance targets over four fiscal years (150% max.) Discretionary factor (0.8 to 1.2) for ESG targets Overfulfillment possible up to 180% max. (cap including discretionary factor)
Maximum remuneration	No defined maximum remuneration, but an upper limit of 100% on short-term and long-term variable components, including in the event of overfulfillment of underlying targets	Maximum remuneration defined; implemented via limits on amounts paid out in variable remuneration
Share ownership guideline	Expectation for Managing Board members to invest portions of long-term bonuses in SMA shares	If short- and long-term bonuses > 100%, obligation to invest 40% of amount in SMA shares
Change of control	Entitlement to severance pay if contract is terminated by mutual consent in the event of a change of control	No entitlement to severance pay if contract is terminated in the event of a change of control

In the event of major changes to the remuneration systems, or at least every four years, the applicable remuneration system for the Managing Board of SMA Solar Technology AG will be submitted at the Annual General Meeting for approval.

PRINCIPLES BY WHICH REMUNERATION IS SET

The Supervisory Board as a whole is responsible for deciding the form that the remuneration system for the Managing Board takes and for setting the separate emoluments and other material contract elements. The Presidial Committee assists the Supervisory Board with this and prepares Supervisory Board resolutions. In arranging both the 2017 and 2021 remuneration systems, the Supervisory Board worked on the basis of the following parameters:

- Making the system transparent and easy to understand
- The company's financial situation and long-term sustainable development
- Linking the interests of shareholders in the sustainable development of their stakes in the company to corresponding performance incentives for the members of the Managing Board
- Ensuring that remuneration is competitive on the market for highly skilled executives
- Basing remuneration on the assignments, responsibilities and success of each individual member of the Managing Board
- Linking a significant proportion of overall remuneration to the achievement of ambitious long-term performance targets
- Establishing an appropriate ratio of fixed remuneration to performance-based remuneration
- Maintaining an appropriate level in both horizontal and vertical terms

In setting remuneration, the Supervisory Board diverged from the 2017 remuneration system in the following respects in the reporting year:

The use of the EBIT (rather than EBT) margin as the means of measuring the annual bonus and long-term variable remuneration, in contrast to the approved remuneration system as used in previous years, took place as a result of measurement being adjusted to the standard commonly used at stock corporations.

The change relative to the approved remuneration system to termination by the Managing Board member (rather than "termination by mutual consent") as a prerequisite for entitlement in the event of a change of control occurred because the envisaged mutual consent as a prerequisite for entitlement did not grant the Managing Board the intended freedom of choice in the event of a change of control.

The intended post-contract covenant not to compete for Managing Board members is no longer agreed, as this is suitable only to a limited extent for preventing any transfer of knowledge to a competing company. In view of the expenses on the part of the company associated with the post-contract covenant not to compete, the Supervisory Board therefore decided to discontinue the policy.

LINK BETWEEN REMUNERATION SYSTEM AND CORPORATE STRATEGY

The components of the 2017 and 2021 remuneration systems are essentially fixed remuneration, additional benefits, one-year variable remuneration and long-term variable remuneration. The link between these components and the corporate strategy is as follows:

Together with the other remuneration components, fixed remuneration and additional benefits form the basis for allowing the Managing Board to secure and retain for the long term the highly skilled members required for the development and implementation of the corporate strategy. Both components are intended to be competitive offers on the market for highly skilled Managing Board members.

One-year variable remuneration in line with the 2017 remuneration system is intended to motivate members of the Managing Board to achieve ambitious and challenging financial, operational and strategic objectives during a fiscal year. These objectives are based on the corporate strategy and, in addition to profitability and sales as the material key figures of an efficiently operating company, they incorporate further strategy-based objectives in the form of personal performance targets for the Managing Board members. The 2021 remuneration system follows on from the previous philosophy and sets a stronger incentive for Managing Board members by means of the potential for them to surpass objectives in a way that will then be reflected in their remuneration.

