

## **Description of the remuneration system for Management Board members (item 8 of the agenda)**

Evotec SE aims to be the global market leader for efficient, high-quality drug discovery and development based on partnership – and thus along with its partners to develop easily accessible and affordable medicine for the currently more than 3,300 incurable diseases. The implementation of this strategy is based on first-class innovative services that are delivered via partnerships with pharmaceutical and biotech companies and academic institutions. To achieve this goal the Management Board launched a strategic process known as Action Plan 2025, which laid the groundwork for the further healthy growth, profitability and sustainability of the Evotec Group. Achieving the ambitious growth targets calls for the dedication of all employees and above all the strategic and committed leadership of the Management Board. The Supervisory Board of Evotec SE supports the Management Board's strategy process. It has therefore adopted a system for the remuneration of the Management Board members that is intended to promote the business strategy of the Evotec Group and the long-term performance of Evotec SE. In addition to the contribution the remuneration is intended to make to promoting the business strategy, it also implements the new statutory requirements in effect as of 2020 and the recommendations of the German Corporate Governance Code (GCGC).

### **1. Remuneration as a contribution to promoting the business strategy and the long-term performance of Evotec SE**

The system of remuneration for Management Board members ("remuneration system") at Evotec SE aims to make a contribution to promoting the business strategy and the long-term performance of Evotec SE and its affiliates (Evotec Group). It does this essentially by setting a clear incentive structure for Management Board remuneration. A strong focus on the growth targets for the Evotec Group in the short-term variable remuneration (bonus) and a clear alignment of long-term variable remuneration with the share performance (Share Performance Awards) are intended to encourage sustainable increases in enterprise value and avoid external and internal disincentives. In particular the aim is to prevent the Management Board from making decisions that do not promise any sustainable commercial success in order to optimise their remuneration in the short term.

Financial targets such as growth in total revenue, earnings and the overall value of new partnerships and alliances form the basis for the annual bonus. Operational, strategic, cultural and sustainability targets also promote the long-term performance of Evotec SE. The Supervisory Board can use the long-term variable remuneration at its professional discretion to ensure the Company's international competitiveness by means of Share Performance Awards and also by making Restricted Share Awards. The Restricted Share Plan defines targets for Adjusted EBITDA that underline the focus on earnings.

In all this the remuneration system reflects the challenging task for Management Board members of implementing the corporate strategy and leading an international company with innovative and flexible solutions against global competition. At the same time the Management Board remuneration must be attractive and in line with market standards so that Evotec SE can attract outstanding candidates for its Management Board and ensure their long-term loyalty. Exceptional performance should be rewarded accordingly, and underperformance should result in lower remuneration. The remuneration system should be clear and comprehensible for shareholders and employees, but of course above all for the Management Board members themselves.

The new remuneration system meets the requirements of the Stock Corporation Act for a clear, comprehensible remuneration system and as explained below, follows the recom-

mendations of the GCGC as adopted by the government commission on 16 December 2019.

## **2. Determination, implementation and review of the remuneration system**

The Supervisory Board determines the structure of the remuneration system, the weighting of the remuneration components, the individual target remuneration and monetary caps for both the variable remuneration components and the total remuneration in line with these principles.

The Supervisory Board last made change to the remuneration system at its meeting on 17 March 2021, following an in-depth review of the remuneration system by the Remuneration and Nomination Committee since the previous summer. The Supervisory Board was also advised and supported by an external remuneration expert who is independent of the Management Board and the Supervisory Board. The remuneration consultant examined the new remuneration and confirmed that it met market standards in terms of a horizontal and vertical comparison.

The Annual General Meeting votes on the approval of the remuneration system presented by the Supervisory Board. The Annual General Meeting of Evotec SE will vote again on approving the remuneration system presented by the Supervisory Board for the Management Board members every time the remuneration system is altered significantly, but not less than every four years.

The Supervisory Board determines the remuneration of the individual Management Board members on the basis of the remuneration system approved by the Annual General Meeting. This takes place via the service contracts with the Management Board members, by means of targets and the measurement of performance against these targets.

The Remuneration and Nomination Committee will continue to review the suitability and structure of the remuneration system regularly following a resolution to approve it by the Annual General Meeting. The Remuneration and Nomination Committee will make any necessary proposals for amendments to the Supervisory Board, which may adopt the corresponding resolutions. The Supervisory Board may be advised by an external consultant.

The Supervisory Board has not currently identified any conflicts of interests for individual Supervisory Board members in connection with the remuneration system and the Management Board remuneration. In particular, the remuneration of Supervisory Board members, which is governed by the Articles of Association, is not connected in any way to the remuneration of the Management Board. To avoid any conflicts of interest the Supervisory Board will also ensure that any external remuneration consultant is appointed by the Supervisory Board directly and so is independent of the Management Board and the Company. If a conflict of interest concerning a Supervisory Board member should arise unexpectedly, this member will abstain from all discussions and resolutions on the Management Board remuneration.

