

Remuneration Report

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With this report, the Executive Board and Supervisory Board are reporting for the first time, according to the new requirements of the Second Shareholder Rights Directive Implementation Act (ARUG II) in accordance with § 162 AktG, on the remuneration granted and owed to the current and former members of the Executive Board and Supervisory Board of JENOPTIK AG and companies of the Jenoptik Group for the fiscal year 2021, including a comparative presentation of the annual change in remuneration for the members of the Executive Board, the development of the company's earnings and the average remuneration of the employees. The Executive Board and Supervisory Board have decided to subject this remuneration report not only to the formal completeness check required by law but also to a substantive review. The Audit Committee commissioned Ernst & Young Wirtschaftsprüfungsgesellschaft GmbH, Stuttgart, to carry out this audit at its meeting on August 10, 2021.

In terms of revenue and profitability, the fiscal year 2021 was another record year for Jenoptik. Even with the inclusion of VINCORION, the Group performed excellently, with revenue growth of 16.8 percent compared with the prior year and an EBITDA margin of 19.8 percent. Compared to the prior year, revenue from the continuing operations even grew by 22.0 percent. At the same time, these segments achieved an EBITDA margin of 20.7 percent. Even excluding one-off effects in connection with the acquisitions of Trioptics and Interob, the EBITDA margin for the continuing operations was, at 16.7 percent, higher than that of the prior year (15.1 percent). In line with the "Pay for Performance" principle, this performance by Jenoptik is also reflected in the variable remuneration for the Executive Board.

A Remuneration for the Executive Board

I. Executive Board remuneration system

Following preparation by the Personnel Committee, the Supervisory Board is responsible for specifying the remuneration system and determining the total remuneration for the individual Executive Board members. The criteria for defining the appropriateness of the individual total remuneration are primarily the respective tasks and areas of responsibility of the members of the Executive Board, their personal performance, as well as the economic situation, the success of the company and its future prospects. Standard practice within the comparative environment and in relation to established comparative groups within the company is another factor in the remuneration.

Jenoptik’s corporate strategy focuses on its core expertise in photonics and optics, combined with increased investment in research and development and an active portfolio management. At the same time, Jenoptik wants to grow globally. It is the aim of the remuneration system for members of the Executive Board to provide incentives for implementing this corporate strategy by setting ambitious targets in line with the strategic objectives. In a similar way to the control system, the remuneration system is geared toward the long-term corporate strategy and is also aligned with the Group’s short to medium-term objectives. The company control system’s performance criteria are used to assess the performance of the Executive Board. The long-term targets are in line with envisaged business performance and shall enable a clear assessment of its attainment. A multi-year variable remuneration component and a consideration of sustainability criteria (environmental, social, governance – ESG criteria) in the one-year variable remuneration shall promote Jenoptik’s long-term and sustainable development.

G05 An overview of the remuneration system

Relative share of total target remuneration	Remuneration components	Description
35%–40%	Basic salary	<ul style="list-style-type: none"> - Scheme type: Target bonus model - Limit: max. 200% of target amount - Performance criteria: <ul style="list-style-type: none"> • 40% revenue growth • 40% EBITDA margin • 20% cash conversion rate • Multiplier (0.8 to 1.2) to assess individual and collective performance of the Executive Board and ESG targets
<2%	Fringe benefits	
12%–15%	Company pension plan	<ul style="list-style-type: none"> - Scheme type: Virtual performance share plan - Performance period: Four years - Limit: <ul style="list-style-type: none"> • Target attainment: max. 150% per target • Payout: max. 200% of target amount - Performance criteria: <ul style="list-style-type: none"> • 30% return on capital employed (ROCE) • 70% relative total shareholder return (TSR) compared to TecDax
17%–23%	One-year variable remuneration	
25%–30%	Multi-year variable remuneration	<ul style="list-style-type: none"> - Opportunity to reduce one-year variable via the multiplier in the sense of a malus - Right of the company to repayment of the multi-year variable (clawback)
	Malus & clawback	
	Maximum remuneration pursuant to § 87a(1)(2) AktG	<ul style="list-style-type: none"> - Chairman of the Executive Board: 2,550,000 euros p.a. - Ordinary member of the Executive Board: 1,800,000 euros p.a.

If the targets set are not met, the variable remuneration may be reduced to zero. At the same time, if the targets are exceeded, it can only increase up to a clearly defined upper limit (“cap”) in terms of amount, thereby avoiding an incentive to take excessive risks.

