- CONVENIENCE TRANSLATION ONLY -

Compensation system for the members of the Management Board of Cherry AG

I. Main features and objectives of the compensation system

The Supervisory Board of Cherry AG (the "**Company**") adopted the compensation system set out below for the members of the Management Board of the Company on 20 April 2022.

The aim of the compensation system is to offer the Management Board members competitive compensation in line with the market so that the Company is able to attract and retain the best national and international candidates to serve on the Company's Management Board. In designing the compensation system for the Management Board members, the Supervisory Board of the Company has been guided in particular by the following principles:

Strategy-based

The compensation system for the Management Board members as a whole makes a significant contribution to promoting and implementing the Company's business strategy by defining performance criteria related to the long-term and sustainable success of the Company and setting ambitious targets for these. The compensation system thus provides important incentives for results-oriented management, sustainable growth and an increase in the Company's long-term value.

Performance-based and appropriate

The individual compensation of the Management Board members is designed to take reasonable account of their tasks and performance. To ensure this, the fixed and variable compensation components depend on the area of responsibility of each Management Board member. The variable compensation components depend on the success of the Company and the performance of its share price (pay for performance).

Long-term and sustainable

The compensation system is designed to promote the sustainable and long-term development of the Company. In order to link the compensation to the long-term development of the Company, the long-term variable compensation makes up a significant part of the total compensation and exceeds the short-term variable compensation.

Capital markets-based

In order to make sure the actions of the members of the Management Board are geared towards the long-term, positive development of the Company and the interests of the Company's shareholders, the long-term variable compensation components are granted on the basis of shares. This principle is taken into account by designing the long-term variable compensation components as a performance share plan.

Clear and comprehensible

The compensation system for the members of the Company's Management Board is designed in a clear and comprehensible manner. It follows the requirements of the German Stock Corporation Act (*Aktiengesetz*, AktG) and complies with the recommendation of the German Corporate Governance Code (DCGK), as amended on 16 December 2019, insofar as no deviations from these recommendations are declared.

II. Presentation of the procedure for determining, implementing and reviewing the compensation system

Pursuant to section 87a(1) first sentence of the German Stock Corporation Act, the Supervisory Board adopts a clear and comprehensible compensation system for the members of the Management Board. The compensation system adopted by the Supervisory Board is submitted to the Annual General Meeting for approval in accordance with section 120a(1) of the German Stock Corporation Act. In the event of significant changes, but at least every four years, the compensation system will again be submitted to the General Meeting for approval.

In accordance with the compensation system submitted to the General Meeting, the Supervisory Board of the Company will determine the specific target total compensation for each member of the Management Board. If the General Meeting does not approve the compensation system submitted to it, a revised compensation system will be submitted to it for approval at the next Annual General Meeting at the latest. When submitting the revised compensation system, the Supervisory Board will explain to the Company all significant changes and provide an overview of the extent to which the shareholders' vote and comments regarding the compensation system and, if applicable, the compensation reports have been taken into account. The Supervisory Board of the Company regularly reviews the compensation system and the amounts of compensation of the individual members of the Management Board as to their appropriateness. In assessing the appropriateness of the compensation level, the comparative environment of the Company (horizontal comparison) as well as the Company's internal compensation structure (vertical comparison) will be taken into account:

Horizontal comparison: On the one hand, the Supervisory Board of the Company assesses whether the specific total compensation of the members of the Management Board is customary in comparison to other listed companies (peer group comparison). In doing so, the Supervisory Board has selected eleven public companies with headquarters in Central Europe and Northern America. The peer group mainly consists of market leading listed companies in the gaming and computer peripherals sector with end markets across international geographies. The chosen companies have a comparable business model. Moreover, the Supervisory Board made sure that the companies in the peer group also include comparables in terms of the size of the Company. The Personnel and Compensation Committee considered the financial characteristics such as revenue, earnings, profitability in evaluating the appropriateness of the compensation packages of the Management Board.

Vertical comparison: Secondly, the Supervisory Board of the Company assesses the development of the specific total compensation of the members of the Management Board within the Company. For this purpose, it looks at the ratio of the compensation of the Management Board to the compensation of the Company's senior management as well as the staff as a whole. The senior management is made up of the first management level below the Management Board, which includes in particular the heads of the four business units at and the heads of the key functional departments. The total workforce includes all the employees of the Cherry Group employed globally. The ratio between the Management Board compensation and the aforementioned vertical comparison groups is also taken into account in the development over time. If the ratio of the compensation of the Management Board to the compensation of the vertical comparison groups changes significantly, the Supervisory Board of the Company will examine the reasons for such change.

To assess the development of the compensation system as well as the appropriateness of the compensation, the Supervisory Board of the Company will, if necessary, seek the advice of an external compensation expert and the Supervisory Board will make sure such expert is independent from the Management Board and from the Company. In setting up the present compensation system, the Supervisory Board of the Company was assisted by an independent external compensation expert. The general rules of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code (DCGK) on dealing with and avoiding conflicts of interest in the Supervisory Board are also applied in the process of determining, implementing and reviewing the compensation system for the members of the Management Board. The issue of how conflicts of interest are to be dealt with is also set out in the Rules of Procedure for the Supervisory Board of the Company.

Accordingly, each member of the Supervisory Board must disclose to the Supervisory Board existing and potential conflicts of interest, in particular those that may arise from any advisory or executive function with customers, suppliers, lenders or other business partners.