Multiyear variable remuneration under the 2017 remuneration system is indicative of the company's strategic approach of encouraging members of the Managing Board to secure and improve profitability and the value of the company on a long-term basis by setting ambitious objectives linked closely with the multiyear performance of the company's earnings. The evaluation period of three years stipulated for the 2017 remuneration system has helped to ensure that the Managing Board's actions are focused partly on the long-term development of the company. The 2021 remuneration system reinforces the emphasis on the long-term development of the SMA group by extending the evaluation period for multiyear variable remuneration to four years. Furthermore, additional strategic objectives can be incorporated into the performance criteria for the long-term variable portion and more weight can be given to sustainability objectives, in particular, via a discretionary factor.

SETTING OF TARGET REMUNERATION

When setting remuneration in accordance with the 2017 and 2021 remuneration systems, the Supervisory Board considers the general principles outlined in this section in particular, as well as the criteria for appropriate remuneration.

A twelfth of the agreed annual fixed remuneration is paid out each calendar month. If an employment contract begins or ends in the course of a fiscal year, the remuneration for that fiscal year will be paid out on a pro rata basis.

The fixed remuneration, like the other remuneration components, can be adjusted or reset for the duration of a new employment contract as part of the existing remuneration system for the members of the Managing Board. Furthermore, all remuneration components can be reviewed if the duties or responsibilities of a member of the Managing Board should change.

One-year variable remuneration is measured on the basis of two key group figures and one personalized performance factor based on the performance of the member of the Managing Board in question and the achievement of stakeholder objectives. The performance period is the fiscal year as defined by SMA Solar Technology AG.

A personal target amount (target amount) to be paid out upon 100% achievement of objectives is agreed in the employment contract of each member of the Managing Board. With regard to the target amount agreed, the Supervisory Board refers to the general principles outlined in the section "Principles by which remuneration is set." Objectives by which success is measured in line with the 2017 remuneration system include the EBIT (earnings before interest and taxes) margin, the sales of the SMA group and the personal performance targets of the Managing Board members. The Supervisory Board sets the figures for these performance targets for the applicable fiscal year. The 2021 remuneration system opens up the possibility of agreeing other financial performance targets such as ROCE or cash flow instead of the sales target.

In accordance with the 2017 remuneration system, "EBIT margin" counts for 40% and "sales" and "personal performance" count for 30% each of the one-year variable remuneration. The "EBIT margin" and "sales" components can also be fulfilled up to 150%. If the annually defined lower limits of the respective components are not met, they are graded with a "0." If the sum of the percentages of the components reaches 100% or more, this entitles payment of the full agreed target amount. If the agreed targets are exceeded, this does not entitle to payment of an overall variable remuneration above 100%. In deviation from the above sentence, Managing Board members entitled to remuneration under the 2021 remuneration system have the option of receiving up to 150% of the individually agreed target amount if the target is exceeded. Other financial targets can also be agreed upon in addition to the sales performance target.

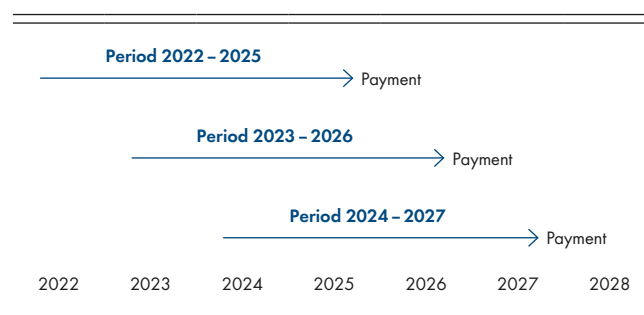
Multiyear variable remuneration in line with the 2017 remuneration system is paid in accordance with the fulfillment of a performance target measured by average profitability over three consecutive fiscal years. The parameter used to measure this is the EBIT margin. A personal target amount to be paid out upon 100% achievement of objectives is agreed in the employment contract of each Managing Board member.

With regard to the target amount agreed, the Supervisory Board also referred to the general principles outlined in the section "Principles by which remuneration is set."

The upper and lower limits of the target value (EBIT margin) are determined annually by the Supervisory Board for a period of three fiscal years. If the upper limit for the target value is reached, the member will be entitled to the full target amount. The Managing Board member is not entitled to the bonus until the lower threshold for the target value is reached. Values in-between are determined on a linear basis. If the target value is exceeded, this does not entitle to payment of a higher long-term bonus (cap). The bonus is payable, at the very earliest, upon expiration of the three-year period. Payment takes place after the third Consolidated Financial Statements have been approved, usually at the end of March, even if the employment contract ends before the end of the performance period.