The system of remuneration applicable for the Executive Board in fiscal year 2021 was decided by the Supervisory Board with the assistance of an independent external remuneration advisor and approved at the Annual General Meeting on June 9, 2021 with a majority of 75.96 percent of the votes. The remuneration system is published on the Jenoptik website at www.jenoptik.com/about-jenoptik/management/executive-board-and-executive-management-committee-emc. Chapter A. III. 4 of this remuneration report makes reference to the planned renewed revision of the remuneration system.

Moreover, for Hans-Dieter Schumacher, the remuneration system applicable until 2017 will continue to have consequences, as the virtual shares allocated to him from 2015 to 2017 will be paid out in the years 2020 to 2022. Further details can be found on page 46 of the 2017 Annual Report.

II. Fixing of total target remuneration, appropriateness of Executive Board remuneration

The Supervisory Board has determined the amount of the total target remuneration for the members of the Executive Board in accordance with the remuneration system for Executive Board members. The remuneration for the Executive Board members for 2021 is in line with the remuneration system approved by the 2021 Annual General Meeting. The total target remuneration for Dr. Stefan Traeger increased by 75,000 euros in fiscal year 2021, of which 50,000 euros are for the fixed remuneration, 10,000 euros for the bonus and 15,000 euros for the multi-year variable remuneration. The total target remuneration of Hans-Dieter Schumacher remained unchanged.

T06 Target remuneration for the 2021 fiscal year in euros

	Dr. Stefan Traeger President & CEO			Hans-Dieter Schumacher Executive Board member		
	Target remuneration	Min.	Max.	Target remuneration	Min.	Max.
Non-performance-related remuneration						
Fixed remuneration	650,000	650,000	650,000	450,000	450,000	450,000
Fringe benefits	18,250	18,250	18,250	21,532	21,532	21,532
Pension contribution	200,000	200,000	200,000	160,000	160,000	160,000
Total	868,250	868,250	868,250	631,532	631,532	631,532
Performance-related remuneration						
One-year variable remuneration (bonus for fiscal year 2021)	320,000	0	640,000	200,000	0	400,000
Multi-year variable remuneration						
of which performance shares 2021	430,000	0	860,000	300,000	0	600,000
Total	750,000	0	1,500,000	500,000	0	1,000,000
Total remuneration	1,618,250	868,250	2,368,250	1,131,532	631,532	1,631,532

Maximum remuneration. The maximum remuneration (including pension contributions and fringe benefits) set by the 2021 Annual General Meeting for members of the Executive Board is 2,550,000 euros per fiscal year for the Chairman of the Executive Board and 1,800,000 euros for ordinary members of the Executive Board. The basic remuneration is a fixed value. The upper limits for the one-year and multi-year variable remuneration granted and owed in 2021 – as shown in table T12 – were not reached. Although achievement of the performance targets for the 2021 installment of performance shares will not be measured until the first quarter of 2025, it is already certain that, even if the maximum target is achieved in 2025, the fixed maximum remuneration for the fiscal year 2021 will be met.

Customary level of the specific total remuneration in comparison with other companies and within the company. The review of the appropriateness of the remuneration was conducted by comparing the customary level of remuneration with companies listed on the TecDax and SDax that are comparable in terms of country, size, and sector with Jenoptik. In addition, a vertical review was also undertaken with the remuneration of managers and the workforce as a whole.

III. Specific configuration of the remuneration system

The remuneration for the Executive Board of Jenoptik consists of non performance-related and performance-related components.

1. Non-performance-related remuneration components

Fixed remuneration. The non-performance-related basic salary is paid on a pro rata basis each month. In 2021, it totaled 650,000 euros for Dr. Stefan Traeger (prior year: 600,000 euros) and 450,000 euros for Hans-Dieter Schumacher (prior year: 450,000 euros).

Retirement benefits. Agreements relating to occupational retirement benefits were concluded with the members of the Executive Board. The pension commitment is based on a pension fund reinsured by a life insurance policy. This is a defined contribution scheme within the framework of a provident fund. The annual and the long-term costs for Jenoptik are clearly defined. On reaching retirement age, the payouts will no longer affect Jenoptik – with the exception of a possible subsidiary liability. In 2021, the contributions for the provident fund totaled 200,000 euros for Dr. Stefan Traeger and 160,000 euros for Hans-Dieter Schumacher. They have remained unchanged for Dr. Stefan Traeger since he joined in 2017 and for Hans-Dieter Schumacher since he joined in 2015. The surrender value of the pension commitment in accordance with § 169 of the German Insurance Contract Act (VVG) amounted to 895,746 euros for Dr. Stefan Traeger and 1,072,198 euros for Hans-Dieter Schumacher as of December 31, 2021.

