

Summary of key elements of proposed LTIP in the form of a stock option plan 2019 for Solutions 30 SE

The Company has decided to implement a LTIP.

Advisory vote at AGM: The LTIP will be submitted to vote of the general meeting of shareholders for advisory purposes for the first time in the annual general meeting of shareholders to resolve upon the financial statements for the fiscal year 2019 of the Company.

Purpose: (1) to offer a competitive remuneration in a global marketplace and strengthens the long-term commitment of Eligible Employees. (2) to attract, motivate and retain highly trained, experienced and committed Executive Officers who have the necessary skills, education, experience and personal qualities required to manage the Company's business for the benefit of its shareholders, and to align their success with that of the shareholders. (3) to strengthen the involvement with the Company and the groups of employees.

Implementation: This LTIP is designed as an ongoing stock option plan starting from a date decided by the Supervisory Board as proposed by the Nomination and Remuneration Committee thereof. The granting of Options under the terms of this LTIP is made at the sole discretion of the Nomination and Remuneration Committee or, as the case may be, by the Group Management Board and does not entitle a Participant to receive future Options. Supervisory Board members are explicitly excluded as beneficiaries. The Nomination and Remuneration Committee shall be competent for the grant of Options in relation to the members of the Group Management Board while the Group Management Board has been delegated competence and authority by the Supervisory Board for granting of Options for all other employees of the Solutions 30 SE group and the general implementation of said LTIP.

Size: The number of Shares available with respect to all Options granted under the LTIP shall not exceed six million five hundred thousand (6,500,000) in the aggregate. This is equivalent to a gross maximum dilution of 6.1% of the outstanding share capital. The effective net dilution, while ultimately a function of the share price, is expected to be significantly less under today's assumptions. No individual shall be entitled to a grant of more than 15% of the aggregate size of the LTIP.

Term and vesting period: The term of each Option shall be no more than ten (10) years from the Grant Date. For the members of the Group Management Board, Options shall be granted after the three (3) year performance program setting objectives upon satisfaction of those and shall vest one (1) year after the respective Grant Date;

For all other Participants (not including the Group Management Board members), Options shall be granted by the Group Management Board upon satisfaction of annual performance criteria fixed by it; and as of the Respective Grant Date, one-third (1/3) of the Option shall vest, on a cumulative basis, upon each of the first, second and third anniversaries of the Grant Date, provided the Participant has continued in the employment of the Company or an Affiliate through such anniversary or anniversaries. It is understood that the Group Management Board is free to grant Options on yearly basis to Eligible Employees.

Pricing: The Option Exercise Price shall be the average stock price at the closing of the 60 trading days preceding the date of the Supervisory Board meeting of 23rd September 2019 having decided the award of the present LTIP. That is 8.99€. It must remain fixed under the whole duration of the LTIP.

Clawback: The Supervisory Board, and by delegation the Group Management Board, retain a right to claw back awards under this LTIP in case of behavior detrimental to the company.

Change-of-control: A so-called 'double-trigger' mechanism is implemented under a Change-of-Control scenario. The awards only vest if two conditions are satisfied, either (1) change of control and severance, or (2) change of control and replacement LTIP not taken up by the beneficiary.

Performance Metrics for members of the GMB: Members of the GMB will have options granted only provisionally, and a final award will depend on the percentage of performance achieved during the three-year performance period. The performance criteria are set as follows:

- (1) For 25% of the stock options granted, on the rate of achievement of an objective, set by the Supervisory Board, consisting of the achievement of targets in the Company's revenue for the fiscal years 2019, 2020 and 2021. The achievement is averaged for the fiscal years contained in the performance period to determine the grant for this measure. At 100% of the objective set, the grant is 100%, and then decreases on a straight-line basis to zero, if there is no annual growth in revenue. The objective set is determined using market consensus revenue estimates from sell-side analysts as of May 2019. The objectives set are, in the view of the Company, ambitious. They lead the Company towards its publicly stated mid-term target of EUR 1bn of revenue.
- (2) For 25% of the stock options granted, on the rate of achievement of an objective, set by the Supervisory Board, consisting of the achievement of annual targets in the Company's adjusted EBITDA (as defined below) margin (as a % of revenue) for the fiscal years 2019, 2020 and 2021. The achievement is averaged for the fiscal years contained in the performance period to determine the grant for this measure. At 100% of the objective set, the grant is 100%, and then decreases on a straight-line basis to zero, if there is no annual growth in EBITDA. The objectives set are, in the view of the Company, ambitious in the light of the expected strong growth.
- (3) For 25% of the stock options granted, on the rate of achievement of an objective, set by the Supervisory Board, consisting of the achievement of annual targets in the Company's free cash flow (as defined below) for the fiscal years 2019, 2020 and 2021. The achievement is averaged for the fiscal years contained in the performance period to determine the grant for this measure. At 100% of the objective set, the grant is 100%, and then decreases on a straight-line basis to zero, if there is no annual growth in free cash flow. The objectives set are, in the view of the Company, ambitious in the light of the expected strong growth.
- (4) For 25% of the stock options granted, on the rate on an objective of relative shareholder return set by the Supervisory Board, defined as the annual growth rate of an investment in Solutions 30 shares, reinvested dividends, for fiscal years 2019, 2020 and 2021, compared to a reference index made up of nine Eurozone listed companies deemed comparable. At the objective set, the grant is 100%, then decreases on a straight line to 50% if the performance is equal to the index. The objective targets a significant outperformance of the index. No grant will be awarded under this criteria for a performance below the index performance.

'Adjusted EBITDA margin', for the purpose of the above, is defined as: Adjusted EBITDA as defined by the Company in its financial reporting, divided by revenue. The transition to IFRS reporting will result in a ceteris paribus different EBITDA margin. The Company will adjust the margin target accordingly, taking into consideration only such changes caused by the different accounting framework.

'Free cash flow', for the purpose of the above, is defined as: The EUR amount defined by the subtraction of acquisition of non-current assets from net operating cash flow, as reported by the Company.

Covid-19: On 27 April 2020, the Supervisory Board, following the recommendation of the Nominations and Remunerations Committee, resolved that, due to impact of the COVID-19 pandemic, the 2020 and 2021 LTIP objectives will be reviewed and potentially adjusted after summer 2020.