## **3. Application of the remuneration system**

The terms of remuneration in the current service contracts with all Management Board members already largely reflect the remuneration system that is being proposed. The Supervisory Board therefore intends to apply the proposed remuneration system consistently to all existing and new Management Board members when their contracts are renewed or first signed. Once the proposed remuneration system has been approved by the Annual General Meeting the Supervisory Board will sign new service contracts with the Management Board members in due course over the years ahead. Before the Supervisory Board resolution on the proposed remuneration system was taken, the Manage-

ment Board members indicated that they agreed to the corresponding changes to their service contracts. The contract with the CEO which was renewed in March 2021 already conforms in full to the remuneration system proposed here.

#### **4. Temporary deviation from the remuneration system in the case of extraordinary developments**

The law allows the Supervisory Board to deviate temporarily from the remuneration system if this is necessary in the interests of Evotec SE's long-term welfare and the remuneration system defines the deviation procedure and the components of the remuneration system for which a deviation is permissible. Possible extraordinary developments in the course of a year, if they were not foreseeable, could be a significant change in the composition of the Group (e.g. the acquisition or disposal of significant divisions) or extraordinary changes in the economic situation (e.g. due to an economic crisis or a health crisis affecting the global economy), which mean that the original company targets are no longer attainable. Generally unfavourable market developments are not considered to be extraordinary developments in the course of a year.

Such well-founded and extraordinary exceptional cases may result in a temporary deviation in the performance-related variable remuneration components, e.g. an increase or decrease in the amount paid for short-term variable remuneration (bonus), but also in deviations from the basic salary and the other fixed remuneration components, if this is in the interest of Evotec SE's long-term welfare. When setting the Awards the Supervisory Board can also give reasonable weight to such extraordinary developments in justified and rare special cases, and restrict the volume of share subscription rights resulting from the Awards. Furthermore, the Supervisory Board may at its professional discretion and having determined a significant additional need, refund the expenses for extraordinary ancillary benefits (e.g. security measures) on a temporary basis. Temporary deviations from the remuneration system may not, however, mean that the maximum remuneration set by the Annual General Meeting is exceeded.

In terms of procedure, any such deviation requires an explicit Supervisory Board resolution describing the deviation itself, its specific duration and the reasons for it in an appropriate form. If extraordinary developments requiring any changes do occur, Evotec SE will report on them fully and transparently.

#### **5. Structure of the remuneration system and relative proportions of the individual remuneration components.**

The remuneration system consists of non-performance-related (fixed) and a performance-related (variable) remuneration components.

- The non-performance-related remuneration consists of basic salary and ancillary benefits (insurance premiums, contributions to retirement pension, company car).
- Performance-related remuneration is linked to the achievement of certain targets and so is variable. It consists of a short-term, one-year remuneration (bonus) and a long-term, multi-year remuneration (Share Performance Awards and Restricted Share Awards).

The graph below shows the relative proportions of the individual remuneration components – both fixed and variable – as a percentage of the total target remuneration.

<i>REMUNERATION STRUCTURE</i>		
29% <sup>1)</sup> / 41% <sup>2)</sup> / 35% <sup>3)</sup>	24% <sup>1)</sup> / 24% <sup>2)</sup> / 21% <sup>3)</sup>	47% <sup>1)</sup> / 35% <sup>2)</sup> / 44% <sup>3)</sup>
NON-PERFORMANCE-BASED REMUNERATION	PERFORMANCE-BASED REMUNERATION	
BASE COMPOSITION AND FRINGE BENEFITS	SHORT-TERM VARIABLE REMUNERATION (BONUS)	LONG-TERM SHARE-BASED REMUNERATION (AWARDS)
PAID ANNUALLY		VESTING PERIOD OF 4 YEARS

The non-performance-related remuneration components account for some 29%<sup>1)</sup> of total target remuneration for the CEO and around 41%<sup>2)</sup> to 35%<sup>3)</sup> for the other members of the Management Board. Conversely, the performance-related remuneration components account for around 71% and around 59% to 65% of total target remuneration. Within the performance-related variable remuneration components the Share Performance Awards account for around 66% and 59% to 68% and the bonus for around 34% and 41% to 32%. Overweighting the long-term share-based remuneration compared with the short-term bonus means the remuneration structure is aligned with the Company's sustainable development and long-term increase in value. The information above on the relative proportions of the different remuneration components is based on the assumption of 100% target achievement for all performance-related remuneration components. The proportions of the remuneration actually earned by a Management Board member for a given financial year will generally differ from the figures shown, because the proportions change depending on the target achievement.

The Supervisory Board defines a concrete annual total target remuneration for the CEO and each Management Board member in accordance with the remuneration system and within the maximum remuneration set by the Annual General Meeting. In the proposed remuneration system the total target remuneration for each Management Board member is derived from the basic salary. The necessary differentiation between Management Board members, e.g. between the CEO and the other members or by seniority on the Management Board is achieved by means of different basic salaries, which form the basis for the calculation of the other remuneration components in line with the remuneration system.

