



SMA Solar Technology AG
Niestetal

WKN: A0DJ6J
ISIN: DE000A0DJ6J9

We are pleased to invite our shareholders to the

Annual General Meeting

of SMA Solar Technology AG, Niestetal, Germany

on Wednesday, May 24, 2023, at 10:00 a.m.

CEST

which will be held virtually **without the physical presence of shareholders or their authorized representatives (except for the proxies designated by the Corporation)** at the headquarters of SMA Solar Technology AG, Sonnenallee 1, 34266 Niestetal, Germany.

NOTE:

This year's Annual General Meeting will be held virtually without the physical presence of the shareholders and their authorized representatives (except for the proxies appointed by the Corporation) pursuant to section 118a AktG at the headquarters of SMA Solar Technology AG, Sonnenallee 1, 34266 Niestetal, Germany (place of the Annual General Meeting within the meaning of the German Stock Corporation Act).

Please note that shareholders or their authorized representatives (except for the proxies appointed by the Corporation) will not be able to physically attend the virtual Annual General Meeting. The virtual Annual General Meeting will be webcast live for properly registered shareholders and their authorized

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representatives via the password-protected shareholders' portal that we provide at <http://www.sma.de/en/investor-relations/annual-general-meeting>

For details on the rights of shareholders and their authorized representatives, please refer to the additional information and notes described in the notice convening the Annual General Meeting following the agenda.

I. AGENDA:

- 1. Presentation of the adopted Annual Financial Statements as of December 31, 2022 of SMA Solar Technology AG, the approved Consolidated Financial Statements as of December 31, 2022, the Combined Management Report of SMA Solar Technology AG and the Group for the 2022 fiscal year, as well as the report of the Supervisory Board, the Managing Board's proposal on the appropriation of the balance sheet profit for the 2022 fiscal year and the explanatory report of the Managing Board on the disclosures pursuant to Section 289a(1), Section 315a(1) of the German Commercial Code for the 2022 fiscal year**

The documents mentioned under agenda item 1 are available on our Investor Relations website at

<http://www.sma.de/en/investor-relations/annual-general-meeting>

They can also be accessed there for the duration of the virtual Annual General Meeting. The documents will also be explained in more detail at the Annual General Meeting. In accordance with statutory provisions, a resolution is not planned for agenda item 1, as the Supervisory Board has already approved the Annual Financial Statements and Consolidated Financial Statements prepared by the Managing Board, thus adopting the Annual Financial Statements, so that an adoption by the Annual General Meeting is not required.

- 2. Resolution on the Appropriation of the Balance Sheet Profit from the 2022 Fiscal Year**

The Managing Board and Supervisory Board propose that the net result of € 171,024,931.48 reported in the consolidated Annual Financial Statements for 2022 be entirely carried forward to the new fiscal year.

- 3. Resolution on the Individual Ratification of the Managing Board Members' Actions in the 2022 Fiscal Year**

The Managing Board and Supervisory Board propose to vote on the ratification of the Managing Board members' actions in the 2022 fiscal year on a person-by-basis, i.e., by way of individual ratification.

- a) The Managing Board and Supervisory Board propose that the actions of Barbara Gregor in the 2022 fiscal year be ratified.
- b) The Managing Board and Supervisory Board propose that the actions of Ulrich Hadding in the 2022 fiscal year be ratified.
- c) The Managing Board and Supervisory Board propose that the actions of Thomas Pixa in the 2022 fiscal year be ratified.
- d) The Managing Board and Supervisory Board propose that the actions of Dr.-Ing. Jürgen Reinert in the 2022 fiscal year be ratified.

4. Resolution on the Individual Ratification of the Supervisory Board Members' Actions in the 2022 Fiscal Year

The Managing Board and Supervisory Board propose to vote on the ratification of the Supervisory Board members' actions in the 2022 fiscal year on a person-by-person basis, i.e., by way of individual ratification.

- a) The Managing Board and Supervisory Board propose that the actions of Roland Bent in the 2022 fiscal year be ratified.
- b) The Managing Board and Supervisory Board propose that the actions of Martin Breul in the 2022 fiscal year be ratified.
- c) The Managing Board and Supervisory Board propose that the actions of Oliver Dietzel in the 2022 fiscal year be ratified.
- d) The Managing Board and Supervisory Board propose that the actions of Kim Fausing in the 2022 fiscal year be ratified.
- e) The Managing Board and Supervisory Board propose that the actions of Johannes Häde in the 2022 fiscal year be ratified.
- f) The Managing Board and Supervisory Board propose that the actions of Alexa Hergenröther in the 2022 fiscal year be ratified.
- g) The Managing Board and Supervisory Board propose that the actions of Uwe Kleinkauf in the 2022 fiscal year be ratified.
- h) The Managing Board and Supervisory Board propose that the actions of Ilonka Nussbaumer in the 2022 fiscal year be ratified.
- i) The Managing Board and Supervisory Board propose that the actions of Yvonne Siebert in the 2022 fiscal year be ratified.

- j) The Managing Board and Supervisory Board propose that the actions of Romy Siegert in the 2022 fiscal year be ratified.
- k) The Managing Board and Supervisory Board propose that the actions of Jan Henrik Supady in the 2022 fiscal year be ratified.
- l) The Managing Board and Supervisory Board propose that the actions of Dr. Matthias Victor in the 2022 fiscal year be ratified.

5. Election of the Auditor of the Annual Financial Statements and the Auditor of the Consolidated Financial Statements for the 2023 Fiscal Year and, in the Case of a Review, of the Auditor of the Condensed Financial Statements and the Interim Management Report for the First Half of the 2023 Fiscal Year

On the recommendation of the Audit Committee, the Supervisory Board proposes to appoint

BDO AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main

as the auditor of the Annual Financial Statements and auditor of the Consolidated Financial Statements for the 2023 fiscal year and as the statutory auditor to perform the review of the Condensed Financial Statements and the Interim Management Report of the Group for the first half of the 2023 fiscal year to the extent they are subjected to such a review.

The Audit Committee has declared that its recommendation is free from any undue influence by third parties and that it is not bound by any clause limiting the selection options within the meaning of Article 16(6) of the EU Directive on Statutory Auditors.

6. Resolution on the Approval of the Remuneration Report for the 2022 Fiscal Year prepared and audited pursuant to Section 162 of the German Stock Corporation Act (AktG)

According to the Act Implementing the Second Shareholders' Rights Directive (Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie - "ARUG II") that entered into force on January 1, 2020, the Managing Board and the Supervisory Board must prepare an annual remuneration report that must comply with the requirements set out by law (Section 162 AktG). The auditor is required to check whether the remuneration report within the meaning of Section 162 AktG contains all the information required by law and issue an audit report confirming the same. Pursuant to Section 120a (4) AktG the audited remuneration report needs to be submitted to the Annual General Meeting for approval. The decision of the Annual General Meeting relating to the approval of the remuneration report is understood as a recommendation. The Managing Board and Supervisory Board propose to the Annual General Meeting to approve the remuneration report for the 2022 fiscal year which can be found together with the audit report in Section III. "Remuneration report pursuant to Section 162 AktG".

7. Cancellation of the existing authorized capital, creation of new authorized capital with the option of excluding the subscription rights of shareholders, and corresponding amendment of the Articles of Incorporation

The existing authorized capital will expire on May 23, 2023, and is to be renewed. The Managing Board and Supervisory Board propose that the following resolution be adopted:

A) The following new paragraph (6) will be added to Article 4 of the Articles of Incorporation:

„The Managing Board, with the consent of the Supervisory Board, is authorized to increase the capital stock by up to EUR 3,400,000 (in words: three million four hundred thousand euros) in total on one or several occasions in the period up to May 23, 2028 by issuing new bearer shares in return for cash and/or in-kind contributions (authorized capital).

The Management Board is authorized, with the consent of the Supervisory Board, to exclude stockholders' statutory subscription rights in the following cases:

- a) a) in the case of capital increases in return for contributions in kind to grant shares for the purpose of acquiring companies, parts of companies or investments in companies or other assets;
- b) b) for the purpose of issuing shares to employees of the Corporation and companies affiliated with the Corporation as set out in Sections 15 et seq. the German Stock Corporation Act (AktG);
- b) c) to exclude any fractional amounts arising from the subscription right;
- c) d) in the case of capital increases in return for cash contributions, if the issue amount of the new shares is not significantly (in the meaning of Section 203 paragraphs 1 & 2 and Section 186 paragraph 3 sentence 4 German Stock Corporation Act) below the market price of the shares of the Corporation that are already listed at the time the final issue amount is set and the total pro-rata amount of the capital stock attributable to the new shares, for which the subscription right is excluded, does not exceed 10% of the share capital existing as of the time this authorization enters into force and – if lower – as of the time this authorization is exercised.

The Managing Board is authorized, with the consent of the Supervisory Board, to determine the further details of the relevant capital increases and their implementation, including the content of the share rights and the conditions of the share issue.”

B) The Supervisory Board is authorized to amend the wording of paragraphs (1) and (6) of Section 4 of the Articles of Incorporation in accordance with the respective utilization of the authorized capital after the full or partial execution of the increase of the share capital as well as after the end of the authorization period on May 23, 2028, in the event that the authorized capital has not yet been fully or partially utilized by that date.