Under the 2021 remuneration system, the performance target assessment period mentioned above extends to four consecutive fiscal years. Furthermore, other financial ratio-related targets can also be agreed upon in addition to the EBIT margin performance target. For this purpose, two non-financial performance targets (ESG targets) are included in determining the target achievement value via a discretionary factor of 0.8 to 1.2. In addition, exceeding the agreed target values also leads to a higher variable component, which can reach a maximum of 180% of the agreed variable remuneration.

Installments for long-term variable remuneration (2021 remuneration system)¹

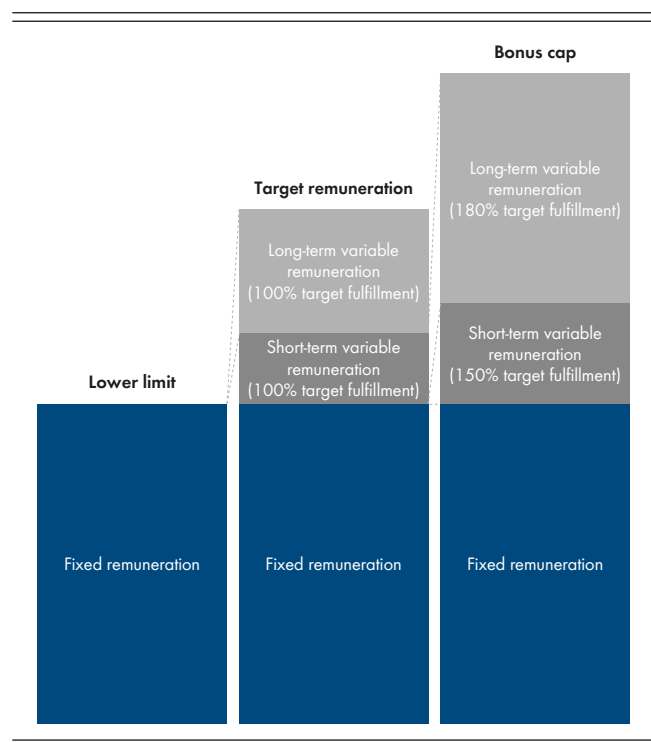


¹ The Supervisory Board set a target value for the average EBIT margin for every period over the four year period.

ADHERENCE TO MAXIMUM REMUNERATION

The 2017 remuneration system does not currently contain any expressly defined maximum remuneration. However, it does stipulate an upper limit of 100% of the agreed remuneration component for the variable portions of Managing Board salaries, and this cannot be exceeded even if the underlying targets are surpassed. Overall, therefore, payments from both one-year variable remuneration and multiyear variable remuneration are limited to 100% of the target amount per performance period.

Distribution of Managing Board remuneration (2021 remuneration system)¹



¹ Schematic representation; in contrast to the 2021 remuneration system, the variable remuneration elements are limited at 100% target achievement in the 2017 remuneration system, with the result that the target remuneration also represents the upper limit of remuneration.

In the 2022 fiscal year, the remuneration paid and owed to the Managing Board members fell short of the maximum possible remuneration, in particular due to the fact that long-term targets were only partially achieved in 2021. The maximum remuneration levels set out in the 2021 remuneration system were complied with in the fiscal year. Please refer to the remuneration tables in the "Managing Board remuneration amounts in the fiscal year" for further details of remuneration paid and owed.

ASSESSMENT OF APPROPRIATENESS

The Supervisory Board used the disclosed remuneration figures of companies listed on the S-DAX for comparison purposes when assessing if the remuneration for Managing Board members was appropriate.

It also included Managing Board remuneration in relation to remuneration of the top-level executives and the workforce as a whole, taking into account changes over time, and thus laid out comparable peer groups from top-level executives (employees at the first and second levels below the Managing Board working in Germany) and the workforce (all employees working in Germany).

APPLICATION OF THE REMUNERATION SYSTEM DURING THE FISCAL YEAR

Due to the varying employment contracts of the Managing Board members, both the 2017 and the 2021 remuneration systems have been applied in the reporting year. In view of the remuneration systems to be applied at the same time, the Supervisory Board also took into account their compatibility under both systems when selecting the performance targets for the reporting year.