<sup>1)</sup> Total target remuneration for CEO

<sup>2)</sup> Total target remuneration of a Management Board member with a target Share Performance Award of 100% of basic salary

<sup>3)</sup> Total target remuneration of a Management Board member with a target Share Performance Award of 150% of basic salary

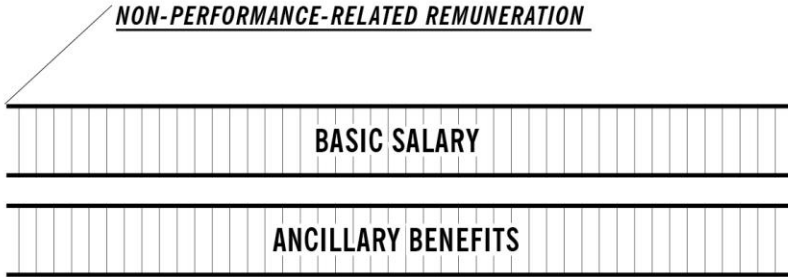
Examples of total target remuneration:

	<b>CHAIR OF THE MANAGEMENT BOARD (CEO)</b>		<b>MEMBER OF THE MANAGEMENT BOARD (AWARD OF 100% OF BASIC SALARY)</b>		<b>MEMBER OF THE MANAGEMENT BOARD (AWARD OF 150% OF BASIC SALARY)</b>	
	<i>€ AMOUNT</i>	<i>% OF BASIC SALARY</i>	<i>€ AMOUNT</i>	<i>% OF BASIC SALARY</i>	<i>€ AMOUNT</i>	<i>% OF BASIC SALARY</i>
Basic salary	600,000		350,000		350,000	
Fringe benefits	140,000		70,000		70,000	
Target bonus	600,000	100%	245,000	70%	245,000	70%
Target Share Performance Award	1,200,000	200%	350,000	100%	525,000	150%
<b>Total target remuneration</b>	<b>2,540,000</b>		<b>1,015,000</b>		<b>1,190,000</b>	

The total target remuneration for the CEO is around 4.2x basic salary and for other Management Board members around 2.9x to 3.4x basic salary.

**6. Non-performance-related fixed remuneration components**

The non-performance related remuneration consists of fixed basic salary and ancillary benefits.

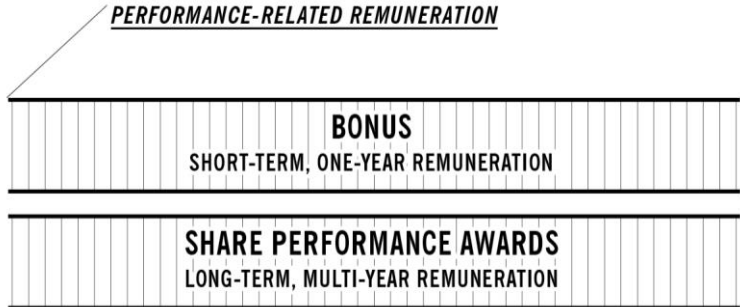


- **Basic salary:** The basic salary is paid in twelve equal monthly instalments, less statutory deductions, in arrears at the end of the month. Basic salary is paid pro rata temporis if the Management Board member joins or leaves in the course of the year.
- **Ancillary benefits:** Ancillary benefits consist mainly of the usual benefits such as insurance premiums, subsidised travel and subsidised pension insurance, as well as a company car that may be used privately or an allowance for a private vehicle. Reimbursement of expenses to which Management Board members are entitled by law does not count as an ancillary benefit; nor does coverage under a group D&O insurance policy, whereby the Management Board members have to pay the excess determined by stock corporation law. Evotec SE does not have its own retirement benefit system. The retirement benefit contributions can be converted into an entitlement under an external pension plan. The remuneration system does not provide for any transitional benefits or other pre-retirement arrangements.

The minimum remuneration in the proposed remuneration system is the total of basic salary and ancillary benefits.

**7. Performance-related variable remuneration components**

The performance-related variable remuneration consists of two components: short-term, one-year remuneration (bonus) and long-term, multi-year remuneration (Share Performance Awards).



- **Short-term, one-year variable remuneration (bonus):** The target amount of the bonus that the Management Board member receives if they achieve exactly 100% of the annual target is equal to 100% of basic salary for the CEO and 70% for the other Management Board members. The bonus is capped at 150% of the target amount.

The bonus is calculated for each financial year and depends on the achievement of company targets. They include the following financial targets:

- Growth in total revenue
- Realised result
- Total value of new partnerships and alliances

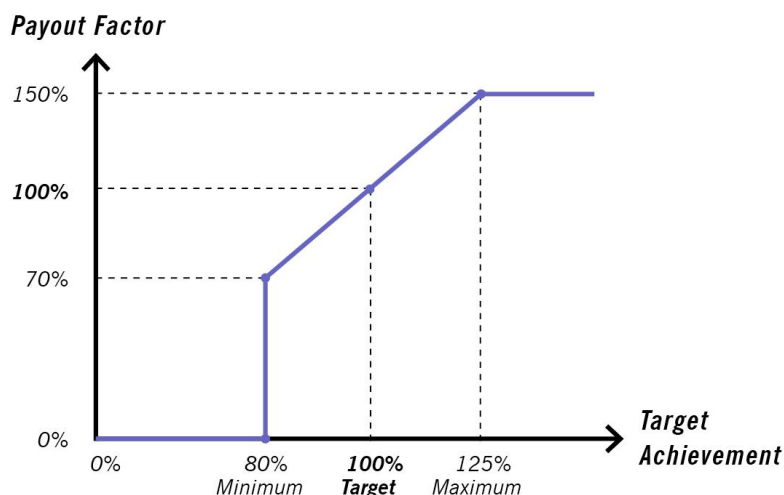
Evotec SE is conscious of its responsibilities and is committed to environmental protection and engagement for social issues and society. Several non-financial targets have therefore been agreed, particularly environmental, sustainability and governance (ESG) targets. In its annual planning for the Management Board the Supervisory Board will ideally set the non-financial targets so that they are quantifiable and can be measured objectively. However, it reserves the right to include a degree of discretion when setting targets, if objective measurement is not practicable. The Supervisory Board will exercise this discretion in accordance with its duties.