The currently valid Articles of Incorporation are available on our Investor Relations website at <http://www.sma.de/en/investor-relations/annual-general-meeting>

Written report by the Managing Board on the exclusion of subscription rights in accordance with Section 203 (2), sentence 2, in conjunction with Section 186 (4), sentence 2, of the German Stock Corporation Act with regard to agenda item 7

The Managing Board has prepared a written report on topic 7 of the agenda in accordance with Section 203(2) sentence 2 in conjunction with Section 186(4) sentence 2 AktG addressing the reasons for the exclusion of subscription rights and justifying the issue amount. It can also be found online on our Investor Relations page at <http://www.sma.de/en/investor-relations/annual-general-meeting>. Upon request, this report can be delivered to any shareholder promptly and free of charge. The report will be announced as follows:

The exclusion of shareholder subscription rights is justified in accordance with the provisions of the German Stock Corporation Act (AktG) when it is in the company's interest, is appropriate and necessary for the realization of this company interest, and is proportionate.

- 1) The authorization stipulates that subscription rights can be excluded in cases of capital increases against in-kind contributions. This exclusion serves the purpose of enabling the acquisition of companies, parts of companies, investments in companies, or other assets against the granting of shares. In the event that acquisition by means of a capital increase against in-kind contributions would result in tax savings for the seller or if the seller is more interested in the acquisition of shares in the company than in monetary payment for any other reason, the option established here will serve to strengthen the company's negotiating position. In individual cases, it may also be advisable to offer the seller consideration in the form of new shares on the basis of specific company interests. The authorized capital allows the company to respond to opportunities with speed and flexibility in order to acquire companies, parts of companies, or investments in companies or other assets against the issuance of new shares. The requested authorization thus enables optimal financing of individual acquisitions against the issuance of new shares while also strengthening the company's equity capital base. The other assets to be acquired may also include receivables (loans or bonds) owed by the company or by group companies. Obtaining these assets for the company as in-kind contributions eliminates the liability and simultaneously strengthens equity.

Regardless of the circumstances, the management will only make use of the option to carry out a capital increase from the authorized capital against in-kind contributions while exercising the authorization to exclude subscription rights in cases where the value of the new shares is reasonably proportionate to the value of the consideration, i.e., the value of the company, part of a company, investment, or other asset to be acquired. As a general rule, the issue price of the new shares to be issued in this context should be based on the stock exchange price. This serves to prevent an economic disadvantage for both the company and the shareholders excluded from subscription rights. In consideration of all of the circumstances specified above, the authorization to exclude subscription rights within the limits described is necessary, appropriate, reasonable, and advisable in the company's interest.

- 2) The Supervisory Board and Managing Board propose that the authorized capital also be used for the issuance of new shares to employees of the company and companies affiliated with the company as defined under Sections 15 et seq. AktG (collectively the "SMA group") and that the exclusion of subscription rights be permitted for this purpose.

The SMA group's ability to attract and retain talented, well-trained, and motivated employees is crucial to its continued success. The option of issuing shares will improve the SMA group's chances of success in the recruitment market. This can also serve to create incentives for existing employment relationships where necessary.

- 3) The authorization to exclude subscription rights for fractional amounts serves to ensure that a practical subscription ratio can be depicted in regard to the amount of the respective capital increase. The technical implementation of capital increases and the exercise of subscription rights would be complicated significantly without the exclusion of subscription rights in regard to fractional amounts, particularly in cases of capital increases by round amounts. The fractional new shares excluded from shareholders' subscription rights will either be sold on the stock exchange or otherwise disposed of in an optimal manner for the company.
- 4) In addition, the management will be authorized to exclude subscription rights in accordance with Sections 203(1) sentence 1, 203(2), and 186(3) sentence 4 AktG. This option serves the company's interest in achieving an optimal issue price when issuing new shares. The option to exclude subscription rights provided by law under Section 186(3) sentence 4 AktG gives the management the ability to take advantage of opportunities arising in connection with the respective market conditions in a rapid, flexible, and cost-effective manner. This will allow the best possible reinforcement of equity to be achieved in the interest of the company and all shareholders. Waiving the time and cost-intensive handling of subscription rights will allow equity capital requirements to be covered rapidly in the event of short-term market opportunities and will also facilitate the acquisition of new groups of shareholders in Germany and abroad. Section 186(2) sentence 2 AktG allows the subscription price to be published three days before the end of the subscription period at latest. In consideration of the volatility on equity markets, however, a market risk – namely, a price change risk – also needs to be charged over multiple days in such cases, which can lead to the deduction of safety margins when defining the issue price and thus to conditions which differ significantly from the market. When granting subscription rights, successful placement with third parties is also jeopardized / associated with additional expense due to the uncertainty as to whether the subscription rights will be exercised. Lastly, in the case of existing subscription rights, the company cannot respond quickly to favorable/unfavorable market conditions due to the length of the two-week subscription period and is instead exposed to the risk of declines in share prices during the subscription period, which could result in less favorable equity capital procurement for the company. Capital increases without subscription rights, on the other hand, will result in the greatest possible level of capital creation, thanks to optimal proceeds, and are thus in the interest of the company and its shareholders. This option of carrying out capital increases under optimal conditions and without a significant discount for subscription rights is important to the company particularly because it needs to be able to take advantage of market opportunities in the dynamic market

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for photovoltaic systems in a rapid and flexible manner and may also need to be able to cover any resulting capital requirements quickly.

The sale price, and thus the funds the company receives in return for the new shares, will be based on the stock exchange price of the shares which are already listed on the exchange, and will not fall below the current stock exchange price to a significant degree – prospectively by no more than 3%, but never by more than 5%. In light of the fact that all company shares issued to date are approved for trading on the regulated market of the Frankfurt Stock Exchange, as things currently stand, shareholders interested in maintaining the proportional level of their stake can simply acquire more shares in the company through the stock market in the event that the authorization is exercised subject to the exclusion of subscription rights in accordance with Section 186(3) sentence 4 AktG. Together with the limitation of the exclusion of subscription rights to 10% of the share capital existing as of the time this authorization enters into force and – if lower – as of the time this authorization is exercised, this serves to ensure that the shareholders' financial and voting interests are adequately protected.

In consideration of all of the circumstances specified above, the authorization to exclude shareholders' subscription rights within the limits described is necessary, appropriate, reasonable, and advisable in the company's interest.

In every case, the Managing Board will always carefully assess whether the utilization of the authorized capital is in the company's interest and thus that of the shareholders. The Managing Board will report each utilization of the authorized capital to the annual general meeting.

8. Facilitation of Virtual Annual General Meetings – Amendment to the Articles of Incorporation

The German Act on the Introduction of Virtual General Meetings of Stock Corporations that came into effect on July 20, 2022, introduced new regulations for holding general meetings without the shareholders or their proxies being physically present at the location of the general meeting (i.e., in the form of a virtual general meeting). Pursuant to Section 118a(1)(1) of the German Stock Corporation Act (AktG), a company can only hold virtual general meetings convened after August 31, 2023 if its Articles of Association contain a corresponding provision authorizing the Executive Board to hold an entirely virtual general meeting, effective for a period of up to five years from the date on which the relevant amendment to the Articles of Association is entered in the commercial register. The company should also be able to hold annual general meetings in an entirely virtual format in the future.

The Managing Board and Supervisory Board thus propose that the following resolution be adopted:

Section 13 – Conditions of Participation – is reworded in the paragraphs (8) and (9) as follows:

8) The Managing Board is authorized to stipulate that the Annual General Meeting will be held without the physical presence of shareholders or their proxies at the venue of the Annual General Meeting ("virtual Annual General Meeting"). This authorization is temporary and shall end upon expiration of a period of five years after the entry of the relevant amendment of the Articles of Incorporation in the Commercial Register.

(9) Supervisory Board members may be permitted to attend the Annual General Meeting by means of video and audio transmission after consulting with the meeting chair and in such exceptional cases in which attendance is not at all possible or only at considerable cost due to legal restrictions or due to their place of employment or residence abroad or a virtual Annual General Meeting is held.

The currently valid Articles of Incorporation are available on our Investor Relations website at <http://www.sma.de/en/investor-relations/annual-general-meeting>

9. Adjustment of the remuneration of Supervisory Board members and the associated remuneration system – amendment to the Articles of Incorporation

The current remuneration of Supervisory Board members is governed by Section 11 of the Articles of Incorporation, was last amended by resolution of the Annual General Meeting of May 23, 2013, and was last approved by resolution of the Annual General Meeting of June 1, 2021, including the underlying remuneration system in accordance with Section 113 (3) of the German Stock Corporation Act.

The review of the appropriateness of Supervisory Board remuneration in accordance with the criteria for the remuneration of Supervisory Board members set out in the remuneration system has found that the current remuneration is below average in comparison with the wider market and is inadequate for the purposes of attracting qualified candidates. As such, the remuneration for Supervisory Board members is to be increased appropriately in consideration of the increased requirements for the tasks and obligations of the supervisory board of a listed company.

The Managing Board and Supervisory Board propose that the remuneration system for the Supervisory Board according to Section 11 of the Articles of Incorporation, including the remuneration system on which it is based and which is described in more detail under IV.A "Description of the Remuneration System for Supervisory Board Members", be resolved:

a) Section 11 of the Articles of Incorporation is reworded in the paragraphs (1) to (3) and (8) as follows:

Section 11 Remuneration

(1) A member of the Supervisory Board shall receive an annual remuneration of €50,000.00, in addition to the reimbursement of disbursements. Remuneration shall be two-fold the above mentioned remuneration for the Chairman and 1.5-fold for the Deputy Chairman.