III. Compensation components

The total compensation of each member of the Management Board consists of four components:

- non-performance-based fixed compensation consisting of basic compensation and fringe benefits (see para. 1.) and commitments to the company pension scheme (see para. 1.c)),
- performance-based short-term variable compensation ("Short-Term Incentive", "STI") (see para. 2.),
- performance-based long-term variable compensation ("Long-Term Incentive", "LTI") (see para. 3.), and
- share ownership guidelines (see para. 4.).

Overall, the compensation system is set up as follows

<table>
<tr><td rowspan="3">Fixed compensation</td><td>Basic compensation</td><td>• Fixed contractually agreed compensation paid in twelve monthly instalments.</td></tr>
<tr><td>Fringe benefits</td><td>• Contributions to health and long-term nursing care insurance
• Personal accident insurance
• Financial loss liability insurance for board members (D&O insurance)
• Possibility of granting a sign-on bonus
• Company car or car allowance
• Other benefits (such as relocation allowance, training, company flat, smartphone)</td></tr>
<tr><td>Pension benefits</td><td>• Contributions to self-funded occupational pension schemes</td></tr>
<tr><td rowspan="4">Short-term variable compensation (STI)</td><td>Type</td><td>• Target bonus</td></tr>
<tr><td>Limitation of amount paid out</td><td>• Maximum amount of 120% of annual base compensation (gross)</td></tr>
<tr><td>Performance criteria</td><td>• 70% adjusted EBITDA of the Group
• 30% non-financial performance-based target</td></tr>
<tr><td>Payout</td><td>• With the first salary statement after the approval of the consolidated financial statements</td></tr>
<tr><td rowspan="3">Long-term vari-able compensa-</td><td>Type</td><td>• Virtual Performance Share Plan</td></tr>
<tr><td>Allocation</td><td>• Annual allocation of LTI tranches</td></tr>
<tr><td>Limitation of amount paid out</td><td>• Chair of the Management Board: max. EUR 2.5m
• Member of the Management Board: max. EUR 2.0m</td></tr>
</table>

	Performance criteria	• 50% relative total shareholder return • 50% adjusted EBITDA of the Group
	Term	• Four years: Three-year performance period, followed by one-year Lock-up Period
	Payout	• At the Company's choice, either in cash or company shares
Other	Share ownership guidelines	• The Management Board members are obliged to acquire shares in the Company amounting to at least 100% of the gross basic compensation and to hold them during their management board activity.
	Maximum compensation	• Limitation of the total compensation to be granted for a fiscal year in accordance with section 87a(1), second sentence, no. 1 of the German Stock Corporation Act (AktG): ▪ Management Board Chair: EUR 3.5m ▪ Ordinary Management Board Member: EUR 3.0m
	Malus/clawback	• In the event of any breaches of duty, variable compensation may be partially or fully withheld or clawed back

On the basis of the compensation system, the Supervisory Board will determine a specific target total compensation for each member of the Management Board, which must be in reasonable proportion to the tasks and performance of each member of the Management Board as well as to the situation of the Company. In determining the amount of the target total compensation of the individual members of the Management Board, the Supervisory Board may, at its due discretion, differentiate with regard to the different requirements of the position, market conditions or qualification and experience of the members of the Management Board. When determining the target total compensation, it may therefore in particular make different determinations depending on the position of the Management Board member (chair or ordinary member), the responsibility within the entire Management Board or the experience or length of membership of the Management Board member.

When setting up the compensation structure, the Supervisory Board will also see to it that the variable compensation components account for a significant share of the total compensation in order to ensure a strong incentive structure and performance-based compensation for the members of the Management Board. Furthermore, in accordance with the provisions of the German Stock Corporation Act and the recommendations of the GCGC, the Supervisory Board will make sure that the share of long-term variable compensation exceeds the share of short-term variable compensation in order to focus on the long-term and sustainable development of the Company.

The total target compensation is made up of the sum of fixed and variable compensation components. The variable compensation components (STI and LTI) are each based on the target amount in the event of 100% target achievement.

The share of basic compensation is around 25% to 40% of the target total compensation. Benefits for the Company pension scheme correspond to approximately 1% to 5% of the target total compensation and fringe benefits account for approximately 1% to 5% of the target total compensation. The share of short-term variable compensation (STI) is 20% to 35% of the target total compensation, while the share of long-term variable compensation (LTI) accounts for the predominant portion of the target total compensation at 30% to 45%.

1. Fixed compensation

a) Basic compensation

The basic compensation comprises an annual fixed, non-performance-related basic salary, which is paid in twelve equal monthly instalments at the end of each month.

b) Fringe benefits

In addition, the members of the Management Board may be granted benefits in kind and fringe benefits, such as contributions to statutory or private health and long-term nursing care insurance, the conclusion of directors and officers liability insurance (D&O insurance) and other insurance benefits customary in the market. The fringe benefits may also include, in particular, the costs or the non-cash benefit of benefits in kind provided by the Company and other fringe benefits such as the provision of a company car, smartphones, reimbursement of certain tax consulting costs, housing and relocation costs, and costs in connection with preventive medical check-ups, including any taxes paid on these. The members of the Management Board may also choose a monthly car allowance instead of a company car. In addition, to attract suitable candidates, the Supervisory Board also has the right, in individual cases, to grant new members of the Management Board a sign-on bonus in cash or shares when they take office, in line with market conditions and in an appropriate manner. Such a special payment can, for example, compensate for salary losses from previous employment contracts that arise as a result of the candidates moving to the company.