Once a year, before or at the start of the financial year, the Supervisory Board defines the targets for the bonus components for all Management Board members uniformly at its professional discretion. When setting the targets for the Management Board the Supervisory Board will ensure that they are appropriate, demanding and ambitious, but achievable, so as not to lose their incentive function. As a rule the Supervisory Board will base its financial targets on the figures in the budget.

At the end of the financial year the Supervisory Board determines the level of achievement for each individual target included in the bonus. The figures from the audited consolidated financial statements are used for the financial targets. The level of achievement translates into a payment factor of between 0% and 150% for each target. The payment factors for each target are then weighted to produce a bonus payment factor, which can also vary between 0% and 150%.

The bonus payment factor is multiplied by the target bonus amount in order to determine the amount of the bonus payment. Ultimately, the bonus amount can vary between zero and 150% of the target bonus amount.

The following graph shows how the bonus works:



If an individual target is 80% achieved, the payment factor for this component is 70% of the relevant target amount. If the target is 100% achieved, the payment factor for this component is 100% of the relevant target amount. If the target is 125% achieved, the payment factor for this component is 150% of the relevant target amount. Between these points the values are interpolated on a linear basis. If the target achievement is below 80% the payment factor for this target component is zero. If the target achievement is higher than 125% the payment factor does not exceed 150%.

The bonus is paid pro rata temporis if the Management Board member joins in the course of the year. If a Management Board member leaves in the course of a year as a "good leaver", the bonus is paid pro rata temporis at the date defined in the service contract if the targets have been achieved at the end of the financial year. A Management Board member is deemed to be a good leaver if they leave by mutual consent or at the request or instigation of Evotec SE without having given the Company any cause, or if the contract comes to an end at its agreed time. However, in individual cases the Supervisory Board reserves the right to settle the bonus entitlement of a Management Board member leaving in the course of a financial year by means of a one-off payment (in this case Evotec SE would declare a deviation from recommendation G.12 of the GCGC). If the Management Board member leaves Evotec SE as a "bad leaver", all unpaid bonus entitlements are forfeit. A Management Board member is deemed to be a bad leaver if they leave without giving a reason or if Evotec SE terminates the contract for an important reason caused by the Management Board member.

- **Long-term, multi-year variable remuneration (Share Performance Awards):** The target amount for the Share Performance Awards is 200% of basic salary for the CEO and between 100% and 150% for the other members of the Management Board. The amount of the Share Performance Awards may not exceed 350% of the target amount (cap).

Share Performance Awards (SPA) are granted annually, generally at the start of the financial year, according to the provisions of the Share Performance Plan 2017 as determined by resolution of the Annual General Meeting 2017. The number of SPA is determined by dividing the target amount by the relevant market value of an SPA.

The Share Performance Plan defines for each award a future performance period of four consecutive calendar years in which the performance is measured. The Annual

General Meeting 2017 set two equally weighted performance indicators; the share price increase and the dividend yield ("total shareholder return"). The performance indicators are measured for each year in the performance period. The performance in a given year is fixed for the remainder of the lock-up period.

The target for the share price increase in a calendar year is achieved exactly (100% target achievement) if the average price of the Evotec share in the closing auction of XETRA trading (or a successor system) on the last 30 trading days at the Frankfurt Stock Exchange in the relevant performance period, i.e. the calendar year ("*closing price*") is more than 8% higher than the average price of the Evotec share in the closing auction of XETRA trading (or a successor system) on the last 30 trading days before the start of the relevant performance period ("*opening price*"). The minimum target is achieved if the closing price is the same as the opening price (0% target achievement). The maximum target is achieved in a calendar year if the closing price is 16% or more above the opening price (200% target achievement).

Total shareholder return measures the return on a share investment over a period of time, including dividends as well as share price performance (positive and negative) and adjusted for any equity issues or share-splits. The target for total shareholder return is achieved exactly in a calendar year (100% target achievement) if the return on the Evotec share matches the average return on the shares of the companies listed in the TecDAX over the same period. The return on the Evotec share is determined on the basis of the closing price and the dividend per share paid in that year (adjusted for any equity issues and share-splits) in relation to the opening price:

$$\frac{\text{Closing price} + \text{dividend}}{\text{Opening price}}$$

The relevant values of the average total shareholder return of the companies listed in the TecDAX will be calculated and based on the average TecDAX index (Total Return Index) during the thirty (30) trading days at Frankfurt Stock Exchange prior to the relevant date. The return is therefore based on the relation between the average TecDAX value in the closing auction of XETRA trading (or a successor system) in the last 30 trading days of the relevant performance period, i.e. the calendar year ("*final value*") and the average TecDAX value in the closing auction of XETRA trading (or a successor system) on the last 30 trading days before the start of the relevant performance period ("*starting value*").