Fringe benefits. There is accident insurance and directors' and officers' liability insurance for the members of the Executive Board. The latter comprises the contractual obligation to pay a deductible amounting to 10 percent of the loss per claim, however up to a maximum sum of 150 percent of the fixed remuneration of the respective Executive Board member. Executive Board members are also entitled to the private use of a company vehicle.

2. Performance-related remuneration components

The **variable remuneration** of the Executive Board is based on target agreements concluded with the respective member of the Executive Board in the first quarter of each calendar year. Jenoptik's long-term and sustainable development is thereby promoted by a multi-year variable remuneration component and a consideration of sustainability criteria (environmental, social, governance – ESG criteria) in the one-year variable remuneration. The same targets are agreed upon with both members of the Executive Board, as the Executive Board functions as a team and implements the targets together.

The variable remuneration comprises two components:

The (one-year) **bonus** (approx. 40 percent of the variable remuneration) is based on the achievement of certain targets within a fiscal year and is paid in the subsequent year.

The second part of the variable remuneration (approx. 60 percent of the variable remuneration) is granted in the form of so-called **performance shares**. To this end, virtual shares are allocated to the members of the Executive Board on an annual basis. For each installment of performance shares granted, the target attainment is determined at the end of a four-year performance period and the amount resulting from a predefined calculation method is paid out.

The total variable remuneration for 2021 may fall between 0 euros and a maximum of 1,500,000 euros for Dr. Stefan Traeger and between 0 euros and a maximum of 1,000,000 euros for Hans-Dieter Schumacher. The value of 0 euros results when less than 50 percent of all targets are achieved. For the respective maximum amount, 200 percent of the targets for one-year variable remuneration and 150 percent of the targets for multi-year variable remuneration must be achieved.

a) Bonus.

(i) **System of bonuses.** 40 percent of the bonus is dependent on the Group's revenue growth: 75 percent of this target (i.e. 30 percent of the bonus) is reached at 100 percent if the revenue growth from the annual plan adopted by the Supervisory Board for the Jenoptik Group is achieved for the corresponding year without taking into account companies or parts of companies acquired or sold. 25 percent of the revenue growth target (i.e. 10 percent of the bonus) is reached at 100 percent if a certain level of revenue attributable to new acquisitions is achieved (regardless of the acquisition date in relation to the entire fiscal year). 40 percent of the bonus is calculated on the basis of the EBITDA margin contained in the annual plan. The third sub-target, with a 20 percent share of the bonus, is reached at 100 percent if the ratio of free cash flow to EBITDA for the year in question (the so-called "cash conversion rate") reaches the value from the annual plan approved by the Supervisory Board, adjusted for cash effects from special projects not included in the plan.

The yardstick for determining the degree of target attainment does not need to be linear. This means that a target attainment of 200 percent does not necessarily require a doubling of the initial value of the financial key indicator, in the same way as a 50 percent target attainment does not necessarily have to be achieved at half of the originally defined financial baseline for 100 percent. The precise calibration of the targets is based on historical experience and future expectations, as well as the adopted budget of the respective year.

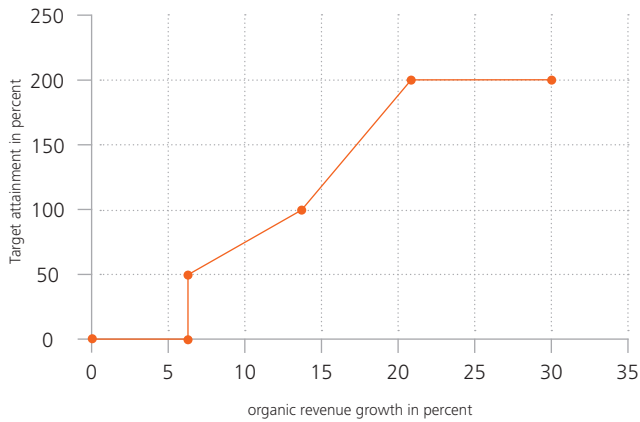
(ii) **Targets for 2021.** The financial targets agreed with the members of the Executive Board for 2021 were:

T07 Financial targets agreed for 2021

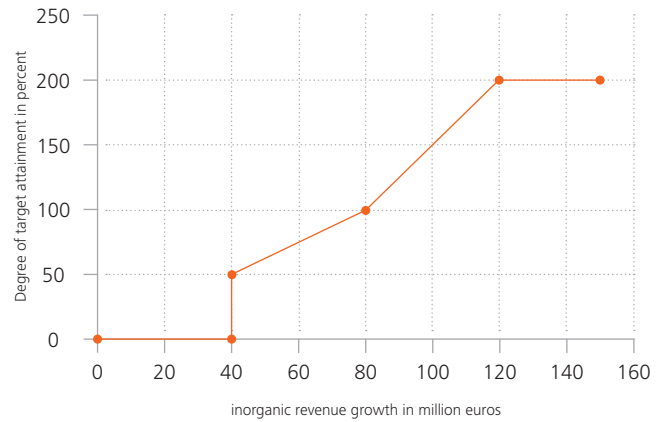
Target	Weighting with target attainment of 100%	Targets for 2021 in %		
		100	50 (lower Cap)	200 (upper Cap)
Organic revenue growth in % (acquisitions and divestments are deducted in 2020 and 2021)	30%	13.7	6.9	20.6
Inorganic revenue growth in million euros (with regard to the complete calendar year)	10%	80.0	40.0	120.0
EBITDA margin in %	40%	16.4	11.0	21.0
Cash conversion rate (excluding cash effects from special projects not included in planning)	20%	55.7	25.0	80.0

The following charts illustrate the target attainment curves for the 2021 bonuses:

G06 Organic revenue growth

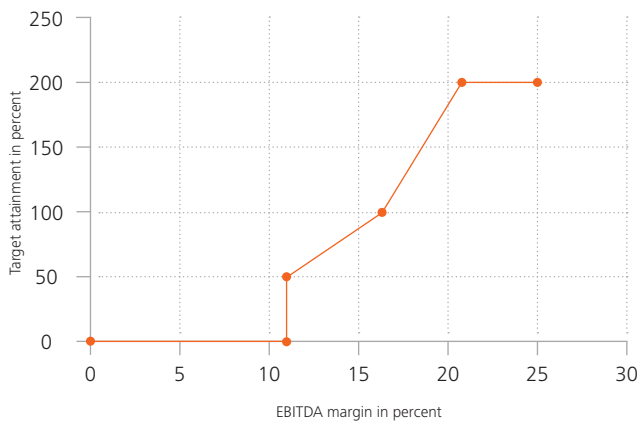


G07 Inorganic revenue growth

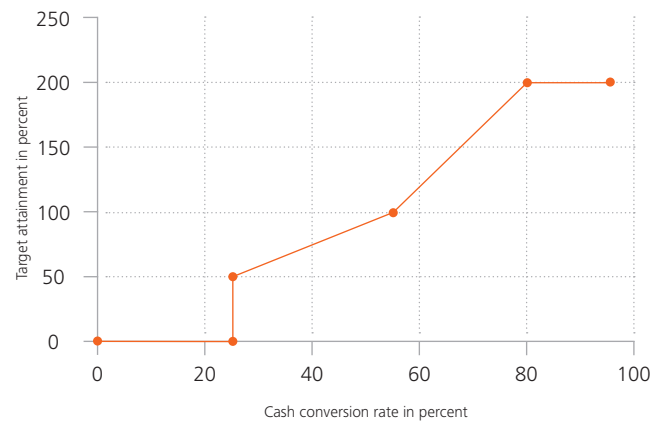


Corporate Governance
25
60

G08 EBITDA margin



G09 Cash conversion rate



To take account of non-financial aspects, the bonus amount for the respective Executive Board member resulting from the target attainment is then multiplied by a performance factor, the so-called multiplier. Its value can be between 0.8 and 1.2. The multiplier is determined on the basis of the individual performance of the Executive Board member, the collective performance of the Executive Board as a whole and the non-financial targets. These targets are derived from the Jenoptik Group's ESG road map described in the Sustainability Report and published on our website at www.jenoptik.com/sustainability/sustainability-targets. They correspond with the ESG targets agreed as part of group financing. The non-financial targets agreed for 2021 and their attainment are shown in table T09.

The Supervisory Board can use the multiplier to reduce the variable bonus in the sense of a malus arrangement by up to 20 percent even if the financial targets are met or exceeded, if, for example, the behavior of the Executive Board member strongly warrants it, but is not serious enough to justify termination or liability due to breach of duty or a reduction in remuneration in accordance with § 87 (2) of the German Stock Corporation Act (AktG) is not possible.