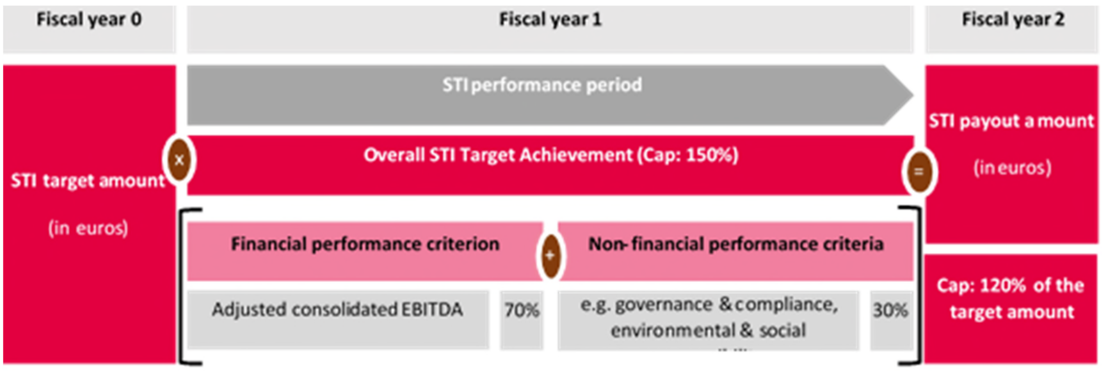
c) Pension benefits

The members of the Management Board may receive contributions to self-financed company pension plans, provided that such a pension plan is maintained by the Management Board member. These contributions are intended to secure a partial retirement provision and are only granted if at least the same amount is also paid in by the Management Board member. The Supervisory Board regularly reviews the appropriateness of the contribution. The Supervisory Board may also decide on special contributions and special arrangements for individual members of the Management Board. In making its decision, the Supervisory Board takes into account the envisaged pension level, the length of service on the Management Board and the annual and long-term expenses resulting from this.

2. Short-term variable compensation (STI)

The STI is a performance-based variable compensation component with a one-year assessment period that incentivises the contribution made in the fiscal year to the operational implementation of the Company's strategy and to the Company's sustainable development.

The members of the Management Board are granted variable performance-based compensation ("**STI**") for the fiscal year, the annual target amount of which is determined by the Supervisory Board in the service agreement of respective member of the Management Board ("**STI Target Amount**"). The calculation of the STI is based 70% on achievement of the target for the consolidated adjusted EBITDA ("**STI EBITDA Target**") and 30% on several other non-financial performance criteria ("**Non-Financial STI Targets**"). The STI performance targets are set annually before or at the beginning of the fiscal year by the Supervisory Board in consultation with the Management Board member, using their best judgement.



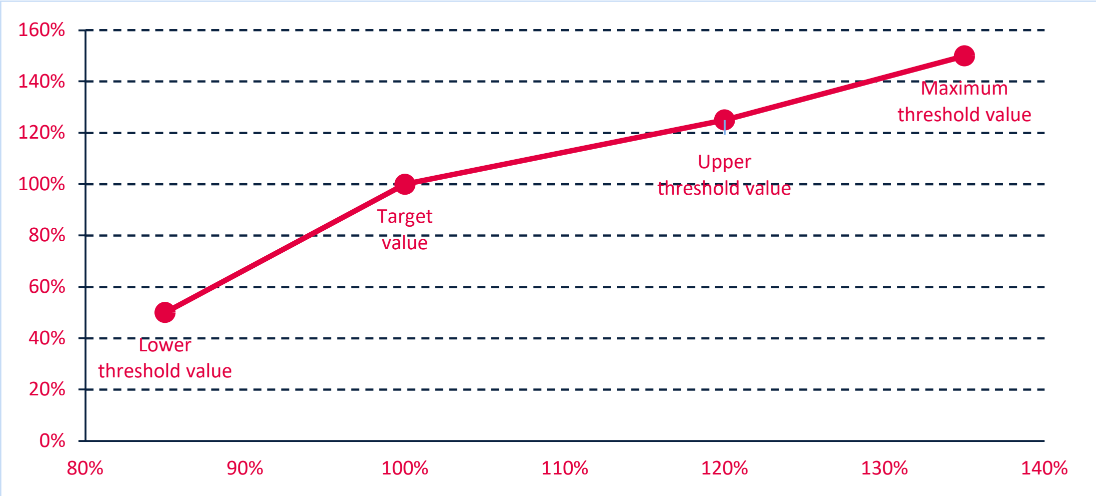
a) STI EBITDA Target

Cherry AG defines EBITDA as the sum of earnings before interest and taxes (EBIT) as well as depreciation/amortisation. Adjusted EBITDA is calculated by adjusting EBITDA for income/expenses for share-based compensation and one-off special effects (such as restructuring expenses). The consolidated adjusted EBITDA reflects its operating profitability and thus contributes to furthering the Company's business strategy.

The target value for the STI EBITDA Target is set annually by the Supervisory Board and is derived from the budget planning for the Cherry Group. To ensure that these targets do not fail to fulfil their incentive function, the Supervisory Board will use its due discretion to ensure that the targets are ambitious on the one hand but remain achievable for the member of the Management Board on the other. A subsequent change of the target value is excluded. To measure the target achievement, the adjusted EBITDA actually achieved according to the relevant approved consolidated financial statements of Cherry AG will be compared with the target value for the relevant fiscal year ("**STI EBITDA Target Achievement"**). The Supervisory Board will take into account adjustments to the EBITDA due to M&A activities to an appropriate extent.