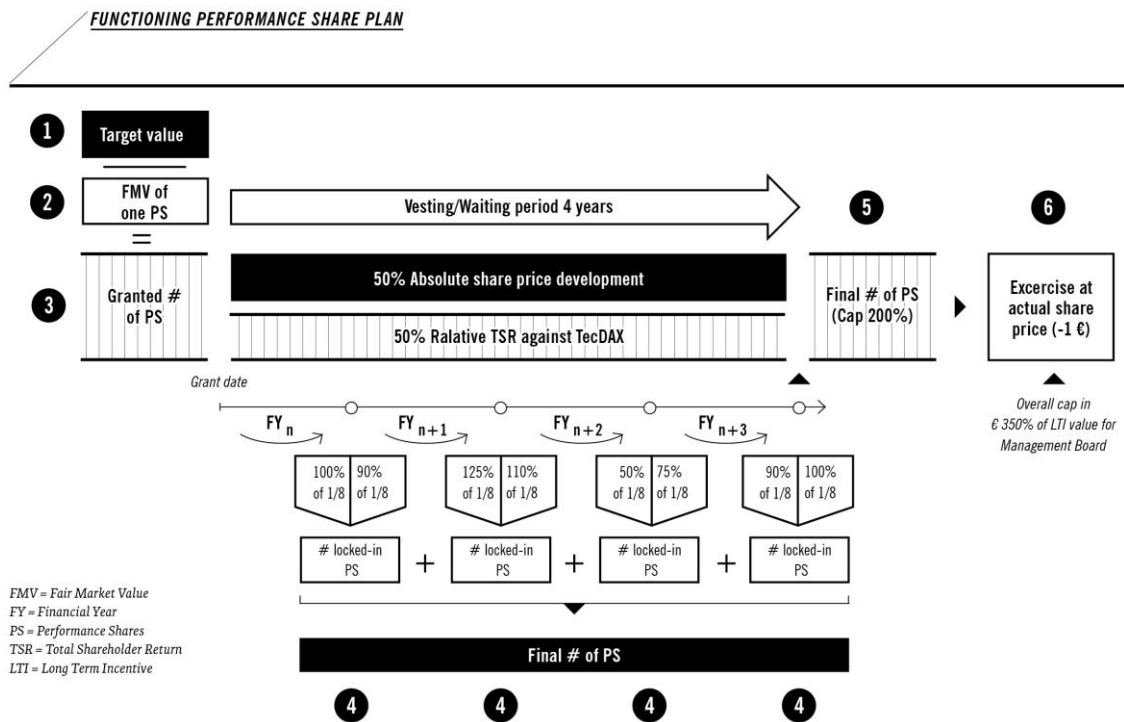
$$\frac{\text{Final value}}{\text{Starting value}}$$

The minimum target is achieved (0% target achievement) if the return on the Evotec share is less than 10 per cent below the average total shareholder return for the companies in the TecDAX in the relevant performance period (i.e. in each calendar year). The maximum target is achieved (200% target achievement) if the return on the Evotec share is at least 10% higher than the average total shareholder return for the companies in the TecDAX in the relevant performance period.

If the minimum target for one performance indicator is not achieved in a calendar year, the corresponding number of SPA (12.5% of the SPA granted at the start of the performance period) are forfeit. If the target is exactly achieved (100% target achievement) the corresponding number of SPA are converted into the same number of subscription rights to shares in Evotec SE at the end of the performance period. If the maximum target is achieved (200% target achievement) the corresponding number of SPA are converted into twice the number of subscription rights to shares in Evotec SE at the end of the performance period. Between these figures the values are interpolated on a linear basis.



The provisions of the plan include the usual rules to protect Management Board members against dilution, e.g. by capital increases or share-splits.



	<u>ABSOLUTE SHARE PRICE DEVELOPMENT</u>	<u>RELATIVE TSR</u>
<b>Weighting</b>	▶ 50% of granted performance shares	▶ 50% of granted performance shares
<b>Measurement</b>	▶ After each year	▶ After each year
<b>Comparison</b>	▶ 30 trading days average before the start/end of each year	▶ Against TecDAX ▶ 30 trading days average before the start/end of each year
<b>Calibration</b>		
	▶ Within the range of 0% and 200%, the target achievement is calculated by using linear interpolation.	

The right to exercise the subscription rights resulting from converting the Share Performance Awards only vests at the end of the performance period. At the end of each of the four performance periods (i.e. each calendar year) for the Share Performance Awards the target achievement is measured for the two performance indicators in the relevant calendar year, the corresponding number of subscription rights are calculated and provisionally fixed. At the end of all four performance periods, i.e. the four calendar years of an award, the subscription rights calculated for each year are added to obtain the total number of subscription rights.