With 100 percent target attainment and a multiplier of 1.0 for the fiscal year, Dr. Stefan Traeger receives a bonus of 320,000 euros and Hans-Dieter Schumacher of 200,000 euros. In each case, the bonus for 2021 for Dr. Stefan Traeger is limited to a maximum of 640,000 euros, and for Hans-Dieter Schumacher to 400,000 euros. The bonus is paid in cash with the payroll after the target settlement and adoption of the annual financial statements.

G10 One-year variable remuneration (bonus)

		12 months				
Target	Target attainment (0% – 200%)				Payout (cap 200% of the target)	
	×	Financial targets	×	Multiplier (0.8 – 1.2)		=
		30 % organic revenue growth	+	Individual performance		
		10 % revenue of newly acquired companies	+	Collective performance of the Executive Board		
		40 % EBITDA margin	+	ESG targets		
	20 % cash conversion rate	+				

(iii) **Target attainment 2021.** On the basis of its assessment, and taking into account all relevant aspects for the fiscal year 2021, the Personnel Committee of the Supervisory Board has decided to propose to the Supervisory Board that a multiplier of 1.15 be used for both members of the Executive Board. When doing so, particular account was also taken of the fulfillment of the non-financial targets shown in table T09, but also of the individual contributions to the strategic further development of Jenoptik. These include the conclusion of new group financing with ESG components with a volume of up to 1 billion euros, the acquisition of BG Medical Applications GmbH and the SwissOptic Group, as well as the signing of a contract to sell VINCORION. Added to this is the further development and adoption of the Group's new "More Value" strategy.

The actual target attainment of the one-year variable remuneration for 2021 and the resulting payments for the fiscal year 2021 are as follows:

T08 Target attainment of the one-year variable remuneration for 2021 and payment in euros

Indicator	Fiscal year 2021 Actually attained	Target attainment in %	Payment to Dr. Stefan Traeger	Payment to Hans-Dieter Schumacher
Organic revenue growth in % (acquisitions and divestments are deducted in 2021)	16.6	142.35	136,659	85,412
Inorganic revenue growth in million euros (with regard to the complete calendar year)	123.8	200.00	64,000	40,000
EBITDA margin in %*	16.7	106.91	136,843	85,527
Cash conversion rate (excluding cash effects from special projects not included in planning)	42.9	79.21	50,696	31,685
Subtotal			388,198	242,624
Multiplier			1.15	1.15
Total			446,428	279,017

* Total Group including VINCORION and without one-off effects in connection with the acquisition of TRIOPTICS and INTEROB

T09 Target attainment of non-financial objectives

		2021 target	Target attainment
Diversity rate	Increase in diversity: Number of managers with an international background and female managers Calculation: $\sim \emptyset$ (proportion of international managers + proportion of female managers)	29%	29%
Vitality Index	Increase in innovative strength: percentage of revenue generated by products and services developed within the last 3 years	18.5%	19%
CSR rate	Increased transparency in the supply chain to protect human rights and the environment: CSR rate: the percentage of suppliers of production materials with an annual purchase volume in excess of 200,000 euros for which full CSR self-assessments are available.	Switch to platform solution "Integrity Next", where all suppliers with a purchase volume of more than 200,000 euros are taken into account	achieved
Green electricity rate	Active reduction of the CO₂ emissions: Green electricity share as a proportion of the total electricity demand used by the main production sites	66.5%	76%
Employee satisfaction	Global Engagement Score: Commitment of our employees, i.e. 76% of our employees identify positively with their duties at Jenoptik in 2021 and are active participants.*	>76%	72%

* The main reason for the Global Engagement Score falling short of the target value are the personnel adjustments in the Light & Production division in Germany and the US

b) Performance shares.

(i) **System of the performance shares.** Based on a value of 430,000 euros for Dr. Stefan Traeger and 300,000 euros for Hans-Dieter Schumacher (“initial value” for 2021), performance shares are to be provisionally allocated to the member of the Executive Board in the first quarter of each fiscal year, usually at the balance sheet meeting of the Supervisory Board in the second half of March.

In order to calculate the provisional number of performance shares to be allocated, the initial value with effect from the 2021 installment is divided by the volume-weighted average price (“VWAP”) of the Jenoptik share on the last 60 trading days of the fiscal year preceding the provisional allocation (up to and including the 2020 installment on the 20 trading days following the announcement of the preliminary annual figures for the fiscal year preceding the provisional allocation). The VWAP for the specified 2021 period was 24.114 euros. Consequently, Dr. Stefan Traeger was provisionally allocated a total of 17,832 performance shares and Hans-Dieter Schumacher 12,441 for the 2021 installment. Long-term performance targets are agreed for each installment, the achievement of which is measured at the end of each four-year “performance period”. For the performance shares provisionally allocated in 2021, the measurement will take place at the beginning of 2025.