(2) A member of the Audit Committee of the Supervisory Board shall receive an additional annual remuneration of €18,750.00. The Chairman of the Audit Committee shall receive twice the above mentioned additional remuneration.

(3) A member of the Presidial Committee of the Supervisory Board shall receive an additional annual remuneration of €7,500.00. The Chairman of the Audit Committee shall receive twice the above mentioned additional remuneration.

(8) The provisions of this Section 11 shall apply for the first time for remuneration to be paid in the 2023 financial year.

The currently valid Articles of Incorporation are available on our Investor Relations website at <http://www.sma.de/en/investor-relations/annual-general-meeting>

- b) The rules on the remuneration of Supervisory Board members in accordance with Section 11 of the Articles of Incorporation as revised in accordance with a) above are based on the remuneration system in accordance with Section 113 (3), sentence 3, of the German Stock Corporation Act in conjunction with Section 87a (1), sentence 2, of the German Stock Corporation Act, which is reproduced in this invitation under Section IV.A, "Description of the remuneration system for Supervisory Board members"

The remuneration of the Supervisory Board members is governed in the Articles of Incorporation of SMA Solar Technology AG. The new version of the remuneration regulations pursuant to lit. a) above is essentially limited to an adjustment of the amount of remuneration, but does not affect the existing remuneration structure.

10. Resolution on the Approval of the Amendments to the Remuneration System for Managing Board Members

Pursuant to Section 120a(1) AktG, the Annual General Meeting must pass a resolution on the approval of the system for the remuneration of Managing Board members presented by the Supervisory Board at least every four years or whenever there is a significant change to the existing remuneration system that has been adopted pursuant to Section 87a AktG, whichever comes first. In particular, the Supervisory Board has observed a need to redefine the ratio of fixed remuneration to variable remuneration components as well as to define the companies on the MDAX as the reference peer group for the comparison of remuneration due to the company's performance in the years 2021 and 2022. The maximum remuneration attainable by Managing Board members has also been redefined in consideration of the remuneration range of MDAX peer companies. In addition, changes have been made relative to the 2021 remuneration system in the interest of adding precision with regard to the obligation of Managing Board members to purchase shares with variable remuneration earned for exceeding targets, the settlement of the long-term bonus in the event of the early departure of a Managing Board member, and the inclusion of income from the secondary activities of Managing Board members. The remuneration system for the Corporation's Managing Board members as adopted by the Supervisory Board is described under IV.B "Description of the Remuneration System for Managing Board Members." This description is also available on the internet at <http://www.sma.de/en/investor-relations/annual-general-meeting>.

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The Supervisory Board proposes to approve the amended remuneration system for the members of the Managing Board of SMA Solar Technology AG adopted by the Supervisory Board effective January 1, 2023, and described in the invitation to the Annual General Meeting on May 24, 2023, under IV.B "Description of the Remuneration System for Managing Board Members."

II. ADDITIONAL INFORMATION AND NOTES DESCRIBED IN THE CONVENING NOTICE

1. NOTIFICATION OF THE TOTAL NUMBER OF SHARES AND VOTING RIGHTS

The Corporation's capital stock amounts to €34,700,000.00 and is divided into 34,700,000 bearer shares. Each share carries one vote in the Annual General Meeting. There are therefore 34,700,000 voting rights and shares entitled to attend at the time the Annual General Meeting is convened. The Corporation does not hold any treasury shares at the time the Annual General Meeting is convened.

2. GENERAL NOTES ON THE VIRTUAL ANNUAL GENERAL MEETING

The Managing Board decided, with the consent of the Supervisory Board, pursuant to Section 26n (1) of the Introductory Act to the Stock Corporation Act (EAG AktG) to hold the Annual General Meeting of SMA Solar Technology AG virtually on May 24, 2023, pursuant to Section 118a AktG without the physical presence of the shareholders or their authorized representatives (except for the proxies designated by the Corporation).

The entire Annual General Meeting will be video and audio broadcast for our duly registered shareholders or their authorized representatives on SMA Solar Technology AG's website via the password-protected shareholders' portal at

<http://www.sma.de/en/investor-relations/annual-general-meeting>

Duly registered shareholders or their proxies can use the password-protected shareholders' portal to connect to the Annual General Meeting electronically and participate in the Annual General Meeting in this manner, as well as to exercise their voting rights, grant proxies, submit opinions, or voice their objections for the record, among other things, in accordance with the procedures provided for this purpose. Furthermore, the list of attendees will be available in the password-protected shareholders' portal (accessible at the above link) during the virtual Annual General Meeting before the first vote is taken.

Shareholders or their authorized representatives can exercise their voting rights exclusively via electronic postal vote or by authorizing the proxies appointed by the Corporation as specified in more detail below. The votes on agenda items 2 to 5 and 7 to 9 are binding. The votes on agenda items 6 and 10 are a recommendation only. With each vote, there is the option to vote yes, no or abstain.

3. PREREQUISITES FOR ATTENDING THE VIRTUAL GENERAL MEETING AND EXERCISING VOTING RIGHTS

Pursuant to Section 13 of the Articles of Incorporation, shareholders are entitled to attend the Annual General Meeting, i.e., to connect electronically to the virtual Annual General Meeting and exercise their voting right only if they have registered with Corporation by no later than the end of **May 17, 2023 (12 a.m. CEST)** at the following address:

SMA Solar Technology AG
c/o Deutsche Bank AG
Securities Production
General Meetings
Postfach 20 01 07
60605 Frankfurt am Main
Germany
Or by e-mail: WP.HV@db-is.com

Shareholders must also provide evidence of their entitlement to attend the Annual General Meeting and exercise their voting right. Proof of entitlement requires proof of share ownership issued by the depositary institution, which must refer to the relevant point in time as stipulated in the German Stock Corporation Act. The entitlement may optionally be evidenced by a certificate issued by the last intermediary pursuant to Section 67c(3) AktG. Under Section 123(4) sentence 2 AktG, the proof must refer to the beginning of the 21st day prior to the Annual General Meeting, i.e., the beginning of **May 3, 2023 (12 a.m. CEST)** ("Record date"). Like the registration, the Corporation must receive this proof of share ownership at the aforementioned address by no later than the end of **May 17, 2023 (12 a.m. CEST)**. The registration and the proof of share ownership must use text form (Section 126b German Civil Code) and be in German or English. The proof may optionally also be submitted pursuant to Section 67c(3, 1) AktG.

Only those persons who have registered in due time and provided evidence of their entitlement to attend the Annual General Meeting and exercise their voting rights shall be deemed by the Corporation to be shareholders for the purpose of attending the virtual Annual General Meeting or exercising their voting rights. The right to attend and the scope of voting rights are determined exclusively on the basis of the shareholders' shareholding as of the record date. There is no prohibition against selling the shares on the record date. Meeting attendance and the scope of voting rights are solely determined by the shareholders' shareholdings as of the record date even if they dispose of all or some of the shares after the record date. In other words, sales of shares after the record date have no impact on a shareholder's right to attend and vote in a meeting. Conversely, the following applies to purchases, additional or otherwise, of shares made after the record date: Persons who do not yet hold any shares on the record date and only become shareholders thereafter are only entitled to attend and vote provided that they are authorized by the previous holder entitled to participate or are authorized to exercise their rights. The record date has no relevance for dividend entitlement.

After proper receipt of the registration, the registration office will send the shareholders access cards. Each access card contains the login data required to access the password-protected shareholders' portal. The login data consists of the ID and a password.

We ask shareholders to ensure that their registration and proof of share ownership are sent to the Corporation at the aforementioned address early enough for them to receive their access cards in plenty of time.

4. THE VOTING PROCESS

a) Exercising voting rights by an authorized representative

Shareholders may be represented by an authorized representative, e.g., by an intermediary, a proxy advisor, a shareholders' association or another person of their choice, with regard to attending the virtual Annual General Meeting and exercising their voting rights at the virtual Annual General Meeting. Timely registration and proof of share ownership in accordance with the above provisions are also required for proxy voting.

If shareholders authorize more than one person, the Corporation may reject one or more of them in accordance with Section 134(3) sentence 2 AktG.

The issuance or amendment of a proxy, its revocation and proof of authorization vis-à-vis the Corporation must be made in text form if a proxy is not granted pursuant to Section 135 AktG. Any authorization granted pursuant to Section 135 AktG (proxy granted to intermediaries, proxy advisors, shareholders' associations or commercial proxy services) must generally take account of special aspects that the prospective proxy will have to be asked about.

Proof of an authorization granted, its amendment or revocation may be submitted by mail or e-mail no later than **Monday, May 22, 2023 (12 a.m. CEST)** to the following mailing or e-mail address:

SMA Solar Technology AG
c/o ITTEB GmbH & Co. KG
Vogelanger 25
86937 Scheuring
Germany
E-mail: sma2023@itteb.de

Shareholders wishing to authorize another person to act as their authorized representative may use the form that is sent to them after they have duly registered and provided proof of share ownership. A form can also be downloaded from the Corporation's website at **<http://www.sma.de/en/investor-relations/annual-general-meeting>**.

In addition, proof of an authorization granted, its amendment or revocation may be submitted to the Corporation in accordance with the relevant procedures until the end of the virtual Annual General Meeting via the password-protected shareholders' portal, which can be accessed on the Corporation's website at **<http://www.sma.de/en/investor-relations/annual-general-meeting>**.