Fixed remuneration components

In line with both remuneration systems, a twelfth of the agreed annual fixed remuneration is paid out each calendar month.

All Managing Board members are also entitled to the following additional benefits:

- A company car, including for personal use; or, alternatively, a gross monthly vehicle allowance of €1,150
- Reimbursement of travel costs and any expenses incurred on company business in accordance with the SMA Solar Technology AG travel expenses policy
- Continued payment of remuneration for up to nine months in the event of temporary sick leave
- Payment of the hypothetical employer's contribution up to the contribution assessment ceiling of the statutory social insurance scheme (pension, health, nursing care), even in the case of voluntary insurance and without any proof being furnished
- Appropriate accident insurance

- Appropriate directors and officers liability insurance ("D&O insurance") in case one or more members of the Managing Board should be subject to a claim for financial loss from a third party or the company based on statutory liability provisions under private law on the grounds of a breach of duty committed in the course of business. There is a deductible for D&O insurance of 10% of the damages up to a maximum of one and a half times the fixed annual remuneration
- Criminal defense insurance covering the members of the Managing Board for legal expenses incurred in criminal and administrative proceedings if these relate to action or failure to act associated with their activities on behalf of SMA Solar Technology AG

Barbara Gregor also receives support for the expenses of a second residence at the Kassel site as part of onboarding.

Any taxes due on additional benefits must be borne by the Managing Board member. The members of the Managing Board do not receive any extra payment for a private pension beyond the employer's contribution paid when the contribution assessment ceiling for statutory pension insurance is reached.

Variable remuneration components

The performance criteria for one-year and multiyear variable remuneration in line with both remuneration systems are based on the strategic objectives of the company. The SMA group's EBIT margin and sales serve as material performance criteria for variable remuneration according to the 2017 remuneration system. They are used to measure success as regards increasing profitability and efficiency while making optimized use of capital.

The 2021 remuneration system expands the aforementioned performance criteria to include the option of agreeing other key financial figures as performance criteria in addition to sales, thus aligning the performance incentive even more specifically to the actual business strategy. The agreement of personal performance criteria for Managing Board members takes place in addition to the aforementioned performance criteria. This gives the Supervisory Board the option to promote the sustainability of the SMA group in a more targeted way while taking the interests of shareholders and other stakeholders into account.

One-year variable remuneration

In 2021, on the basis of the 2017 and 2021 remuneration systems, the Supervisory Board stipulated minimum, target and maximum figures for the key financials and, in the case of personal targets, selected issues of "cash flow" and "proportion of women in the workforce as a whole" for variable remuneration for the one-year variable remuneration paid and owed in the reporting year. In doing so, the Supervisory Board ensured that the target values for the performance criteria were ambitious and challenging. The Supervisory Board set the financial targets for the 2021 fiscal year on the basis of the group's medium-term financial planning, meaning without considering any impact of the coronavirus crisis on business at the company – any such impact being impossible to foresee at the time the targets were set. No adjustments were made to the target values.

The target values for one-year variable remuneration and its weighting and the degree of fulfillment achieved for the Managing Board members in 2021, set at the same level, are presented below:

Target values and degree of fulfillment for one-year variable remuneration

Criterion and weighting	0% target	100% target	150% target	Actual figures in 2021	Degree of target fulfillment
Sales (30%)	€899.2 million	€1,087.0 million	€1,195.7 million	€983.4 million	38.0%
EBIT margin (40%)	0%	2.00%	3.00%	-3.40%	0%
Personal target 1: NWC ratio and net cash (13.5%)	→ 25% NWC ratio at end of year → 25% NWC ratio on monthly average → €225 million net cash at end of year	→ 21% NWC ratio at end of year → 23% NWC ratio on monthly average → €250 million net cash at end of year	→ 20% NWC ratio at end of year → 22% NWC ratio on monthly average → €263 million net cash at end of year	→ 26.2% NWC ratio at end of year → 26.7% NWC ratio on monthly average → €221.7 million net cash at end of year	0%
Personal target 2: Quality costs (13.5%)	€109 million total quality costs	€97 million total quality costs	€90 million total quality costs	€102.5 million total quality costs	54%
Personal target 3: Sustainability (3%)	Consistent nonachievement of defined KPI targets	Consistent achievement of defined KPI targets	Consistent overfulfillment of defined KPI targets	Not achieved: three targets Achieved: one target Exceeded: three targets	79%

Long-term variable remuneration

The target values actually achieved as a parameter for measuring long-term remuneration is calculated on the basis of the results actually achieved in the fiscal years covered by the respective period. The degree of target fulfillment thus cannot be calculated,

nor can any long-term remuneration be paid, until the respective period has finished. Any advance payments are not possible.