The performance shares not yet paid out are:

T10 Performance shares

Installment	Number of provisionally allocated performance shares		Payout year
	Dr. Stefan Traeger	Hans-Dieter Schumacher	
2018	14,202	10,652	2022
2019	12,512	9,384	2023
2020	18,933	13,687	2024
2021	17,832	12,441	2025

(ii) **Targets for the 2021 installment.** The performance targets to be attained over the performance period are the return on capital employed (ROCE) with a weighting of 30 percent and the total shareholder return (TSR) of Jenoptik compared with the TecDax with a weighting of 70 percent.

An average ROCE of 14 percent (16 percent up to and including the 2020 installment) is currently set as the target value for the ROCE target. A target attainment of 50 percent is achieved for the ROCE target if the average ROCE achieved over the performance period is 5 percentage points below the target (“lower cap”). If the average ROCE achieved is more than 5 percentage points below the target value, target attainment is 0 percent. The target attainment for the ROCE target can be a maximum of 150 percent. This is achieved if the average ROCE over the performance period is 5 percentage points or more above the target value (“upper cap”). Exceeding the ROCE target value by more than 5 percentage points does not result in a higher target attainment

The ROCE is calculated by dividing EBIT by the average capital employed. The average capital employed comprises non-current non-interest-bearing assets (e.g., intangible assets including goodwill, property, plant, and equipment, and investment properties) and current non-interest-bearing assets (essentially made up of inventories, receivables from the operating business, and other current receivables), less non-interest bearing borrowings (e.g., provisions – excluding pensions and taxes –, liabilities from the operating business, and other current liabilities). The calculation of averages uses the twelve month-end balances in the period under review and the opening balance at the start of the year.

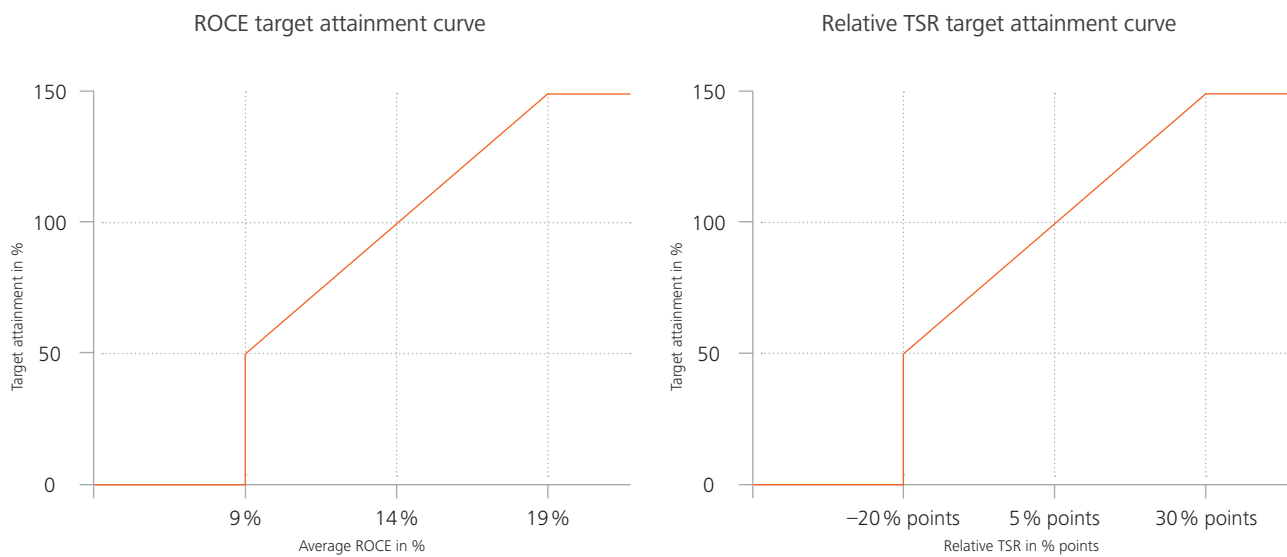
A relative TSR of plus 5 percentage points is set as the target value for 100 percent target attainment of the TSR target, i.e., the performance of the Jenoptik share price, including dividend, over the performance period exceeds the performance of the TecDax by 5 percentage points. A relative TSR of minus 20 percentage points equates to a target attainment of 50 percent (“lower cap”).