The following graph shows how the performance periods overlap. Subscription rights from the Share Performance Awards granted annually are exercised automatically at the end of the relevant performance period of four years from issue. This is carried out by the bank appointed to manage the programme; the beneficiary can choose between selling the shares acquired under the subscription rights or transferring the shares to their securities account:

FISCAL YEAR 2021	FISCAL YEAR 2022	FISCAL YEAR 2023	FISCAL YEAR 2024	FISCAL YEAR 2025	FISCAL YEAR 2026
Year 1 SPAs 2021-2024	Year 2 SPAs 2021-2024	Year 3 SPAs 2021-2024	Year 4 SPAs 2021-2024		
	Year 1 SPAs 2022-2025	Year 2 SPAs 2022-2025	Year 3 SPAs 2022-2025	Year 4 SPAs 2022-2025	
		Year 1 SPAs 2023-2026	Year 2 SPAs 2023-2026	Year 3 SPAs 2023-2026	Year 4 SPAs 2023-2026
			Year 1 SPAs 2024-2027	Year 2 SPAs 2024-2027	Year 3 SPAs 2024-2027
				Year 1 SPAs 2025-2028	Year 2 SPAs 2025-2028

When the subscription rights are exercised the beneficiary has to pay one euro per share to Evotec, regardless of the market price of the Evotec share at this time. The newly acquired shares are not subject to any further restrictions. They can be traded immediately, but are subject to the rules on insider dealing, which are the sole responsibility of the Management Board member.

The Supervisory Board reserves the right, at its discretion, to replace subscription rights granted to Management Board members by a cash payment and/or Evotec shares held by the Company itself.

If a Management Board member leaves before the end of the four-year period as a good leaver, the total number of SPA granted for the year of their departure is reduced pro rata temporis. However, in individual cases the Supervisory Board reserves the right to settle the entitlement of a Management Board member leaving in the course of the four-year period by means of a one-off payment (in this case Evotec SE would declare a deviation from recommendation G.12 of the GCGC). If the Management Board member leaves Evotec SE as a bad leaver, all claims to the SPA granted for the year of their departure are forfeit.

The authorisation to issue stock options with subscription rights to Evotec SE shares, on which the Share Performance Plan 2017 is based, expires on 13 June 2022. The Supervisory Board will propose a resolution for a new plan no later than at the ordinary general meeting 2022. The new plan is expected to replace the Share Performance Plan 2017 in the remuneration system for the Management Board of Evotec SE and be used for granting Share Performance Awards as long-term, multi-year variable remuneration. The structure of the new plan has not yet been decided and so cannot be described here.

- **Additional long-term, multi-year variable remuneration (Restricted Share Awards):** In the event of unusual circumstances, relating above all to competition, the Supervisory Board may at its professional discretion and having determined that it is appropriate, grant additional Restricted Share Awards if this is expected to have a positive influence on the long-term performance of Evotec SE. The Supervisory Board determines the target amount of Restricted Share Awards in the individual case. The amount of the Restricted Share Awards may not exceed 400% of the target amount (cap).

Restricted Share Awards (RSA) are granted to members of the Management Board according to the provisions of the Restricted Share Plan 2020 as determined by resolution of the Annual General Meeting 2020. The number of RSA is determined by dividing the target amount by the relevant market value of an RSA.

The Restricted Share Plan defines for each award a performance period of four consecutive calendar years in which the performance is measured. The Annual General Meeting 2020 defined Adjusted EBITDA as the performance indicator. The performance indicator is measured for each year in the performance period. The performance in a given year is fixed for the remainder of the lock-up period.

To measure performance, Adjusted EBITDA is calculated for each year of the performance period and compared with the Adjusted EBITDA forecast for the financial year in the first quarter of that year. The forecast and the actual financial ratio for the previous year are published in the annual report.

The key performance indicator for the respective year is achieved when Adjusted EBITDA corresponds to or exceeds forecast Adjusted EBITDA. The minimum target is achieved when Adjusted EBITDA corresponds to or exceeds 75% of forecast Adjusted EBITDA.

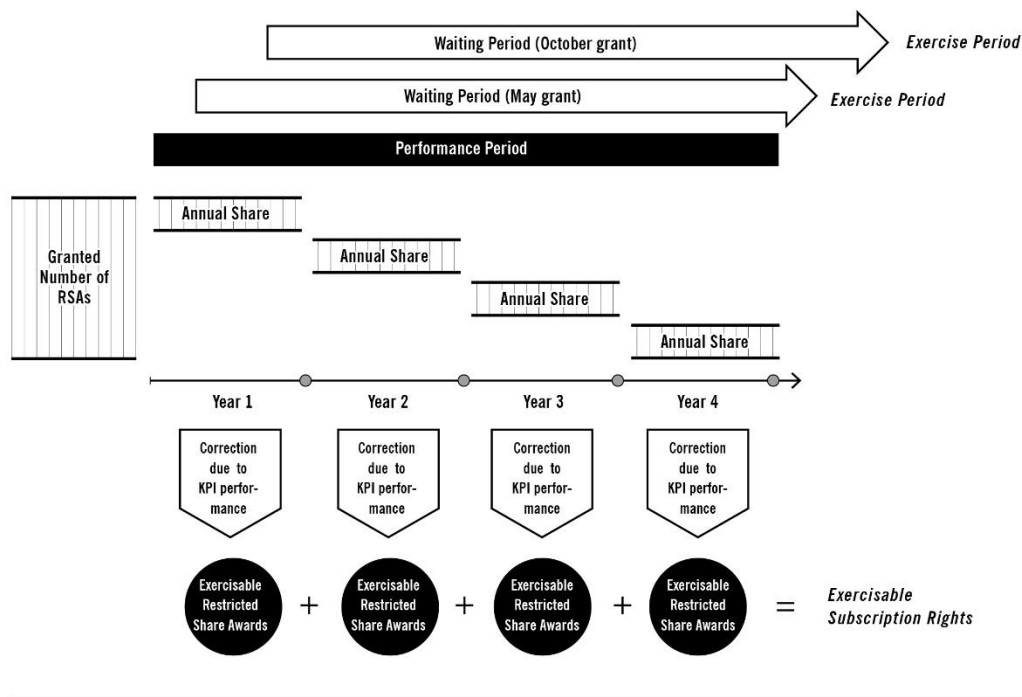
If the minimum target is not achieved in a financial year, 25% of the Restricted Share Awards are forfeit. If the target is achieved in a financial year, 25% of the Restricted Share Awards are converted into subscription rights, each for one share in Evotec SE. If the minimum target is achieved exactly in a financial year, 12.5% of the Restricted Share Awards are converted into subscription rights, each for one share in Evotec SE. If the minimum target is achieved in a financial year, but not the target, between 12.5 and 25% of the Restricted Share Awards, depending on the actual target achievement, are converted into subscription rights, each for one share in Evotec SE.