The following applies when determining the target and threshold values: If the STI EBITDA Target Achievement is less than 85% of the STI EBITDA Target, the share of the overall STI EBITDA Target Achievement attributable to EBITDA is "0%". If the STI EBITDA Target Achievement is 85% of the STI EBITDA Target, the share of the overall STI EBITDA Target Achievement attributable to EBITDA is "50%" ("**Lower Threshold**"). If the STI EBITDA Target Achievement is 100% of the STI EBITDA Target, the share of the overall STI EBITDA Target Achievement attributable to EBITDA is "100%" ("**Target Value**"). If the STI EBITDA Target Achievement is 120% of the STI EBITDA Target, the share of the overall STI EBITDA Target Achievement attributable to EBITDA is "125%" ("**Upper Threshold**"). If the STI EBITDA Target Achievement is 135% or more of the STI EBITDA Target, the share of the overall STI EBITDA Target Achievement attributable to EBITDA is "150%" ("**Maximum Threshold**"). If the STI EBITDA Target Achievement is between the above percentages, the STI EBITDA Target Achievement is calculated on a straight-line basis. Maximum target achievement is limited to 150% of the STI EBITDA Target Achievement (cap).

The bonus curve of the STI EBITDA target is structured according to the following scheme:



a) Non-financial STI targets

The non-financial STI performance targets – and their weighting if there are up to ten targets – are set annually by the Supervisory Board at its due discretion. They may be set uniformly for the Management Board or individually for each Management Board member. A subsequent change of the non-financial STI performance targets is excluded. Maximum target achievement is limited to 150% of the target value for the non-financial STI target (cap). In addition to the Company's financial performance, the sustainable non-financial development of the Company is also of decisive importance for its long-term success. This part of the STI is measured by the achievement of non-financial performance targets, which relate to defined projects and/or important processes improvements initiatives to achieve current year objectives and/or strategic targets and will cover one or more of the following subject areas (alphabetic order):

- customers, markets & product initiatives
- employees & internal processes
- environment & social responsibility
- financial resource management & investments
- governance & compliance
- shareholder & supervisory board, and

- supplier & other stakeholder

When defining the non-financial STI performance target, the Supervisory Board will, in addition to the concrete non-financial STI performance target(s), also determine the method for measuring performance as well as the relevant target value, a lower threshold value and an upper threshold value. The concrete target achievement can range between 0% and 150% and will be explained ex-post in the Compensation Report. When determining the specific non-financial STI performance target, the Supervisory Board ensures that it is measurable and transparent. If the selected non-financial STI performance target cannot be measured or determined due to unforeseeable developments, the Supervisory Board may use an alternative key performance indicator that comes as close as possible to the original purpose. In principle, however, in accordance with the Recommendation of the GCGC, a subsequent change is also excluded for the ESG performance target.

b) Overall target achievement and payout arrangements

Achievement of the STI performance targets is measured and determined by the Supervisory Board after the end of the fiscal year ("**STI Performance Period**"). The STI EBITDA Target is measured against the Company's consolidated financial statements. Achievement of the non-financial STI performance targets is measured according to the established criteria. Overall target achievement is calculated by multiplying the target achievement levels of the performance criteria by their respective weights and then adding them together. Overall target achievement is then multiplied by the STI target value to determine the annual payout amount. The annual payout amount of the STI is limited to a maximum of 120% of the relevant (gross) annual basic compensation (cap). A subsequent change of the performance criteria is excluded.

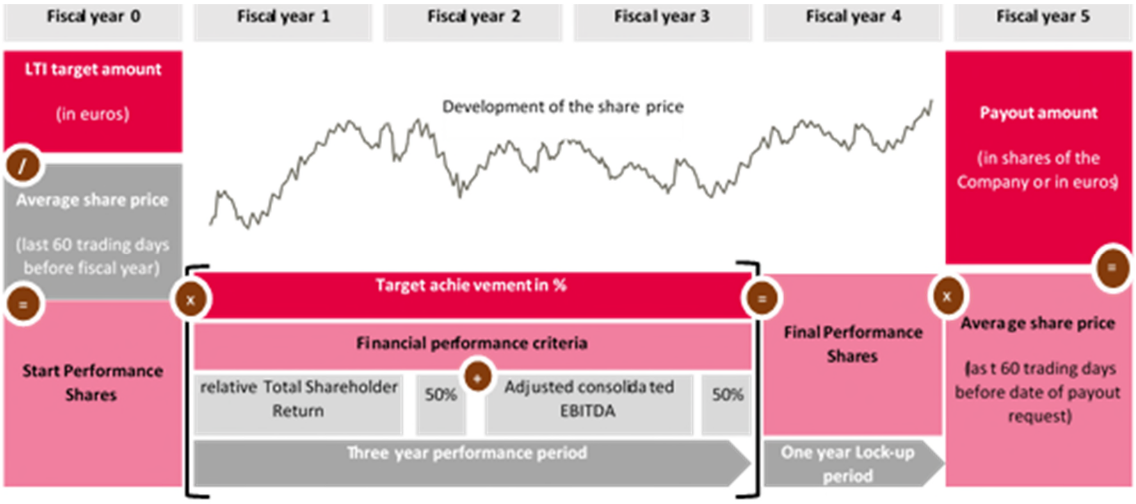
In accordance with the Recommendation in G.11 of the German Corporate Governance Code, the Supervisory Board also has the possibility in justified rare special cases to reasonably take extraordinary developments into account. This can lead to an increase or decrease in the variable compensation that would otherwise result. Such adjustments can therefore take into account both positive and negative extraordinary developments that were not yet known or foreseeable when the target values were set and that have a significant impact on the total compensation of the members of the Management Board, for example M&A activities not taken into account in the budget, unforeseeable changes in accounting standards or tax regulations, natural disasters or pandemics. Generally unfavourable market developments or risks in the normal course of business are expressly not included in such exceptional cases. In making its decision, the Supervisory Board will consider, among other things, the extent to which the Company, its shareholders and employees are or will be affected by the extraordinary developments. Any adjustments and their effects on the achievement of targets and payment of the STI will be reported ex-post in the compensation report.