If the relative TSR is lower than minus 20 percentage points, target attainment falls to 0 percent. Similarly, target attainment is capped at an upper limit of 150 percent, and is achieved with a relative TSR of plus 30 percentage points or more (“upper cap”).

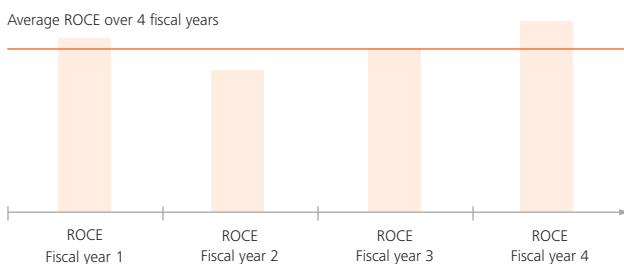
The relative TSR is determined as the difference in percentage points between the change in the Jenoptik share price including reinvested dividends and the change in the TecDax performance index.

Again, the yardstick for determining the degree of target attainment does not need to be linear here.

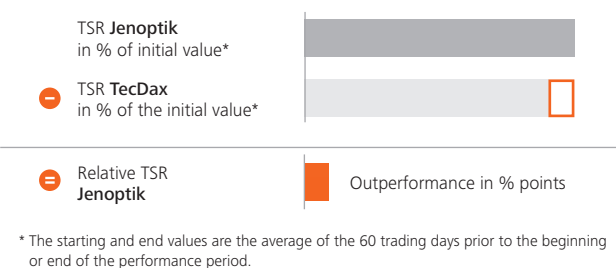
G11 The multi-year variable remuneration – target attainment curves



Calculation of the ROCE



Calculation of the relative TSR



(iii) Calculation of the payout amount for the 2021 performance share installment in 2025. Depending on the level of target achievement, the number of performance shares to be finally allocated is determined at the end of the four-year performance period. It is limited to one and a half times the number of provisionally allocated performance shares (“allocation cap”). If the level of target attainment is less than 50 percent, the entitlement to final allocation of performance shares shall no longer apply.

The number of finally allocated performance shares is multiplied by the VWAP of the Jenoptik share on the last 60 trading days of the last fiscal year of the performance period (“payout rate”). The resulting amount shall be paid after the adoption of the annual

financial statements. The payout amount is limited to a maximum of 200 percent of the initial value, i.e. 860,000 euros for Dr. Stefan Traeger for the 2021 installment and 600,000 euros for Hans-Dieter Schumacher ("payout cap").

In the event of termination of the Executive Board mandate, performance shares which have not yet been allocated finally, but only provisionally, shall not be prematurely finally allocated and paid out, but evaluated, allocated and then paid out in accordance with the regular procedure at the end of the respective performance period. Should JENOPTIK AG terminate the employment relationship for a good reason for which the member of the Executive Board is responsible, all provisionally allocated performance shares for which the performance period has not yet expired shall be forfeited without substitution or compensation.

The Executive Board service contracts contain provisions for capital and conversion measures and the event of a delisting, which are aimed at ensuring that the performance shares are financially equivalent to real shares.

(iv) Calculation of the payout amount for the 2018 performance share installment and the 2017 LTI installment (for Hans-Dieter Schumacher): The fiscal year 2021 was the last year of the performance period of the performance shares provisionally allocated to the members of the Executive Board in 2018 (2018 installment). The long-term variable remuneration is deemed to be granted and owed in the final year of the performance period. The relevant share price for determining the number of performance shares to be provisionally allocated in 2018 was 28.165 euros, so Dr. Stefan Traeger and Hans-Dieter Schumacher were provisionally allocated 14,202 and 10,652 performance shares respectively for the 2018 installment. Of these, 4,261 shares in the case of Dr. Stefan Traeger and 3,196 shares in the case of Hans-Dieter Schumacher related to the ROCE target (30 percent) and 9,941 shares or 7,456 shares respectively to the TSR target (70 percent).