The Supervisory Board reserves the right to determine additional targets for granting RSA to Management Board members at its own discretion; these may be qualitative or quantitative targets and may have to be met in full or in part for the exercise of the subscription rights resulting from the conversion.

The provisions of the plan include the usual rules to protect Management Board

<b>Key Performance Indicator</b>	▶ Adjusted EBITDA
<b>Target</b>	▶ Adjusted EBITDA forecast for full fiscal year
<b>Minimum Target</b>	▶ 75% of Adjusted EBITDA forecast for full fiscal year
<b>Performance Check</b>	▶ Annually after approval of the Annual Report by the Supervisory Board
<b>Result of Performance Check</b>	▶ Applicable percentage for last fiscal year
<b>Calibration</b>	<p>▶ Applicable percentage of total Number of granted Awards</p>
<b>Exercisable Restricted Share Awards</b>	▶ Applicable percentage of number of granted Restricted Share Awards

members against dilution, e.g. by capital increases or share-splits, etc.



At the end of the performance period the number of subscription rights for each year of the performance period are added to arrive at the total number of subscription rights. The right to exercise the subscription rights created by conversion of the Restricted Share Awards vests four years after they have been granted (vesting period) and remains in existence for one year (exercise period).

When the subscription rights are exercised the beneficiary has to pay one euro per share to Evotec, regardless of the market price of the Evotec share at this time. The newly acquired shares are not subject to any further restrictions. They can be traded immediately, but are subject to the rules on insider dealing, which are the sole responsibility of the Management Board member.

The Supervisory Board reserves the right, at its discretion, to replace subscription rights granted to Management Board members by a cash payment and/or Evotec shares held by the Company itself.

If a Management Board member leaves as a good leaver before the end of the vesting period this has no effect on claims to subscription rights from previously granted RSA. If the Management Board member leaves Evotec SE as a bad leaver, all claims to subscription rights from previously granted RSA are forfeit. However, in individual cases the Supervisory Board reserves the right to uphold to an appropriate degree the existing entitlement of a Management Board member leaving during the vesting period or to settle it by means of a one-off payment (in this case Evotec SE would declare a deviation from recommendation G.12 of the GCGC).

## 8. Appropriateness of specific total remuneration

In view of the tasks and expected performance of the Management Board and in light of the current position of Evotec SE compared with other companies in its peer group, and considering a vertical comparison within the Evotec Group, the Supervisory Board believes that the proposed remuneration system and the current total target remuneration

are appropriate and standard. This opinion has also been confirmed by an independent external remuneration consultant.

Several criteria are used for the Supervisory Board's regular review to ensure the remuneration system is appropriate.

- **Situation of the company**  
When deciding on the structure and amount of remuneration the Supervisory Board takes the economic position, earnings and prospects of Evotec SE into account.
- **Strategy**  
The performance targets for the Management Board are set in accordance with the business strategy of Evotec SE and its medium-term budgets.
- **Market practice**  
The Supervisory Board monitors the level of Management Board remuneration at similar companies. The peer group comprises German and international biotech and pharmaceutical companies of a similar size and complexity in order to reflect Evotec's global presence and potential markets for recruiting Management Board members.
- **Remuneration of managers and other employees**  
In its review of Management Board remuneration the Supervisory Board considers the remuneration of the Management Board over time, compared with the remuneration of the workforce of Evotec SE in Germany. In this vertical comparison the Supervisory Board defines the ratio of Management Board remuneration to that of managers and other employees of Evotec SE.
- **Responsibilities and performance**  
The criteria for defining individual remuneration are the tasks and responsibilities of the Management Board members and their individual performance.
- **Corporate Governance**  
The Supervisory Board considers proven corporate governance practices when revising the remuneration system. Advice is obtained from independent external remuneration experts as necessary.

For the horizontal review of whether Management Board remuneration is appropriate the Supervisory Board looked at peer group companies that can sensibly be compared with Evotec SE in terms of industry, size, region and transparency of Management Board remuneration<sup>4</sup>.

To determine if the Management Board's remuneration is appropriate in a vertical comparison, i.e. within Evotec SE, the Supervisory Board looked particularly at changes in the remuneration of senior managers and the workforce overall, also over time.

## 9. Maximum remuneration

By maximum remuneration Evotec SE means the maximum amount of remuneration that a Management Board member can earn in a financial year.