During the reporting year, the Supervisory Board regularly assessed the degree of target fulfillment of the common target value set for the Managing Board members for long-term Managing Board remuneration relating to the period from 2019 to 2021 as follows:

Target value and degree of fulfillment for multi-year variable remuneration

Criterion and weighting	0%	100%	Cap	Actual figure 2019-2021	Degree of target fulfillment
Average EBIT margin 2019 - 2021 (100%)	0% EBIT margin	3% EBIT margin	3% EBIT margin	-0.65%	0%

Share Ownership Guidelines

If the employment contract still has a term of at least two years to run when payment of remuneration in line with the 2017 remuneration system becomes due, then the Managing Board members are expected to invest the net amount payable, in part, in shares in SMA Solar Technology AG and hold these shares until their Managing Board duties with the company have ended. Under the 2021 remuneration system, the Managing Board is required to invest 40% of the gross amount of the variable remuneration in company shares, insofar as this is based on a target achievement of more than 100%.

According to a disclosure made by the members of the Managing Board, they held, either directly or indirectly, a total stake of 0.03% in all shares issued as of the end of the fiscal year. The Managing Board members neither acquired nor sold shares in the company during the fiscal year.

Retention/clawback

The 2017 remuneration system does not allow for any further retention or clawback rights beyond the options provided for in law for compensating for misconduct on the part of the Managing Board. The Supervisory Board has not made use of the option to claw back or retain variable remuneration components from Managing Board members either partially or in full in the 2021 remuneration system either.

Benefits in the event of termination of Managing Board duties

In the event of early termination of Managing Board duties without good cause, the compensation payable is limited to the total remuneration for the remaining term of the contract and up to a maximum of two years' emoluments (severance pay cap). If an employment contract with a member of the Managing Board ends after being terminated by the member within a period of six months from a change of control, this member is also entitled to severance pay amounting to his/her remuneration rights for the remaining term of the employment contract, however, no longer than a period of two years. SMA Solar Technology AG will not grant any benefits in the event of regular termination of Managing Board duties.

Benefits from third parties

Managing Board members receive no separate remuneration for carrying out work at subsidiaries relating to their Managing Board activities at SMA Solar Technology AG.

MANAGING BOARD REMUNERATION AMOUNTS IN THE FISCAL YEAR

Remuneration paid and owed

The following tables itemize the remuneration paid and owed to each member of the Managing Board in the 2022 fiscal year. The payments specified for the reporting year encompass the fixed remuneration components actually paid out in the reporting year plus the variable remuneration due and paid out in the fiscal year. According to Section 162 of AktG, remuneration paid and owed refers to the amounts that were due in the reporting period and have already been paid to the specific Managing Board member or are due and have yet to be paid.

The figures for each payment are divided into fixed and variable remuneration components. The fixed remuneration components include the nonperformance-based basic salaries and additional benefits.

The variable performance-based remuneration components are divided into one-year and multiyear variable remuneration.

Managing Board remuneration paid and owed

	Dr.-Ing. Jürgen Reinert Chief Executive Officer, Board Member for Strategy, Sales and Service, Operations and Technology Joined 2014/04/01				Barbara Gregor Board Member for Finance and Legal Joined 2022/12/01			
	2022	2022 ¹	2021	2021 ¹	2022	2022 ¹	2021	2021 ¹
	in €'000		in €'000		in €'000		in €'000	
Fixed remuneration	949	91%	949	72%	54	93%	0	0%
Additional benefits/Others	21	2%	21	2%	4	7%	0	0%
Total	970	93%	970	74%	58	100%	0	0%
One-year variable remuneration 2022 (2021) ²	73	7%	348	26%	0	0%	0	0%
Multiyear variable remuneration		0%		0%				
Three-year variable remuneration 2018 – 2020			0	0%				
Three-year variable remuneration 2019 – 2021	0	0%	0	0%	0	0%	0	0%
Total	73	7%	348	26%	0	0%	0	0%
Pension contribution	0	0%	0	0%	0	0%	0	0%
Total	1,043	100%	1,318	100%	58	100%	0	0%