The aforementioned communication channels are also available until the aforementioned dates if the authorization is to be granted by a declaration to the Corporation; in this case, separate proof that the authorization was granted is not required. Shareholders may also revoke or amend a proxy already

granted by making a declaration directly to the Corporation using one of the aforementioned communication channels by the aforementioned dates.

Authorized representatives may not physically attend the Annual General Meeting, either. They can only exercise the voting right for the shareholders they represent within the scope of their authorization by way of electronic postal voting or by (sub)authorization of the proxies appointed by the Corporation. The use of the password-protected shareholders' portal requires that authorized representatives receive the access data required to access the password-protected shareholders' portal from the issuers of their authorization.

b) Exercise of voting rights by the Corporation-appointed proxies

Shareholders may also be represented by Corporation-appointed proxies who are required to follow instructions. Timely registration and proof of share ownership in accordance with the above provisions are also required for proxy voting.

The authorization of the Corporation's proxies as well as its amendment and revocation must be made in text form.

Proxies and instructions to the Corporation-appointed proxies may be issued, amended or revoked by mail or e-mail by no later than **Monday, May 22, 2023 (12 a.m. CEST)** to the following mailing or e-mail address:

SMA Solar Technology AG
c/o ITTEB GmbH & Co. KG
Vogelanger 25
86937 Scheuring
Germany

E-mail: sma2023@itteb.de

Shareholders wishing to authorize the Corporation's proxies may use the form that is sent to them after they have duly registered and provided proof of share ownership. A form can also be downloaded from the Corporation's website at **<http://www.sma.de/en/investor-relations/annual-general-meeting>**.

In addition, the issuance of proxies or instructions and their amendment or revocation may be submitted to the Corporation-appointed proxies following the designated procedures until the closing of voting by the chairman of the meeting at the virtual Annual General Meeting using the password-protected shareholders' portal that can be accessed on the Corporation's website at **<http://www.sma.de/en/investor-relations/annual-general-meeting>**.

If Corporation-appointed proxies are authorized, they must always be given instructions on how to exercise voting rights. The proxies are obligated to vote in accordance with the instructions given to them and may exercise voting rights only on those agenda items, motions and nominations for which they have been given instructions. The proxies do not accept any powers to make contributions, ask questions, propose motions or nominations, arrange for questions to be recorded in the minutes or declare objections to resolutions of the Annual General Meeting.

c) Exercising voting rights by way of electronic postal vote

Shareholders may also cast their votes by electronic postal vote using the password-protected shareholders' portal. Again, timely registration and proof of share ownership are required in accordance with the above provisions.

Electronic postal votes can only be cast, amended or revoked until the closing of voting at the virtual Annual General Meeting by the chairman of the meeting using the password-protected shareholders' portal that can be accessed on the Corporation's website at <http://www.sma.de/en/investor-relations/annual-general-meeting>. Please note that other communication channels are not available for electronic postal voting.

Authorized intermediaries, shareholders' associations and proxy advisors or other persons and institutions deemed to be equivalent under Section 135(8) AktG may also use electronic postal voting. If an individual vote is to be held on an agenda item without this having been communicated in advance of the Annual General Meeting, both an instruction issued to the Corporation-appointed proxies and a vote cast by way of an electronic postal vote on this agenda item shall also be deemed to be an equivalent instruction for each item of the individual vote.

Postal votes shall always be given priority wherever both postal votes and authorizations/instructions to the Corporation-appointed proxies are received. Conflicting declarations received through different communication channels will be considered in the following order: (1) declaration received via the password-protected shareholders' portal, (2) by e-mail, (3) by mail.

Confirmation of the vote count pursuant to Section 129(5) AktG

Shareholders will be given a confirmation of the vote count in the password-protected shareholders' portal in accordance with Section 129(5) AktG, which the voter will be able to download within one month of the date of the Annual General Meeting, i.e., by the end of June, 24, 2023, 12 a.m., CEST.

5. PUBLICATION ON THE COMPANY'S WEBSITE

Immediately after convening the Annual General Meeting, we will publish the following information and documents online on our Investor Relations page at

<http://www.sma.de/en/investor-relations/annual-general-meeting>

(cf. Section 124a AktG):

- a) The content of the convening notice with an explanation of agenda item 1 on which no resolution will be passed, and the total number of shares and voting rights at the time of the convening notice;
- b) the documents to be made available to the meeting;
- c) forms that may be used when voting by proxy;
- d) the disclosures required by Commission Implementing Regulation (EU) 2018/1212 for the notification pursuant to Section 125 AktG.

6. RIGHTS OF THE SHAREHOLDERS

A) MOTIONS TO AMEND THE AGENDA WITH NEW ITEMS PURSUANT TO SECTION 122(2) AKTG

Shareholders whose combined shares amount to one-twentieth of the capital stock or the proportionate amount of the capital stock of €500,000 may request that items be placed on the agenda and published. Such a request must be made in writing or in electronic form in accordance with Section 126a BGB (i.e., with a qualified electronic signature) addressed to the Managing Board of the Corporation

SMA Solar Technology AG
Managing Board
Sonnenallee 1
34266 Niestetal
Germany

or by e-mail: HV@SMA.de

and must be received by the Corporation at least 30 days before the Annual General Meeting; the day of receipt and the day of the Annual General Meeting shall not be included in the count. Accordingly, the last possible date of receipt is **Sunday, April 23, 2023 (12 a.m. CEST)**.

B) Countermotions and nominations by shareholders pursuant to Section 126(1) and (4) and Section 127 AktG

Shareholders may submit motions on individual agenda items (cf. Section 126(1) AktG); this also applies to nominations for the election of Supervisory Board members or auditors (cf. Section 127 AktG).

Pursuant to Section 126(1) AktG, motions by shareholders – along with the name of the shareholders, the reasons and any response from management – must be made available to the authorized parties specified in Section 125(1 to 3) AktG under the conditions specified therein (this includes, inter alia, shareholders who request this information) if shareholders have sent a countermotion to a proposal by the Managing Board and/or Supervisory Board on a specific item on the agenda, along with the reasons, to the address below at least 14 days before the Corporation's Annual General Meeting. The date on which the countermotion is received shall not be included in calculating the period. Accordingly, the last possible date of receipt is **Tuesday, May 9, 2023 (12 a.m. CEST)**. A countermotion need not be made available if one of the exclusions pursuant to Section 126(2) AktG applies.

Nominations of shareholders pursuant to Section 127 AktG do not need to be substantiated. Nominations shall only be made available if they contain the nominee's name, occupation and place of residence and, in the case of an election of Supervisory Board members, details of their membership in other statutory supervisory boards (see Section 127 sentence 3 in conjunction with Section 124(3) sentence 4 and Section 125(1) sentence 5 AktG). Section 127 sentence 1 AktG in conjunction with Section 126(2) AktG set out other reasons why nominations do not have to be made available on the website. In all other respects, the requirements and regulations for publishing nominations apply accordingly. In particular, **Tuesday, May 9,**

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2023 (12 a.m. CEST) is the last possible date by which nominations must be received at the address stated below in order to still be published.

Any motions (with reasons) or nominations by shareholders pursuant to Section 126(1) and Section 127 AktG must be addressed exclusively to:

SMA Solar Technology AG
Managing Board
Sonnenallee 1
34266 Niestetal
Germany
or by e-mail: HV@SMA.de

Motions and nominations of shareholders to be published (along with the name of the shareholder and – in the case of motions – the reasons) will be published after their receipt at the internet address

<http://www.sma.de/en/investor-relations/annual-general-meeting>

Any responses from management will also be published under the above internet address.

In accordance with Section 126 (4) of the German Stock Corporation Act, countermotions and nominations of shareholders to be made available by the company shall be deemed to have been made at the time of publication. The company will allow voting rights on these motions or nominations to be exercised as soon as the shareholders submitting the motion or nomination have been duly authorized and duly registered for the Annual General Meeting.

Shareholders or their proxies who are connected electronically to the Annual General Meeting also have the right to submit motions and nominations by video communication during the Annual General Meeting as part of their right to speak.

C) Right to submit comments in accordance with Section 130a (1) to (4) of the German Stock Corporation Act Duly registered shareholders or their proxies have the right to submit comments on agenda items by electronic means in accordance with Section 130a (1) to (4) of the German Stock Corporation Act. Comments must be submitted in writing and in German via the password-protected shareholder portal, which can be accessed on the company's website at

<http://www.sma.de/en/investor-relations/annual-general-meeting>

in accordance with the procedures provided for this purpose, by no later than Thursday, May 18, 2023 at 12 a.m. CEST.

Any comments received on the agenda items will be published on the password-protected shareholder portal no later than 12 a.m. CEST on Friday, May 19, 2023, unless it is permissible in exceptional cases to refrain from making them available in accordance with Section 130a (3), sentence 4, of the German Stock Corporation Act.

Motions and nominations, questions and objections to resolutions of the Annual General Meeting in the context of comments submitted in text form will not be considered at the Annual General Meeting; the

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submission of motions and nominations, the exercise of the right to information and the filing of objections to resolutions of the Annual General Meeting are possible only via the channels described separately in this invitation.

D) Right to speak in accordance with Sections 118a (1), sentence 2, no. 7, and 130a (5) and (6) of the German Stock Corporation Act

Shareholders or their proxies who are connected electronically to the Annual General Meeting have the right to speak at the Annual General Meeting by means of video communication. Contributions must be registered during the Annual General Meeting upon request by the meeting chair via the password-protected shareholder portal, which can be accessed on the company's website at

<http://www.sma.de/en/investor-relations/annual-general-meeting>

Motions and nominations in accordance with Section 118a (1), sentence 2, no. 3, of the German Stock Corporation Act and all types of requests for information in accordance with Section 131 of the German Stock Corporation Act may form part of the contribution.