For the maximum remuneration defined in the remuneration system the Supervisory Board works from the current annual target remuneration of the Management Board members. Allowing for a possible (moderate) increase in the fixed salary and one grant of Restricted Share Awards to each Management Board member during the forecast four-

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<sup>4</sup>The following companies make up the peer group: Abcam, Bachem, Biotest, Carl Zeiss Meditec, Charles River, Clinigen, Galapagos, Genmab, Ligand, Morphosys, QIAGEN, Siegfried Pharma, Stallergenes, Sartorius, Tecan and MedPace.

year duration of the remuneration system gives the maximum annual remuneration as defined in § 87a para. 1 sentence 2 no. 1 AktG:

<b>FUNCTION</b>	<b><i>Maximum remuneration for years in which no Restricted Share Awards are granted</i></b>	<b><i>Maximum remuneration for years in which Restricted Share Awards are granted</i></b>
CEO	EUR 6,000,000	EUR 15,600,000
Other Management Board members	EUR 3,500,000	EUR 7,100,000

In the language of stock corporation law the maximum remuneration is neither the amount of remuneration the Supervisory Board aims for, nor that which it deems to be appropriate. It must be clearly distinguished from the annual target remuneration. All it does is to set an absolute limit (cap) to avoid disproportionately high Management Board remuneration if a financial year should go unexpectedly well, for example. Defining the maximum remuneration does not prevent the Supervisory Board from increasing the number of Management Board members at its professional discretion while the remuneration system is in effect.

#### **10. Significant changes compared with the current remuneration system**

The new remuneration system differs from the previous Management Board remuneration principally in the fact that the short-term, one-year variable remuneration (bonus) now generally also includes ESG targets. Furthermore, the maximum bonus amount is adjusted from 100% to 150% of the target amount for all Management Board members. A bonus curve has been drawn in this context that establishes a link between overachievement of a target and the payment factor. The bonus curve is identical to the curve in the bonus system for managers, but has a higher hurdle rate and a lower cap. In the long-term, multi-year variable remuneration the proportion of Performance Share Awards in relation to total target remuneration for ordinary Management Board members was increased to 100% to 150% of the basic salary. Furthermore, the Supervisory Board may grant Restricted Share Awards at its professional discretion in addition to the annual Share Performance Awards.

#### **11. Penalty and clawback rules for variable remuneration**

The service contracts with Management Board members include clauses that enable the Supervisory Board to withhold (penalty clause) or retract (clawback clause) variable remuneration components if a Management Board member is in serious breach of their obligations, particularly their compliance obligations.

#### **12. Offsetting of remuneration from other work**

The members of the Management Board are not remunerated for work as directors or management board members of companies within the Group. If they hold seats on the supervisory board or management board of entities outside the Group, the Supervisory Board has decided that the remuneration for this work is not offset.

### **13. Benefits on commencing and ending work on the Management Board**

When a Management Board member starts work the Supervisory Board decides at its professional discretion whether and to what extent additional benefits are agreed in individual agreements (e.g. relocation expenses, subsidised travel or compensation for loss of earnings due to the move to Evotec SE). Any expenses incurred are counted towards the maximum remuneration.

Payments to a Management Board member if the service contract is terminated prematurely, without there being an important reason for the termination, are limited to two annual salaries and may not exceed the annual remuneration for the remainder of the service contract (cap on severance pay). The annual remuneration used to calculate the severance payment is the basic salary plus target bonus.

### **14. Other important clauses in the service contract**

Service contracts with Management Board members will not generally be for more than three years for the first appointment. Otherwise the Supervisory Board may make use of the limit of five years defined in stock corporation law. Neither party has the right to terminate the service contract with notice. This does not affect the right to terminate the contract without notice for cause.

Any future service agreement under the proposed remuneration system can also include appropriate benefit commitments if the service contract with the Management Board member is terminated early due to a change of control. The existing service contracts with the Management Board members have a change-of-control clause that enables them to terminate the contract in the event of a change of control. If the Management Board members exercise this right, they are entitled to a severance payment of 18 month's basic salary plus the target bonus for this period. In no case may the severance payment be higher than the total remuneration that would be owed to the respective Management Board member for the remainder of their service contract, however. If a non-compete clause has been agreed for the period after the service contract comes to an end, any severance payment is offset against the compensation payable for this period.

### **15. Transparency, documentation and remuneration report**

If the Annual General Meeting passes a resolution adopting the remuneration system, the resolution and the remuneration system will be made public without delay on the website of Evotec SE and remain available there free of charge for as long as the remuneration system is in effect, but for at least ten years.

In addition, the Management Board and Supervisory Board of Evotec SE will prepare a clear, comprehensible annual report on the remuneration granted and owed to each individual current and former member of the Management Board and Supervisory Board of Evotec SE in the previous financial year ("remuneration report"). The remuneration report is to be audited by the auditors of the financial statements and include detailed information on the remuneration of the individual board members and on changes in Management Board remuneration in accordance with § 162 AktG. It applies for the first time to the financial year of Evotec SE that starts on 1 January 2021. The Annual General Meeting of Evotec SE then votes on a resolution to approve the remuneration report for the previous financial year prepared and audited in accordance with § 162 AktG.

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