The STI will be paid in cash and will be due for payment with the first salary statement after the approval of the consolidated financial statements for any fiscal year of the Company. If the employment begins or ends in the course of a fiscal year, the STI for the fiscal year will be paid on a prorated basis.

3. Long-term variable compensation (LTI)

The long-term variable compensation (LTI) is intended to further the actions of the members of the Management Board in the sense of a sustainable and long-term development of the Company. Linking the variable compensation to the performance of the Company's share price contributes to a stronger connection of the interests of the shareholders and a promotion of the long-term growth of the Company. The variable compensation under the LTI also depends on the success of the Company in its long-term strategy and is therefore geared towards the long-term development of the Company.

The annual target amount for the LTI is to determined by the Supervisory Board in the service agreement of the respective member of the Management Board ("**LTI Target Amount**"). As a rule, the LTI performance targets consist of 50% relative total shareholder return ("**rTSR Target**") and 50% adjusted EBITDA of the Group ("**LTI EBITDA Target**"). The LTI is structured as a performance share plan under which virtual shares (performance shares) of Cherry AG are conditionally allocated in annual tranches on 1 January of each fiscal year ("**Start Performance Shares**"). The term of an LTI tranche is four years and consists of a three-year performance period ("**LTI Performance Period**") and a subsequent one-year vesting period ("**Lock-up Period**").



To determine the number of Start Performance Shares conditionally granted, the LTI Target Amount is divided by the average closing price of the Company's share over the last 60 consecutive stock exchange trading days prior to the beginning of the relevant grant year. At the end of the relevant three-year LTI Performance Period, the number of conditionally granted initial performance shares is multiplied by the total target achievement; the result is the final number of performance shares ("**Final Performance Shares**"). At the end of each three-year LTI Performance Period, the Management Board member acquires an unconditional and vested entitlement to the Final Performance Shares. After expiry of the Lock-up Period, the LTI tranche will be paid out. The amount of the payout is calculated by multiplying the number of Final Performance Shares by the average closing price of the Company's share in the last 60 trading days prior to the date of the payout request.

a) rTSR target

The relative Total Shareholder Return ("**rTSR**") is determined based on the performance of the share return of the Company's share ("**Cherry Share**") in relation to the performance of the SDAX. The rTSR is an external, capital markets-based performance criterion and therefore promotes the alignment of interests. Taking into account the share price performance in comparison to a peer group also provides an incentive to compete in the long term and to outperform the peer group.

At the beginning of each LTI tranche, the Supervisory Board sets a target value for the rTSR target. To ensure that these targets do not fail to fulfil their incentive function, the Supervisory Board will use its due discretion to ensure that the targets are ambitious on the one hand but remain achievable for Management Board member on the other.

The Total Shareholder Return ("**TSR**") is the sum of the performance of the Cherry Share price and the dividends paid, assuming that these dividends would have been reinvested in Cherry Shares on the day after the dividend payment. The TSR target achievement for the Company and for the SDAX is calculated at the end of the Performance Period according to the following formula:

$$\boldsymbol{TSR}\ (\%) = \frac{\boldsymbol{Earnings\ yield\ at\ the\ end\ of\ Performance\ Period}}{\boldsymbol{Earnings\ yield\ at\ the\ beginning\ of\ Performance\ Period}}$$

Earnings yield is calculated for each individual day according to the following formula:

$$RI_t = RI_t - 1 * \frac{(Pt + Dt)}{Pt - 1}$$

Legend:

RI_t: Earnings yield on day t

P_t: Closing price on day t (on Frankfurt Stock Exchange/XETRA)

D_t: Dividends on day t (if ex day)