The company reserves the right to check the functional capability of the video communication between the shareholders or their proxies and the company at the Annual General Meeting and prior to the contributions and to reject it if the functional capability is not ensured.

E) Right of access pursuant to Section 131 (1) AktG

Duly registered shareholders or their proxies have the right to request information from the Managing Board at the Annual General Meeting in accordance with Section 131 (1) of the German Stock Corporation Act on matters relating to the company, the company's legal and business relations with affiliated companies, as well as the company's position and the companies included in the consolidated financial statements, insofar as the information is required to make a proper assessment of an item on the agenda. In addition, in accordance with Section 131 (1d) of the German Stock Corporation Act, participants of the Annual General Meeting have the right to ask follow-up questions on all answers given by the Managing Board.

The meeting chair will stipulate that the aforementioned right to information in accordance with Section 131 (1) of the German Stock Corporation Act can be exercised at the Annual General Meeting exclusively by means of video communication. No other submission of questions by electronic or other means of communication is envisaged either before or during the Annual General Meeting.

The information must comply with the principles of conscientious and faithful accounting. The Managing Board may refuse to provide the information under the conditions set out in Section 131 (3) of the German Stock Corporation Act.

Pursuant to Section 14 (4), the Chairperson of the Annual General Meeting may limit the time allowed to shareholders for the right to debate; in particular, he or she can stipulate at the beginning of the Annual General Meeting or during its course a reasonable timeframe for speaking and asking questions, for the length of the Annual General Meeting per se or for individual items on the agenda."

F) Objections to resolutions passed at the Annual General Meeting pursuant to Section § 118a (1) Sentence 2 No. 8 in conjunction with Section 245 AktG

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Registered shareholders or their proxies who are connected electronically to the Annual General Meeting have the right to file objections to resolutions passed by the Annual General Meeting via the password-protected shareholder portal, which is accessible on the company's website at <http://www.sma.de/en/investor-relations/annual-general-meeting>, and have them recorded by the officiating notary from the start of the virtual Annual General Meeting on May 24, 2023, until its end.

G) Further details on the requirements for exercising the aforementioned rights

Further details on the requirements for exercising the aforementioned rights and their limits are available on the Corporation's website at

<http://www.sma.de/en/investor-relations/annual-general-meeting>

under "Information on Shareholders Rights".

7. DATA PROTECTION NOTICE FOR ATTENDEES OF THE ANNUAL GENERAL MEETING OF SMA SOLAR TECHNOLOGY AG

SMA Solar Technology AG, Sonnenallee 1, 34266 Niestetal, in its capacity as the controller, processes the shareholders' personal data (first and last name, mailing address, e-mail address, number of shares, class of shares, type of share ownership and access card number) and, where applicable, the shareholders' representatives' personal data on the basis of applicable data protection laws. The processing of personal data is legally required for attendance of the Annual General Meeting of SMA Solar Technology AG. Processing is based on Article 6(1) sentence 1 point c) General Data Protection Regulation (GDPR) in conjunction with Section 67 and Section 118 et seq. AktG. In addition, data processing that is useful for the organization of the virtual Annual General Meeting may be conducted on the basis of overriding legitimate interests (Article 6(1) sentence 1 point f) GDPR). SMA Solar Technology AG usually receives the shareholders' personal data through the registration office from the credit institution the shareholders have engaged to hold their shares in safe custody (the depositary institution). SMA Solar Technology AG presents the Annual General Meeting on the internet. The personal data of participants may be processed in this context. This also applies to contributions, questions and motions from shareholders as well as submitted comments. This processing is based on Article 6(1) sentence 1 point f) GDPR.

Additional personal data is processed in log files for the virtual Annual General Meeting to enable the technical virtualization and simplify its administration. This applies, for examples, to your IP address, the web browser you use, and the date and time of your visit. The Corporation does not use this data for any other purposes than those stated here.

The service providers contracted by SMA Solar Technology AG for the purpose of organizing the Annual General Meeting process the shareholders' personal data exclusively as instructed by SMA Solar Technology AG and only to the extent necessary for the performance of the contracted service. All employees of SMA Solar Technology AG and the employees of the contracted service providers who have access to and/or process shareholders' personal data are obligated to treat such data in confidence. In addition, personal data of shareholders and/or shareholder representatives attending the Annual General Meeting can be viewed by other shareholders and shareholder representatives within the framework of the legal provisions (in particular the list of attendees pursuant to Section 129 AktG). This also applies to contributions,

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questions and motions of shareholders and submitted comments. SMA Solar Technology AG shall delete the personal data of shareholders in accordance with legal provisions, especially if the personal data is no longer required for the original purposes of collection or processing, the data is no longer required in connection with any administrative or legal proceedings, and there are no legal retention obligations.

Under the legal requirements, shareholders have the right to obtain information about the personal data concerning them that is being processed and they may request the rectification or erasure of personal data or restriction of processing. Shareholders also have the right to lodge a complaint with the supervisory authorities (Hesse DPA, Der Hessische Beauftragte für Datenschutz und Informationsfreiheit, Gustav-Stresemann-Ring 1, 65189 Wiesbaden, poststelle@datenschutz.hessen.de).

Shareholders can address their comments and questions about the processing of personal data to the data protection officer of SMA Solar Technology AG at:

SMA Solar Technology AG
Data Protection Officer
Sonnenallee 1
34266 Niestetal
Germany
Phone: +49 (0) 561 9522 3636
E-Mail datenschutz@sma.de

8. TECHNICAL INFORMATION ON ATTENDING THE VIRTUAL ANNUAL GENERAL MEETING

You will need an internet connection and an internet-enabled device so that you can attend the virtual Annual General Meeting, use the password-protected shareholders' portal and exercise shareholders' rights. We recommend a reliable internet connection with a sufficient data transfer rate so that you can have the best possible audio and video experience of the Annual General Meeting.

You will need a browser and speakers or headphones and a microphone if you use a computer to receive the audio and video webcast of the virtual Annual General Meeting.

You will need your login data to access the Corporation's password-protected shareholders' portal. You can find this information on the access card that you will receive once you have registered properly.

Shareholders can find more details on the password-protected shareholders' portal and the terms of registration and use on the password-protected shareholders' portal.

9. NOTE ON THE AVAILABILITY OF AUDIO AND VIDEO WEBCAST

Shareholders can follow the entire Annual General Meeting via an audio and video webcast. Based on the current state of the art, the audio and video webcast of the Annual General Meeting and the availability of the password-protected shareholders' portal may be subject to fluctuations due to restrictions in the availability of the telecommunications network and the restriction of third-party internet services over which

the Corporation has no influence. The Corporation therefore assumes no warranties or liability whatsoever for the functionality and uninterrupted availability of the internet services used, the third-party network elements used, the audio and video webcast, or access to and general availability of the password-protected shareholders' portal. The Corporation also accepts no responsibility whatsoever for errors and defects in the hardware and software used to conduct the Annual General Meeting online, including those of the service providers used, unless there is intent. The Corporation therefore recommends that shareholders make early use of the above-mentioned options for exercising their rights as shareholders. The meeting chair of the Annual General Meeting must reserve the right to interrupt the Annual General Meeting wherever necessitated by data protection or security considerations.

III. REMUNERATION REPORT PURSUANT TO SECTION 162 AKTG

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 and the emoluments payable. 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

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Subject	Remuneration system 2017	Remuneration system 2021
Variable remuneration: annual bonus	<ul style="list-style-type: none"> -> 40% EBT target (150% max.) -> 30% sales target (150% max.) -> 30% personal targets, e.g., quality, ESG (100% max.) -> Cap at 100% fulfillment 	<ul style="list-style-type: none"> -> 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	<ul style="list-style-type: none"> -> Average EBIT margin over three fiscal years -> Overfulfillment not possible (cap at 100%) -> Paid out after third fiscal year 	<ul style="list-style-type: none"> -> 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

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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.

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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.

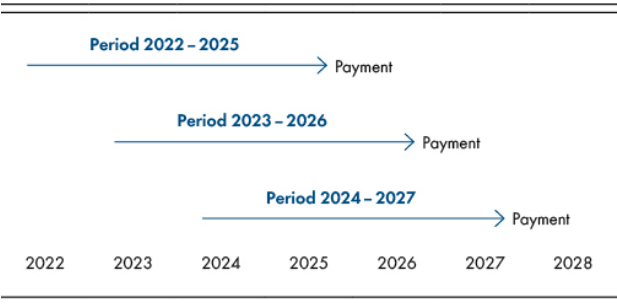
With regard to the target amount agreed, the Supervisory Board also referred to the general principles outlined in the section "Principles by which remuneration is set."

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.