	Thomas Pixa Board Member for Finance and Legal Joined 2022/06/01, left 2022/11/30				Ulrich Hadding Board Member for Finance, HR and Legal Joined 2017/01/01, left 2022/05/31			
	2022	2022 ¹	2021	2021 ¹	2022	2022 ¹	2021	2021 ¹
	in €'000		in €'000		in €'000		in €'000	
Fixed remuneration	304	96%	0	0%	285	34%	683	71%
Additional benefits/Others	14	4%	0	0%	13	2%	29	3%
Total	318	100%	0	0%	298	36%	712	74%
One-year variable remuneration 2022 (2021) ²	0	0%	0	0%	521	64%	250	26%
Multiyear variable remuneration		0%		0%				
Three-year variable remuneration 2018 – 2020			0	0%				
Three-year variable remuneration 2019 – 2021	0	0%	0	0%	0	0%	0	0%
Total	0	0%	0	0%	521	64%	250	26%
Pension contribution	0	0%	0	0%	0	0%	0	0%
Total	318	100%	0	0%	819	100%	962	100%

¹ The relative portions given here refer to the remuneration components "paid and owed" in the respective fiscal year in accordance with Section 162 (1), sentence 1 of AktG. They thus include all benefits actually allocated in the fiscal year in question, irrespective of the fiscal year for which they were allocated to the members of the Managing Board. Consequently, the relative portions given here are not comparable with the relative portions in the description of the remuneration system according to Section 87a (1), no. 3 of AktG submitted to the Annual General Meeting with this remuneration report. The portions specified in the remuneration system refer to the applicable target values.

² The disclosures on the one-year variable remuneration for Ulrich Hadding include a severance payment and a one-time remuneration payment for outstanding claims under the employment contract totaling €468,000.

Comparison of remuneration and earnings performance

The comparison of the changes in Managing Board remuneration, the company's earnings and the average remuneration of the workforce presented in the table below in accordance with Section 162 (1), sentence 2, no. 2 of AktG shows a consistent

one-year correlation, as the comparison with average workforce remuneration over the past five years required by law in accordance with Section 26j (2), sentence 2 of the introductory legislation to the Stock Corporation Act does not need to be extended to the years prior to introduction of Section 162 (1), sentence 2, no. 2 of AktG.

The comparison with the progression in average employee remuneration is based on the average remuneration of the workforce of SMA AG. Because remuneration varies, particularly at the subsidiary companies outside Germany, the comparison with the progression in average remuneration only refers to the workforce of SMA AG. This reference group was also used in the appropriateness assessment on the remuneration of the members of the Managing Board. This took into account the remuneration of all employees, including executive staff, as defined in Section 5 (3) of the German Works Constitution Act (BetrVG). Any remuneration additionally received by employees as members of the Supervisory Board of SMA AG was disregarded. For ease of comparison, the remuneration of part-time staff was adjusted to full-time equivalent level.

Comparison of annual changes in Managing Board remuneration in accordance with Section 162 (1) no. 2 of AktG

Annual change	2022 vs. 2021	2021 vs. 2020
Managing Board remuneration and emoluments¹		
Dr. Jürgen Reinert	-21%	4%
Barbara Gregor ²		
Thomas Pixa ²		
Ulrich Hadding ³	-17%	2%
Earnings performance		
SMA Solar Technology AG ⁴	249.4%	-85.7%
SMA group ⁵	728.1%	-88.2%
Average remuneration of employees on full-time equivalent basis		
Employees of the company	3%	8%

¹ Remuneration paid and owed in accordance with Section 162 (1), sentence 1 of AktG. Fixed remuneration including additional benefits and one-year and multiyear variable remuneration.

² Joined in 2022

³ Left on May 31, 2022

⁴ Annual earnings as referred to in Section 275 (2), no. 17 of HGB.