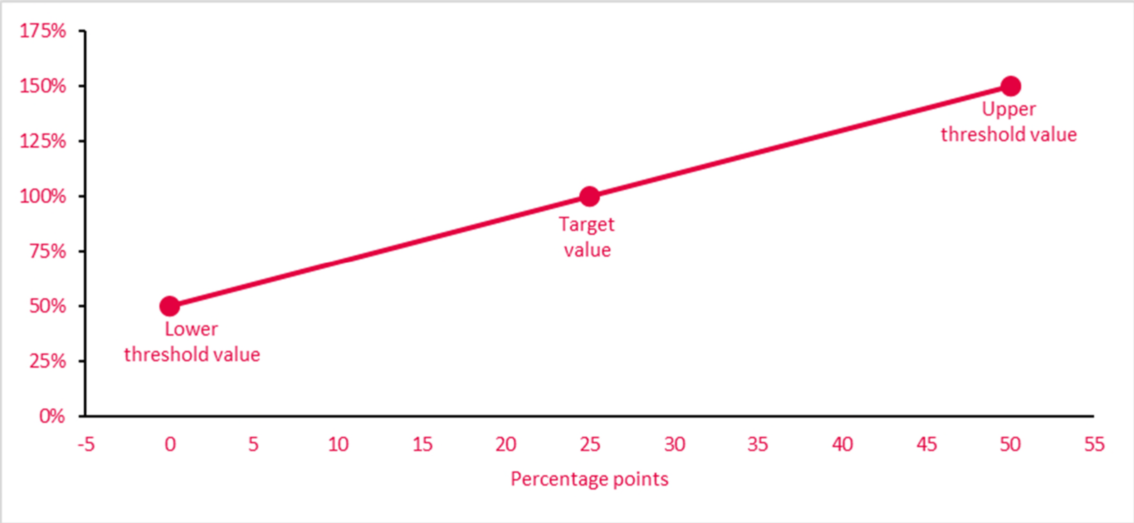
For both Cherry AG and the SDAX, the earnings yield at the beginning of the Performance Period is based on the average earnings yield in the 60 consecutive stock exchange trading days immediately prior to the beginning of the year of grant, rounded to two decimal places. For both the Company and the SDAX, the earnings yield at the end of the Performance Period is based on the average earnings yield in the 60 consecutive trading days immediately preceding the end of the LTI Performance Period, rounded to two decimal places.

The rTSR for the relevant LTI Performance Period is the difference between the TSR value of the Cherry Share and the TSR value of the SDAX according to the following formula:

rTSR = TSR Cherry Share minus TSR SDAX

The following applies when determining the target and threshold values: If the difference between the TSR of the Cherry Share and the TSR of the SDAX is less than 0 percentage points (i.e. negative), the rTSR target achievement is "0%" and the Management Board member will not receive any Final Performance Shares in relation to the rTSR target. If the difference between the TSR of the Cherry Share and the TSR of the SDAX is 0 percentage points, the rTSR target achievement is “50%” (“**Lower Threshold**”). If the difference between the TSR of the Cherry Share and the TSR of the SDAX is 25 percentage points, the rTSR target achievement is “100%” (“**Target Value**”). If the difference between the TSR of the Cherry Share and the TSR of the SDAX is 50 percentage points or more, the rTSR target achievement is “150%” (“**Upper Threshold**”). If the TSR target achievement is between the mentioned percentage points, the rTSR target achievement is calculated on a straight-line basis. The maximum rTSR target achievement is limited to 150% of the rTSR target achievement (cap).

The bonus curve is structured according to the following scheme:



The Supervisory Board has the right in justified exceptional cases to change and adjust (i) the payout curve for the rTSR and/or (ii) in appropriate cases the benchmark index, in each case for an LTI tranche (but under no circumstances during an ongoing Performance Period for an LTI tranche already granted). Any subsequent change of the rTSR target value is excluded. However, the Supervisory Board is entitled to adjust the rTSR target appropriately in the case of extraordinary events (e.g. dilution protection in the case of capital measures or in the case of a significant change in the benchmark index).

b) LTI EBITDA target

Cherry AG defines EBITDA as the sum of earnings before interest and taxes (EBIT) as well as depreciation/amortisation. Adjusted EBITDA is calculated by adjusting EBITDA for income/expenses for share-based compensation and one-off special effects (such as restructuring expenses). The Group’s adjusted EBITDA reflects its operating profitability and thus contributes to furthering the Company’s business strategy.

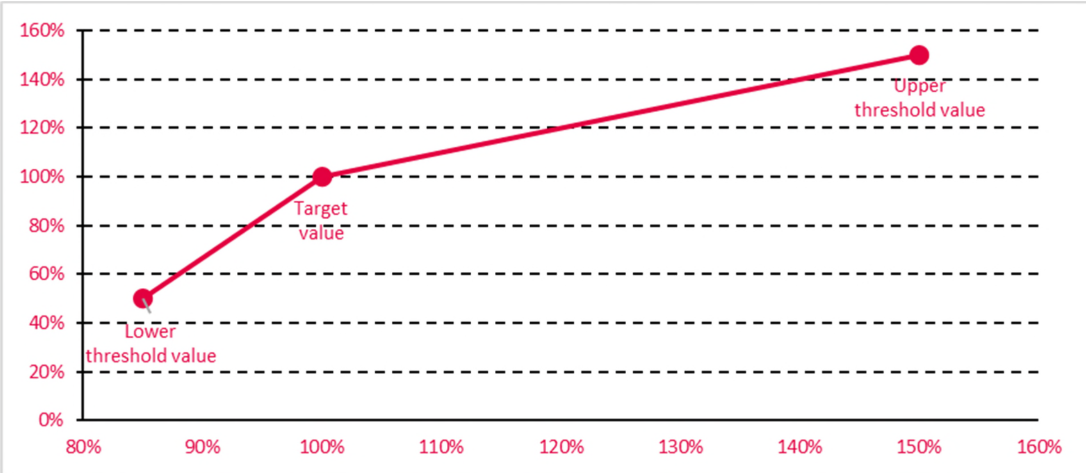
The target value for the LTI EBITDA target is determined by the Supervisory Board before or at the beginning of the each LTI tranche for each of the three fiscal years of an LTI performance period and is derived from the budget planning for the Cherry Group. A subsequent change of the target value is excluded. To ensure that these targets do not fail to fulfil their incentive function, the Supervisory Board will use its due discretion to ensure that the targets are ambitious on the one hand but remain achievable for the Management Board member on the other.