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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)

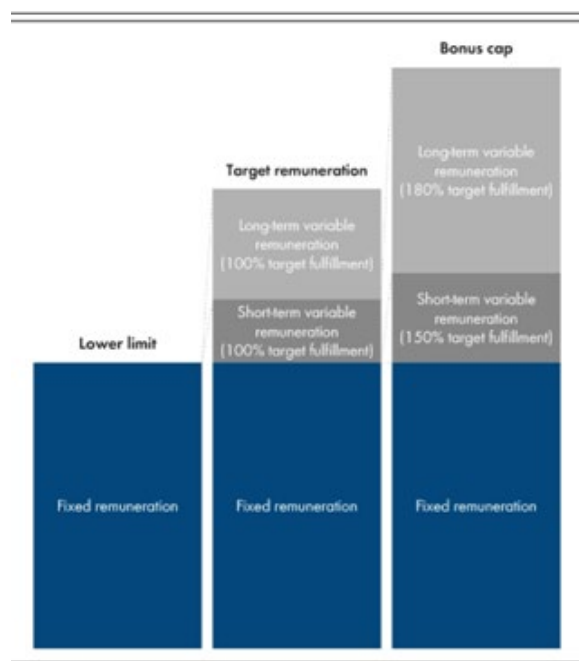


¹ The Supervisory Board set a target value for the average EBIT margin for every period over the four year period.

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. 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 financial 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

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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%
	- 25% NWC ratio at end of year	- 21% NWC ratio at end of year	- 20% NWC ratio at end of year	- 26.2% NWC ratio at end of year	
	- 25% NWC ratio on monthly average	- 23% NWC ratio on monthly average	- 22% NWC ratio on monthly average	- 26.7% NWC ratio on monthly average	
Personal target 1: NWC ratio and net cash (13.5%)	- €225 million net cash at end of year	- €250 million net cash at end of year	- €263 million net cash at end of year	- €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 both 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 2018 – 2020	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%.

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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

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	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 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

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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 after adjustment; 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.

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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 2022¹ fiscal year

	Fixed remuneration in €'000		Fixed remuneration for committee duties in €'000		Meeting fees in €'000		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

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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 after adjustment; for adjustments see Section 2.2 of the Notes

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

Audit opinion

We have formally audited the remuneration report of SMA Solar Technology AG, Niestetal, for the financial year from 1 January 2022 until 31 December 2022 whether the disclosures pursuant to Sec. 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.

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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 due to fraud or error.

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

IV. Remuneration of the Managing Board and Supervisory Board Members

IV. A Description of the Remuneration System for Supervisory Board Members

The Supervisory Board of SMA Solar Technology AG (the "Supervisory Board") advises and supervises the management of the Corporation by the members of the Managing Board and performs the duties assigned to it by law and the Articles of Incorporation. It is involved in strategy, planning and all matters of fundamental importance to the Corporation. The Supervisory Board members should thus receive remuneration commensurate with these

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responsibilities - increasing in quantity and quality - and with the time that serving on the Supervisory Board requires. Supervisory Board remuneration that duly reflects market conditions also ensures that the Corporation can attract qualified candidates for the Supervisory Board in the future. Appropriate Supervisory Board remuneration thus helps drive the business strategy and long-term development of SMA Solar Technology AG.

This requirement is met by the remuneration adopted in Section 11 of the Articles of Incorporation. The amount and structure of the remuneration paid to the Supervisory Board members is in line with the remuneration paid to supervisory board members at other comparable companies.

It is the Corporation's opinion that paying fixed, not variable, remuneration to Supervisory Board members duly reflects the Supervisory Board's independent advisory and control function, strengthens the independence of the Supervisory Board members and meets the expectations of numerous investors and proxy advisors.

a. Composition of the remuneration

The remuneration of the Supervisory Board members is based on Section 11 of the Articles of Incorporation. The Supervisory Board members receive fixed remuneration, fringe benefits (consisting of expense reimbursements and insurance), attendance fees and, if they serve on Supervisory Board committees, remuneration for these committee activities.

aa) Remuneration for serving on the Supervisory Board

Each Supervisory Board member receives €50,000 per year; the Chairman of the Supervisory Board twice and the Deputy Chairman one and a half times the aforementioned fixed remuneration of an ordinary member.

bb) Remuneration for serving on a committee of the Supervisory Board

Supervisory Board members receive additional annual remuneration for serving on committees: €18,750 for serving on the Audit Committee and €7,500 for serving on the Presidial Committee; each Chairman of the aforementioned committees receives twice the aforementioned remuneration. No separate remuneration is paid for membership in another committees, e.g., the Nomination Committee or the committee pursuant to Section 27(3) of the Codetermination Act (MitbestG).

cc) Meeting attendance fee

In addition, Supervisory Board members receive a meeting attendance fee of €750 for each Supervisory Board or committee meeting they attend, or a maximum of €1,500 if several meetings are held on the same day.

dd) Additional benefits (expense reimbursements, value-added tax, D&O insurance)

In addition, Supervisory Board members are currently reimbursed for expenses incurred in the performance of their duties, which may also include the value-added tax legally owed by them on their remuneration and expenses. In addition, Supervisory Board members are included in a directors and officers liability insurance policy maintained by the Corporation with an appropriate limit in the interest of the Corporation, the premium for which is paid by the Corporation.

ee) Ratio of fixed and variable remuneration components

Fixed remuneration always constitutes 100% of total remuneration as no variable remuneration is paid.

b. Procedures for determining, implementing and reviewing the remuneration of the Supervisory Board

No remuneration-related legal transactions within the meaning of Section 87a(1) sentence 2 no. 8 AktG were concluded with the Supervisory Board members. Employee remuneration and employment conditions were not taken into account when determining the remuneration for the Supervisory Board members since their remuneration is based on the provisions of the Articles of Incorporation adopted by the Annual General Meeting.

The Annual General Meeting votes on the remuneration of the Supervisory Board members at the proposal of the Managing Board and Supervisory Board at least every four years. A simple majority of votes cast is sufficient to confirm the Supervisory Board remuneration. Any resolution to change the remuneration will require a simultaneous amendment of the corresponding provisions of the Articles of Incorporation; this will require a majority of the votes cast and a majority of three-quarters of the capital stock represented at the Annual General Meeting when the resolution is adopted.

Before the proposal is put to the Annual General Meeting, the Managing Board and Supervisory Board shall review whether the remuneration of the Supervisory Board members is still appropriate and reflects standard market conditions in accordance with the provisions in the Articles of Incorporation.

The remuneration of the Supervisory Board members is governed by Section 11 of the Articles of Incorporation of the Corporation, which reads as follows:

§ 11

Remuneration

(1) A member of the Supervisory Board shall receive an annual remuneration of €50,000, in addition to the reimbursement of disbursements. Remuneration shall be two-fold the above mentioned remuneration for the Chairman and 1.5-fold for the Deputy Chairman.

(2) A member of the Audit Committee of the Supervisory Board shall receive an additional annual remuneration of €18,750. The Chairman of the Audit Committee shall receive twice the above mentioned additional remuneration.

(3) A member of the Presidial Committee of the Supervisory Board shall receive an additional annual remuneration of €7,500. The Chairman of the Audit Committee shall receive twice the above mentioned additional remuneration.

(4) Separate remuneration shall not be applicable for members of other committees, such as the Nomination Committee and the committee formed pursuant to Section 27 paragraph 3 of the Codetermination Act.

(5) The Corporation shall pay each member of the Supervisory Board an attendance fee of €750 for attending a Supervisory Board meeting or a meeting of a Supervisory Board committee of which they are a member. If they attend more than one meeting in a day, the maximum fee payable is double the attendance fee.

(6) The Corporation shall also reimburse the members of the Supervisory Board for sales tax payable on their remuneration and expenses. The remuneration shall be payable after the end of the financial year.

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(7) The members of the Supervisory Board shall be included in the third-party liability insurance for economic losses taken out for an appropriate cover in the interest of the Corporation for its directors and certain executives. The premium payable for this insurance shall be borne by the Corporation.

(8) The provisions of this Section 11 shall apply for the first time for remuneration to be paid in the 2023 financial year.

The currently valid remuneration system for Supervisory Board members is available on our website at <http://www.SMA.de/Investor> Relations/Governance.

IV. B Description of the Remuneration System for Managing Board Members

1. Principles of the Remuneration System

The Managing Board remuneration system is designed to make a significant contribution toward promoting SMA Solar Technology AG's business strategy and long-term and sustainable positive development. The system was adopted by the full Supervisory Board. It is the basis for all remuneration agreements with SMA Solar Technology AG's Managing Board members who are newly appointed or have had their appointment renewed after June 1, 2023. The Supervisory Board regularly examines the remuneration system for the Managing Board and lays down targets for the variable components of the emoluments. In designing the remuneration system presented below and determining the remuneration of the Managing Board, the Supervisory Board was guided in particular by the principles presented below under 1.1 to 1.4:

1.1 Principle 1 - Support for Group strategy

SMA has defined clear and ambitious goals for the years to come in its 2025 strategy.

The Managing Board's remuneration system incentivizes the Managing Board members to achieve these targets sustainably and over the long term in that the degree of achievement clearly influences the amount of remuneration actually paid to the Managing Board. Sections 1.4, 4.2.1 and 4.3.1 in particular set out the areas to use for defining performance goals with the Managing Board. If these sections describe a catalog of goal criteria, the Supervisory Board will, when setting the concrete goal criteria, choose the ones that do the most to advance the business strategy.

1.2 Principle 2 - Adequacy in horizontal and vertical comparisons

The remuneration of the Managing Board members is competitive and in line with the market. The analysis compares the remuneration to that at companies of a similar size and complexity and also looks at the ratio of the Managing Board remuneration to the remuneration of senior management and the workforce as a whole, including trends over time. The Corporation's economic situation is taken into account in the remuneration system. Linking the Managing Board remuneration system to the remuneration system for managers ensures that both systems incentivize comparable targets.