⁵ EBITDA of the SMA group; The comparative values were adjusted according to IAS 8.42 (see Chapter 2.2)

Remuneration of the members of the Supervisory Board

The remuneration system for the Supervisory Board detailed in the Articles of Incorporation of SMA Solar Technology AG and approved for the first time by the Annual General Meeting on May 23, 2013, was approved unchanged by the Annual General Meeting on June 1, 2021, with a majority of 99.99%.

STRUCTURE OF SUPERVISORY BOARD REMUNERATION

In accordance with the remuneration policy, the members of the Supervisory Board have received exclusively fixed remuneration since the 2013 fiscal year. The ordinary members of the Supervisory Board receive remuneration of €25,000 for each fiscal year in accordance with Section 11 (1) of the Articles of Incorporation. The chairperson receives €50,000 and the deputy chairperson receives €37,500.

The chairperson of the Audit Committee receives an additional €15,000, while other members of the Audit Committee receive an additional €7,500 each. The chairperson of the Presidial Committee receives an additional €10,000, while other members of the Presidial Committee receive an additional €5,000 each. The members of other committees do not receive any additional remuneration.

Any members of the Supervisory Board who leave the Supervisory Board or positions on any of its committees that receive additional remuneration during a fiscal year are remunerated on a pro rata basis.

The members of the Supervisory Board also receive an attendance fee of €750 per meeting, up to a maximum of two meeting fees on one day. Furthermore, SMA has taken out professional indemnity insurance in case one or more members of the Supervisory Board should be subject to a claim for financial loss from a third party or the company based on statutory liability provisions under private law on the grounds of a breach of duty committed in the course of business.

SUPERVISORY BOARD REMUNERATION AND EMOLUMENT AMOUNTS

In accordance with Section 162 (1), sentence 1, sentence 2, no. 1 of AktG, all fixed and variable remuneration components that were "paid and owed" to the individual members of the Supervisory Board in the 2022 fiscal year have to be disclosed. The figures presented in the table below refer to the remuneration components "paid and owed" in the respective fiscal year in accordance with Section 162 (1), sentence 1 of AktG. They thus include all benefits actually allocated or owed in the fiscal year in question, irrespective of the fiscal year for which they were allocated to the members of the Supervisory Board. The amounts for the 2021 fiscal year that were not paid out until the 2022 fiscal year in accordance with the Articles of Incorporation are considered on a value basis.

Remuneration paid and owed to the Supervisory Board in the 2022 fiscal year¹

in €'000	Fixed remuneration		Fixed remuneration for committee duties		Meeting fees		Total
Roland Bent	25.0	87%		0%	3.8	13%	28.8
Martin Breul	25.0	87%		0%	3.8	14%	28.8
Oliver Dietzel	25.0	59%	7.5	18%	9.8	23%	42.3
Kim Fausing ²							
Johannes Häde	25.0	59%	7.5	18%	9.8	23%	42.3
Alexa Hergenröther	25.0	50%	15.0	30%	10.5	20%	50.5
Uwe Kleinkauf	50.0	76%	10.0	15%	6.0	9%	66.0
Ilonka Nußbaumer ²							
Yvonne Siebert	25.0	71%	5.0	14%	5.3	15%	35.3
Romy Siegert	25.0	87%		0%	3.8	14%	28.8
Jan-Henrik Supady	25.0	58%	7.5	17%	10.5	24%	43.0
Dr. Matthias Victor	25.0	69%	5.0	14%	6.0	17%	36.0
Total	275.0		57.5		69.0		401.5

¹ Due to rounding differences, the total amount shown in this table does not correspond exactly to the sum of individual amounts shown in the table.

² Kim Fausing and Ilonka Nußbaumer waived remuneration for the Supervisory Board roles.

Comparison of remuneration and earnings performance

Because remuneration is largely dependent on national conditions, particularly at the subsidiary companies outside Germany, the comparison with the progression in average remuneration is based solely on the remuneration of the workforce of SMA AG. This reference group was also used in the appropriateness assessment on the remuneration of the members of the Managing Board. This considered the remuneration of all employees, including executive staff, as defined in Section 5 (3) of the German Works Constitution Act (BetrVG). Any remuneration additionally received by employees as members of the Supervisory Board of SMA AG was disregarded. For ease of comparison, the remuneration of part-time staff was adjusted to full-time equivalent level.