To measure the target achievement, the adjusted EBITDA actually achieved according to the relevant approved consolidated financial statements of Cherry AG will be compared against the target value for the respective fiscal year. The Supervisory Board may take into account adjustments of the EBITDA due to M&A activities to a reasonable extent. The target achievement for the LTI EBITDA target results from the average of the three LTI EBITDA target achievements during the respective Performance Period.

With respect to the LTI EBITDA target achievement, the Supervisory Board sets the financial target for 100% LTI EBITDA target achievement (“**Target Value**”) in each case before or at the beginning of each LTI Performance Period.

The following applies when determining the target and threshold values: If the target achievement for the LTI EBITDA target is below 85% of the Target Value, the LTI EBITDA target achievement is “0” and the Management Board member does not receive any Final Performance Shares for the LTI EBITDA target. If the target achievement for the LTI EBITDA target is 85% of the target value, the LTI EBITDA target achievement is 50% (“**Lower Threshold**”). If the target achievement for the LTI EBITDA target is 100% of the target value, the LTI EBITDA target achievement is 100%. If the target achievement for the LTI EBITDA target is 150% or more of the target value, the LTI EBITDA target achievement is 150% (“**Upper Threshold**”). If the LTI EBITDA target achievement is between the above percentages, the LTI EBITDA target achievement is calculated on a straight-line basis. However, under no circumstances will the LTI EBITDA target achievement exceed 150% of the LTI EBITDA target (cap).

The bonus curve is structured according to the following scheme:



c) Overall target achievement and payout arrangements

Total target achievement is calculated by multiplying the target achievement levels of the two performance criteria by their respective weightings and then adding them together. The amount of the payout is calculated by multiplying the number of final performance shares by the average closing price of Cherry Shares in the last 60 trading days prior to the date of the payout request. The LTI payout amount for each LTI tranche is limited to a maximum EUR 2,500,000.00 (gross) for the Chairman of the Management Board and to maximum of EUR 2,000,000.00 (gross) for ordinary members of the Management Board p. a. (cap).

Payment of each LTI Tranche is generally payable and due at the latest within two weeks after the Annual General Meeting of Cherry AG following the Lock-up Period. Payment will be made, at the Company's option, either in cash or, on the basis of the net amount and after deduction of the income tax paid by the Company to the tax authorities, in Cherry Shares.

If the employment begins or ends in the course of a grant year, the LTI for this fiscal year will be granted on a prorated basis.

If (i) the Company prematurely removes the Management Board member from office for good cause pursuant to section 84(3) of the German Stock Corporation Act, if (ii) the Management Board member's service contract is terminated by the Company for good cause pursuant to section 626 of the German Civil Code (BGB), or if (iii) the Management Board member resigns from office without having good cause to do so, all unpaid claims to the LTI, including vested final performance shares will lapse (bad leaver). In all other cases of termination of the contract, the claims from the LTI remain unaffected and are settled according to the originally agreed targets as of the respective due dates and paid out depending on the overall target achievement.

In accordance with the Recommendation in G.11 of the German Corporate Governance Code (DCGK), the Supervisory Board has the option also in the case of the LTI in justified, rare special cases to reasonably take extraordinary developments into account. This can lead to an increase as well as to a reduction of the otherwise resulting variable compensation. Such adjustments can therefore take into account both positive and negative extraordinary developments that were not yet known or foreseeable when the target values were set and were not adequately reflected therein, for example M&A activities not included in the budget or unforeseeable changes in accounting regulations. Generally unfavourable market developments or risks in the normal course of business are expressly not included in such exceptional cases. In making its decision, the Supervisory Board will consider, among other things, the extent to which the Company, the shareholders and the employees are or will be affected by the extraordinary developments. Any adjustments and their effects on the achievement of targets and payment of the LTI are reported ex-post in the Compensation Report.

4. Share ownership guidelines

In order to align the interests of the Management Board members even more closely with the interests of the shareholders beyond the variable compensation, the Management Board members are obliged to hold the Company's shares (share ownership guidelines). Each Management Board member is obliged to acquire and hold Cherry Shares during the term of their service contract at least in the amount of 100% of the annual basic compensation until the end of the accrual phase

The shares to be held will be accrued within four years of commencement of the Management Board member's service contract. The Management Board member must spend a total amount corresponding to the relevant equivalent value as the purchase price for the Cherry Shares acquired by them. Cherry Shares already held by the Management Board member will be taken into account.

IV. Maximum compensation of Management Board members

The total compensation payable for the fiscal year (sum of all compensation in the relevant fiscal year including basic compensation, fringe benefits, pension contributions and variable compensation components) to the Management Board members – regardless of whether it is disbursed in this fiscal year or at a later date – is limited to a maximum amount ("**Maximum Compensation**") for each individual Management Board member. In the event that the Maximum Compensation is exceeded, the payouts from the LTI (in Cherry Shares or in cash), as the most recently due compensation component, will be reduced accordingly.