1.3 Principle 3 - Performance link

The amount of the Managing Board's remuneration largely depends on the degree to which certain goal criteria have been achieved, linking remuneration to the performance of each individual Managing Board member. High performance increases remuneration, while low target achievement significantly reduces remuneration.

1.4 Principle 4 - Long-term and sustainable focus

One of the remuneration system's effects is that it drives the Corporation's value and its long-term sustainable development. The long-term variable remuneration component is therefore significantly higher than the short-term variable remuneration component.

Furthermore, the targets for the long-term variable remuneration components always include non-financial goal criteria relating to the environment, social affairs and governance (ESG goals), which reward decisions taken in the interest of sustainable corporate development.

2. Procedures for Determining, Reviewing and Implementing the Remuneration System

The Supervisory Board determines the Managing Board remuneration system in accordance with the legal requirements set out in Sections 87(1), 87a(1) AktG. The Supervisory Board is supported by its Presidial Committee in this process. The Presidial Committee develops recommendations for the Managing Board remuneration system taking into account legal requirements and the recommendations and suggestions of the German Corporate Governance Code (as amended), which are discussed in detail by the Supervisory Board in the course of its decision-making process. The Presidial Committee and Supervisory Board may call in external advisers as required, who are replaced from time to time. The advisers are only appointed if it is ensured they are independent from the Managing Board and the Corporation. Applicable provisions of the German Stock Corporation Act (AktG), the German Corporate Governance Code (DCGK) and the Supervisory Board's Rules of Procedure on handling conflicts of interest on the Supervisory Board are also observed when establishing, implementing and reviewing the remuneration system.

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

If the Annual General Meeting does not approve the remuneration system that is put to a vote, a revised remuneration system shall be submitted for resolution no later than at the following Annual General Meeting in accordance with Section 120a(3) AktG.

The Presidial Committee prepares the regular review of the Managing Board remuneration system for the Supervisory Board to conduct. It recommends that the Supervisory Board change the system as necessary. The remuneration system is submitted to the Annual General Meeting for approval in accordance with Section 120a(1) sentence 1 AktG at least every four years or whenever there is a significant change to the remuneration system, whichever comes first.

3. Determination of the Specific Targeted Total Remuneration (Structure and Amount)

The Supervisory Board determines the amount of the targeted total remuneration for each Managing Board member in line with the remuneration system for the duration of each Managing Board member's term on the Managing Board of the Corporation. Each Managing Board member's remuneration must be commensurate with his or her duties and performance and the Corporation's circumstances, must not exceed the usual remuneration without special reasons, and is geared towards the long-term and sustainable development of SMA Solar Technology AG. Both external and internal comparisons are used for this purpose:

3.1 Horizontal (external) comparison

The Supervisory Board uses remuneration data from companies listed on the MDAX in order to assess whether the specific total remuneration of the Managing Board members is appropriate and customary when compared

to other companies. The remuneration report discloses non-listed companies or companies from other indices that are used in the Supervisory Board's comparison.

3.2 Vertical (internal) comparison

The vertical comparison looks at the ratio of the Managing Board remuneration to the remuneration of senior management and the workforce as a whole, including trends over time.

The Supervisory Board has defined the comparative senior management cohort as the two top management levels below the Managing Board according to the internal job grading model. The other workforce comprises all other permanent employees in Germany.

If there are significant shifts in the ratio of the remuneration of the Managing Board to that of the reference groups, the Supervisory Board will examine the causes and, if necessary, adjust the Managing Board's remuneration if there are no objective reasons for the changes.

3.3 Differentiation based on job requirements

The Supervisory Board considers the roles and responsibilities of individual Managing Board members when determining the amount of the targeted total remuneration. The Supervisory Board may thus differentiate by role, exercising due discretion and taking into account criteria such as market standards, experience, and the department for which the Managing Board is responsible.

3.4 Upper limits / maximum total remuneration

The Supervisory Board has additionally defined an upper limit for the total of all remuneration components including fringe benefits and pension contributions (hereinafter "maximum remuneration") in accordance with the requirement set out in Section 87a(1) sentence 2 no.1 AktG.

The maximum remuneration for the Chief Executive Officer is €3.95 million and €2.35 million for each of the other regular Managing Board members. These upper limits apply to the sum total of all payments and other non-cash benefits resulting from the remuneration system for a fiscal year.

The maximum remuneration is not the level of remuneration necessarily considered appropriate or sought by the Supervisory Board. It merely sets an absolute upper limit to avoid disproportionately high Managing Board remuneration. It should thus be clearly distinguished from the targeted total remuneration.

3.5 Overview: Structure and components of targeted total remuneration

The remuneration system generally includes fixed non-performance-related and variable performance-related remuneration components.

The fixed non-performance-related remuneration components comprise the annual fixed basic remuneration divided into twelve monthly salaries, special payments, as well as benefits in kind and other fringe benefits.

The variable performance-related remuneration components comprise a short-term remuneration component (annual bonus) and a long-term remuneration component (long-term bonus). Before the beginning of each fiscal year, the Supervisory Board sets goal criteria for variable remuneration components with regard to strategic goals, sustainability goals, the requirements of Section 87 and Section 87a AktG and the German Corporate Governance Code (as amended). The degree to which these goals are achieved determines the amount of remuneration actually paid.

The long-term and the short-term financial goals are generally the same for all Managing Board members, while the short-term non-financial goals generally differ for each Managing Board member.

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The proportions of the individual remuneration components are given below as ranges expressed as a percentage of the total targeted remuneration. The actual proportions may vary depending on the differentiation by role and any adjustments made as part of the annual remuneration review. For the Chief Executive Officer, the annual non-performance-related fixed remuneration (excluding special payments) contributes between 40% and 60%, the annual bonus contributes between 15% and 25%, and the long-term bonus contributes between 25% and 40% to the total targeted remuneration. For all other Managing Board members, the annual non-performance-related fixed remuneration (without special payments) contributes between 40% and 60%, the annual bonus contributes between 15% and 25 %, and the long-term bonus contributes between 25% and 40% to the total targeted remuneration. For newly appointed Managing Board members, the Supervisory Board may deviate from the above ranges for the first three years for the reasons stated under 4.1.3 or based on the new Managing Board member's professional and personal experience.

4. Remuneration Components in Detail

4.1 Non-performance-based fixed remuneration

4.1.1 Base remuneration

The base remuneration is a fixed remuneration for the entire fiscal year that is paid in twelve equal monthly installments.

4.1.2 Fringe benefits

The fringe benefits granted to the Managing Board members in connection with their Managing Board activities mainly comprise:

- Corporation-provided benefits in kind, such as the provision of a company car that can also be used for personal purposes,
- subsidies for insurance, such as contributions to reasonable accident insurance, a pension and health and long-term care insurance,
- reasonable D&O insurance with a deductible in accordance with Section 93(2) sentence 3 AktG,
- cost coverage for preventive medical checkups,
- and other customary and reasonable fringe benefits where applicable.

4.1.3 Special payments (bonuses for special achievements and commitments in connection with the start of employment or a change of location)

The Corporation may grant bonuses to the Managing Board members as special payments in recognition of special achievements. These types of bonuses are considered discretionary benefits. The recipient is not legally entitled to them, and past bonuses do not entitle them to receive future bonuses.

Furthermore, the Corporation may make appropriate market-standard commitments in connection with the assumption of a position on the Managing Board or a change of location, in particular by covering relocation costs or the costs of a second residence for a limited period or by granting remuneration for benefits forfeited from the previous employer.

4.2 Short-term variable remuneration – Annual bonus

The Managing Board members receive an annual bonus whose amount is determined by the degree to which they have achieved the goals set by the Supervisory Board every year. The employment contract with each

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Managing Board member stipulates a target amount for the annual bonus, taking into account a target achievement level of 100% ("base target amount") that is paid up to a maximum of 150% (cap) if the target is exceeded.

4.2.1 Financial and non-financial performance criteria

The amount of the annual bonus to be paid in a financial year depends on the extent to which a Managing Board member achieves the goals set by the Supervisory Board for that Managing Board member as performance criteria within the meaning of Section 87a(1) sentence 2 no. 4 AktG.

Three financial components that relate to the Corporation as a whole are determined as follows:

1. The first, unchangeable component is an annually defined financial performance target that is directly based on earnings before interest and taxes ("EBIT") in accordance with the duly audited Consolidated Financial Statements for a fiscal year (financial criterion).
2. The second component that the Supervisory Board defines is a financial performance target that usually changes annually and takes into account current business strategy, drawing on those financial ratios determined by the Corporation that are key indicators of the Group's growth, earnings, asset or financial profile, such as
 - a. sales,
 - b. free cash flow,
 - c. working capital,
 - d. return on capital employed (ROCE) etc.

in accordance with the duly audited Consolidated Financial Statements of a fiscal year.

As a third component, the Supervisory Board sets two goals related to each Managing Board members' "personal performance", at least 50% of which consist of non-financial criteria.

The Supervisory Board sets the target values for all three components in advance of each fiscal year as well as those values that make up the 150% cap and the lower threshold at which the bonus component is completely forfeited. When determining the personal, non-financial performance criteria, the Supervisory Board defines goals from one or more of the following areas in order to incentivize the Corporation's sustainable development, among other goals:

- Developing the Corporation's organization and culture (e.g., advancing the Corporation's internal value culture, diversity, employee satisfaction, cross-departmental cooperation)
- Promoting the Corporation's sustainability (e.g., increasing product quality and service life; reducing resource consumption)
- Tapping new markets and focusing on customers (e.g., new markets, new product or customer segments)
- Driving corporate development (e.g., reorganization, efficiency enhancement, strategic alliances)

The performance criteria and target achievement for personal goals should be understandable and verifiable.