Comparison of annual changes in Supervisory Board remuneration in accordance with Section 162 (1), no. 2 of AktG

Annual change	2022 vs. 2021	2021 vs. 2020
Supervisory Board remuneration and emoluments¹		
Roland Bent	0%	3%
Martin Breul	73%	
Oliver Dietzel	0%	0%
Kim Fausing ²	0%	0%
Johannes Häde	0%	0%
Alexa Hergenröther	2%	2%
Uwe Kleinkauf	83%	
Ilonka Nußbaumer ²	0%	0%
Yvonne Siebert	-6%	2%
Romy Siegert	73%	
Jan-Henrik Supady	80%	
Dr. Matthias Victor	-4%	2%
Earnings performance		
SMA Solar Technology AG ³	249.4%	-85.7%
SMA group ⁴	728.1%	-88.2%
Average remuneration of employees on full-time equivalent basis		
Employees of the company	3%	8%

¹ Changes depend in particular on the date on which a member joined the Supervisory Board, a member's subsequent departure and the number of meetings attended.

² No remuneration in 2020, 2021 and 2022

³ Annual earnings as referred to in Section 275 (2), no. 17 of HGB.

⁴ EBITDA of the SMA group; The comparative values were adjusted according to IAS 8.42 (see Chapter 2.2)

REPORT OF THE INDEPENDENT AUDITOR ON THE AUDIT OF THE REMUNERATION REPORT IN ACCORDANCE WITH SEC. 162 (3) GERMAN STOCK CORPORATION ACT (AKTG)

To SMA Solar Technology AG, Niestetal

Audit opinion

We have formally audited the remuneration report of SMA Solar Technology AG, Niestetal, Germany, for the financial year from January 1, 2022, until December 31, 2022, whether the disclosures pursuant to Section 162 (1) and (2) AktG were made in the remuneration report. In line with Section 162 (3) AktG, we have not audited the content of the remuneration report.

In our opinion, the remuneration report contains all the information required by Section 162 (1) and (2) AktG in all material respects. Our audit opinion does not cover the content of the remuneration report.

Basis for the audit opinion

We conducted our audit of the remuneration report in accordance with Section 162 (3) AktG and in compliance with IDW Auditing Standard: the Audit of the Remuneration Report in Accordance with Section 162 (3) AktG (IDW PS 870 (08.2021)). Our responsibility under that provision and standard is further described in the "Responsibilities of the auditor" section of our report. Our audit firm applies Quality Assurance Standard: Requirements for Quality Assurance in Audit Practices (IDW QS 1) promulgated by the Institut der Wirtschaftsprüfer (IDW). We have fulfilled the professional responsibilities in accordance with the German Public Auditor Act (WPO) and the Professional Code of Conduct for German Public Auditors and Sworn Auditors (BS WP/vBP), including the requirements for independence.

Responsibilities of the Management Board and the Supervisory Board

The Management Board and the Supervisory Board are responsible for the preparation of the remuneration report, including the related disclosures, which complies with the requirements of Section 162 AktG. They are further responsible for such internal control as they determine is necessary to enable the preparation of the remuneration report, including the related disclosures, that is free from material misstatement, whether intentional or unintentional.

Responsibilities of the auditor

Our objective is to obtain reasonable assurance about whether the information required by Section 162 (1) and (2) AktG has been disclosed in all material respects in the remuneration report and to express an opinion thereon in an auditor's report.

We planned and performed our audit to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we did not audit the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

Handling any misleading representations

In connection with our audit, we have a responsibility to read the remuneration report under consideration of the findings from the audit of the financial statements and, in so doing, to remain alert to any indications that the remuneration report contains misleading representations in terms of the accuracy of the content of the disclosures, the completeness of the content of the individual disclosures or the fair representation of the remuneration report.

If we conclude on the basis of our work that there has been a misleading representation, we are obligated to report this. We have nothing to report in this regard.

Frankfurt am Main, March 9, 2023

BDO AG
Accounting firm

Gebhardt
German Public Auditor

Dr. Faßhauer
German Public Auditor