The annual Maximum Compensation is:

- For the Chair of the Management Board EUR 3.5 million
- For ordinary Management Board members EUR 3.0 million

These amounts are not the target total compensation aimed at or considered reasonable by the Supervisory Board, but simply an absolute upper limit only achievable with maximum target achievement of all ambitious performance criteria for the variable compensation and a major increase in the Company share price.

The Supervisory Board will regularly review the level of the maximum individual compensation commitment for reasonableness. This reasonableness check will be done as part of the horizontal and vertical comparison and includes the fringe benefits, each at their maximum flat-rate amount.

V. Malus and Clawback

The Supervisory Board has the option of withholding non-disbursed compensation from the variable compensation elements on certain conditions (“**Malus**”) or clawing back compensation already paid from the variable compensation elements (“**Clawback**”).

According to this rule, the Supervisory Board can, in the case of wilful or grossly negligent serious breaches of the corporate code of conduct or statutory duties by a Management Board member, cancel variable compensation in the short term and variable share-based compensation in the long term in full or in part without substitution (Malus). The Supervisory Board can also claw back paid variable compensation in full or in part in these cases (“**Compliance Clawback**”).

In addition, variable compensation already paid is to be repaid if the amount payable was calculated based on incorrect Company financial statements and a lower amount would be payable based on the corrected financial statements (“**Performance Clawback**”). The clawback opportunities exist even if the office or employment of the Management Board member has already ended at the time of the clawback.

Any claims by the Company for damages, especially based on section 93(2) of the German Stock Corporation Act, the Company’s right to cancel the order under section 84(3) of the Stock Corporation Act and the Company's right to terminate the service contract without notice remain unaffected by these provisions.

VI. Details of compensation-related legal transactions

1. Terms and termination of Management Board service contracts

The Company's Supervisory Board will observe the stipulations of section 84 of the German Stock Corporation Act and generally also the recommendations of the German Corporate Governance Code (DCGK) when appointing Management Board members and regarding the term of the Management Board service contracts. Accordingly, the term of the Management Board service contracts is a maximum of five years and generally a maximum of three years upon first appointment, provided no deviation from this is declared. The Management Board service contract can be terminated without notice only for cause within the meaning of section 626 of the German Civil Code. There is no option for terminating the Management Board service contract with notice.

If a Management Board service contract is terminated, the Management Board member in question will be paid the variable compensation components due for the time until contract termination according to the originally agreed performance criteria and according to the payout arrangements and deadlines set out in the Management Board service contract.

2. Benefits in the event of premature termination of the Management Board service contract

There is no right to severance pay or other payments in the case of an effective termination without notice for cause by the Company (section 626 of the German Civil Code). Likewise, a right to severance pay or other payments is excluded if the Management Board member resigns their office without cause on their part.

In the case of premature mutually agreed termination of the Management Board service contract without cause, any severance pay due is limited to a maximum of two years' compensation, but at most the compensation of the remaining term ("**Severance Cap**"). The severance will count towards any waiting allowance due to a post-contractual non-compete.

3. Change of control

In principle, no commitments will be made regarding payments for premature termination of the service contract by the Management Board member following a change of control.

4. Taking up Supervisory Board roles or comparable roles

The compensation covers the entire activity of the Management Board member including any activities for Affiliated Enterprises; this apples in particular to taking up intra-group Supervisory Board roles and comparable roles.

Taking up a subsidiary activity (such as another professional activity or taking up a role on a body representing interests or a voluntary role), whether paid or unpaid, requires the prior consent of the Company's Supervisory Board. The Supervisory Board will decide at the same time as deciding on consent whether and to what extent compensation for subsidiary activities, namely taking up Supervisory Board roles outside the corporate group, will count towards the Management Board compensation.

5. Post-contractual non-compete

The Company's Supervisory Board may provide for a post-contractual non-compete in which the Management Board members are prohibited from competing with the Company for a certain time period after the end of the Management Board service contract. In such a case, the Company will pay a waiting allowance to the Management Board members for the duration of the post-contractual non-compete. Any severance pay will count towards the waiting allowance. The Company may waive the post-contractual non-compete by declaration in writing at any time with the effect that it will be free from paying the waiting allowance upon expiry of six months following the declaration.

VII. Temporary deviations from the compensation system

Under section 87a(2) second sentence of the German Stock Corporation Act, the Supervisory Board can temporarily deviate from the compensation system if this is necessary in the interest of the Company's long-term prosperity. This includes, for example, adjusting the compensation system if there is a significantly altered corporate strategy, to give suitable incentives, or if there are far-reaching changes in the economic situation (due to pandemics or severe economic crises, for example) which make the original performance criteria and/or KPIs in the compensation system outdated, provided the specific effects were not foreseeable. Generally unfavourable market trends are expressly not an exceptional case justifying deviation from the compensation system.

In procedural terms, such deviation requires a specific resolution by the Company's Supervisory Board in which the extraordinary circumstances and need for deviation are justified transparently in an appropriate manner.

The compensation system components that can be deviated from in exceptional cases are the procedure, the rules on the compensation structure and amount as well as the individual compensation elements and in particular the performance criteria. Objectively, the Supervisory Board can deviate both from the relative proportion of the individual compensation components and their prerequisites, and also the fixed compensation can be set differently in individual cases if this is in the interest of the Company’s long-term prosperity. In addition, other compensation components can be granted if the incentive effect of the compensation cannot be adequately restored by adjusting the existing compensation components. The need for deviation and the compensation system components actually affected by the deviation will be explained to the shareholders in the relevant Compensation Report.