Subject to the provision in 5.2, it is not possible to subsequently change the target values or reference parameters.

4.2.2 Weighting and calculation

Component (1) "EBIT" accounts for 40% of the annual bonus, while component (2) for an "additional financial performance target" and component (3) for "personal performance" each account for 30%.

Each of the 3 components can be fulfilled up to 150%. Components are assigned a value of "0" if their lower thresholds are not reached. Values in-between are determined on a linear basis. If the weighted average of the components' percentage values reaches 100%, that Managing Board member is entitled to the full agreed-upon target amount for the annual bonus. Exceeding the agreed-upon goals may result in a higher annual bonus overall up to the annual bonus cap.

4.2.3 Payment

The degree to which each goal has been achieved is calculated for each financial performance criterion after the end of the fiscal year based on the audited Consolidated Financial Statements of SMA AG. The Supervisory Board also assesses the degree to which personal goals have been achieved. This result is multiplied by the (pro rata) target amount for the annual bonus using the above weighting system, producing the gross value of the annual bonus.

If the Managing Board member has not served for the entire financial year, he or she will receive, on the originally scheduled payment date, for each month of the financial year in which he or she served, one-twelfth of the short-term variable remuneration calculated for the full financial year on the basis of the originally defined goals and reference parameters.

If the gross annual bonus exceeds the base target amount defined in 4.2, the Managing Board member will be obligated to invest 40% of the gross amount of the annual bonus in excess of the base target amount in shares of the Corporation within ten weeks after payment and in compliance with applicable legal provisions – namely the provisions on insider transactions and directors' dealings – and to legally and beneficially hold these shares for at least 3 years from the date of purchase.

4.2.4 Promotion of business strategy and long-term corporate development

The performance criteria are intended to incentivize the Managing Board members to create value and achieve or exceed short-term economic goals. Personal goals additionally give the Supervisory Board an opportunity to consider the Managing Board's individual or collective performance against non-financial performance criteria of relevance to the operational implementation of corporate strategy.

The annual bonus is also intended to reflect the overall responsibility of all members of the Managing Board for the Group and promote cooperation among the business areas. This is why EBIT target achievement is measured uniformly for all Managing Board members based on the key figure determined for the SMA group and is not broken down by business unit. The other financial component and the Managing Board members' personal goals may be identical to those of some or all of the other Managing Board members.

4.3 Long-term variable remuneration – Long-term bonus

4.3.1 Basics and determination

The Managing Board members receive a long-term bonus.

The employment contract with each Managing Board member stipulates a target amount for the annual value of the long-term bonus, taking into account a target achievement level of 100% for the financial and non-financial performance targets (=base target amount), which is paid up to a maximum of 150% (cap) if the target is exceeded.

The long-term bonus is designed to promote the Managing Board members' long-term commitment to the Corporation, achievement of the business strategy and sustainable growth. The following criteria were thus chosen to promote these objectives from the Supervisory Board's perspective.

The degree of target achievement is determined by the attainment of two long-term performance targets set by the Supervisory Board, one of which must include non-financial performance criteria. The performance target attributable to the non-financial performance criteria must continue to represent a share of at least 50% of the long-term bonus. Regarding the long-term business strategy, the Supervisory Board selects the financial performance target(s) from those financial indicators that are key measures of the Group's long-term growth, earnings, asset or financial profile, such as

- e. sales,
- f. EBIT margin or EBITDA margin,
- g. free cash flow,
- h. return on capital employed (ROCE),
- i. total shareholder return, etc.,

in accordance with the duly audited Consolidated Financial Statements, and always over a period of four fiscal years. The Supervisory Board may also base target achievement on key figures like the ones shown above or other suitable ones, such as the change in the Corporation's share price, depending on these figures at comparable companies or within a benchmark index over a four-year period (benchmark).

The Supervisory Board defines the non-financial performance target from one or more of the following areas in order to incentivize the Corporation's sustainable development, among other goals:

- Developing the Corporation's organization and culture (e.g., advancing the Corporation's internal value culture, diversity, employee satisfaction, cross-departmental cooperation)
- Promoting the Corporation's sustainability (e.g., increasing product quality and service life; reducing resource consumption)
- Tapping new markets and focusing on customers (e.g., new markets, new product or customer segments)
- Driving corporate development (e.g., reorganization, efficiency enhancement, strategic alliances)

The absolute values of the 100% target(s) (target values), the upper limit of 150% (cap) and the lower threshold of the target value are redefined annually by the Supervisory Board for the next four-fiscal-year period.

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If 100% of the target is achieved overall, the long-term bonus will be based on the full agreed-upon base target amount; if the target value is exceeded, the bonus will be based on the excess amount up to the 150% target achievement cap. 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. The target values actually achieved are based on the annual values during the relevant measurement period even if they are negative. If the weighted average of the targets' percentage values reaches 100%, that Managing Board member is entitled to the full agreed-upon target amount for the annual bonus. Exceeding the agreed-upon goals may result in a higher annual bonus overall up to the annual bonus cap.

Subject to the provision in 5.2, it is not possible to subsequently change the target values or reference parameters.

If the Managing Board member has not served for the entire financial year, he or she will receive, on the originally scheduled payment date, for each month of the financial year in which he or she served, one-twelfth of the long-term bonus calculated for the full financial year on the basis of the originally defined goals and reference parameters.

4.3.2 Payment

The long-term bonus is paid after the adoption of the fourth Consolidated Financial Statements even if the employment contract ends before the end of the performance period.

If the long-term bonus earned one year exceeds the base target amount, the Managing Board member will be obligated to invest 40% of the excess gross amount of the long-term bonus in shares of the Corporation within ten weeks after payment and in compliance with applicable legal provisions – namely the provisions on insider transactions and directors' dealings – and to legally and beneficially hold these shares for at least 3 years from the date of purchase.

4.4 Limitation of total remuneration for a fiscal year

If applying the rules set out above in 4.1, 4.2. and 4.3. and below in 4.5. produces a total remuneration for a fiscal year that exceeds the maximum amount fixed by the Supervisory Board for that Managing Board member, the following procedure shall be followed:

The variable remuneration payable for that fiscal year shall be reduced until the total remuneration no longer exceeds the maximum amount. The Managing Board member is then entitled to receive only the reduced variable remuneration.

4.5 Deduction for secondary employment

Any expense reimbursements or similar payments that the Managing Board member receives for work done on behalf of the Corporation at other Group companies or third parties (other companies, public offices, supervisory boards, boards of directors, etc.) shall be deducted from the Managing Board member's remuneration.

5. Other Provisions Relating to Remuneration

5.1 Terms and termination options

The Supervisory Board complies with the provisions of Section 84 AktG and the recommendations and suggestions of the German Corporate Governance Code when appointing members to the Managing Board and determining the durations of their contracts. The first-time appointment to the Managing Board is generally for three years, as is the duration of the employment contract. If the Managing Board member is re-appointed or the employment contract is renewed, the employment contract will have a maximum term of five years.

Employment contracts do not allow a termination for convenience; however, there is no restriction on the right of both parties to terminate the service agreement without notice for cause. If a Managing Board member becomes permanently incapacitated during the term of the employment contract, the employment contract shall expire at the end of the quarter in which he or she is determined to be permanently incapacitated. Remuneration will continue to be paid for another six months in this case and in the event of the Managing Board member's death. If the employment contract with a Managing Board member ends due to the revocation of the appointment as a Managing Board member in accordance with Section 84 III AktG or justified resignation from office by the Managing Board member, the Managing Board member shall receive a severance payment in the amount of the total remuneration including fringe benefits for the duration of the original remaining term, but for no longer than 24 months (severance payment cap).

Furthermore, the remuneration system does not provide for a special right of termination for Managing Board members in the event of a change of control, nor does it provide for an agreement on a post-contractual non-competition clause.

5.2 Exceptional events and developments

Under special exceptional circumstances and if proposed by the Presidial Committee, the Supervisory Board may temporarily deviate from the components of the Managing Board remuneration system if this is appropriate and necessary to maintain the incentive effect of the Managing Board member's remuneration in the interests of the long-term welfare of the Corporation, the Managing Board member's remuneration continues to be geared toward the Corporation's sustainable and long-term development, and the Corporation's financial capacity is not overstretched. Special exceptional developments include, for example, exceptional and far-reaching changes in the economic situation (for example due to a severe economic crisis) that render the original target criteria and/or financial incentives of the remuneration system obsolete, provided that these or their specific effects were not foreseeable. Exceptional developments expressly do not include generally unfavorable market developments.

The components of the remuneration system from which deviations may be made are the procedure, the provisions governing the remuneration structure and amount, and the individual remuneration components. If an adjustment of the existing remuneration components is not sufficient to restore the incentive effect of the Managing Board member's remuneration, the Supervisory Board may temporarily award additional remuneration components in the event of exceptional developments under the same conditions.

Deviations from or additions to the remuneration components require a Supervisory Board resolution that establishes the exceptional circumstances and the need for the deviation or addition.

The currently valid remuneration system für Managing Board members is available on our website at <https://www.sma.de/investor-relations/corporate-governance>

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SMA Solar Technology AG

The Managing Board