The arithmetic mean of the ROCE achieved for the 2018 to 2021 performance period was 14.9 percent, which, using the target achievement curve (linearly interpolated), corresponded to a target attainment of 89 percent, as the ROCE target for the 2018 installment was 16 percent and the lower cap was 11 percent. Thus, a total of 3,792 performance shares were finally allocated to Dr. Stefan Traeger and 2,844 to Hans-Dieter Schumacher for the performance shares allocated to the ROCE target. The amount to be paid out thereafter was then calculated by multiplying the number of performance shares finally allocated by the volume-weighted average price on the last 60 trading days of the last fiscal year of the performance period ("payout rate"), i.e. 2021. The payout price calculated in this way was 33.906 euros. In 2022, Dr. Stefan Traeger will therefore be paid 128,571.62 euros (equivalent to 3,792 shares * 33.906 euros) and Hans-Dieter Schumacher 96,428.71 euros (equivalent to 2,844 shares * 33.906 euros) for the ROCE sub-target.

As the relative TSR target attainment level in the relevant measurement period was minus 25.4 percentage points (and therefore less than minus 20 percentage points), target attainment was 0 percent. Therefore, no payout was made for the performance shares provisionally allocated in 2018 for the relative TSR target.

T11 Performance share installment 2018

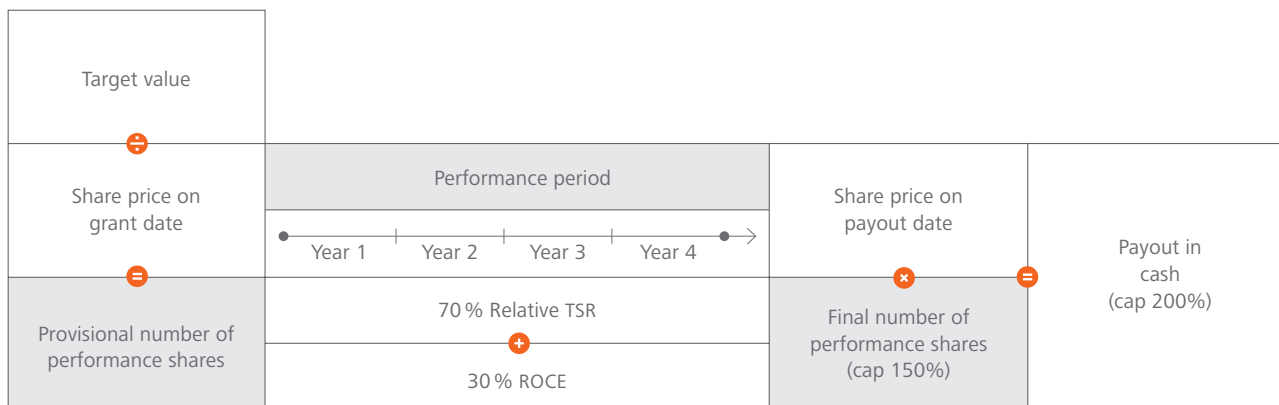
	Number of performance shares provisionally allocated for the 2018 installment (allocation price: 28.165 euros).	ROCE target value for 100 percent target attainment	TSR target value for 100 percent target attainment	ROCE value achieved in % = target attainment	TSR value achieved in % = target attainment	Number of finally allocated performance shares	Payout amount in euros with payout price of 33.906 euros
Dr. Stefan Traeger	14,202, of which 4,261 for ROCE target and 9,941 for TSR target	16 percent	+5 percent	14.9 = 89 percent	-25.4 = 0 percent	3,792	128,571.62
Hans-Dieter Schumacher	10,652, of which 3,196 for ROCE target and 7,456 for TSR target	16 percent	+5 percent	14.9 = 89 percent	-25.4 = 0 percent	2,844	96,428.71

For Hans-Dieter Schumacher, the remuneration system applicable until 2017 will continue to apply, as the virtual shares allocated to him in 2017 will be paid out at the end of the fourth subsequent year after allocation in fiscal year 2022. Hans-Dieter Schumacher was allocated 14,819 virtual shares for 2017 (see Annual Report 2017, p. 50). In the years 2018 to 2021, 563 so-called “dividend shares” were allocated, so a total of 15,382 virtual shares were paid out in 2022. The payout rate corresponds to the volume-weighted average closing price of the Jenoptik share in XETRA trading on the Frankfurt Stock Exchange for the full 2021 year and amounts to 28.151 euros. This resulted in a payout amount of 433,018.68 euros (corresponds to 15,382 shares * 28.151 euros).

(v) **Summary.** The system of remuneration with performance shares is summarized as follows:

- Year 1: Agreement of a performance target for the year 1 installment (“installment 1”) with the member of the Executive Board; provisional allocation of performance shares for installment 1; calculation of the provisional number by dividing the initial value by a VWAP of the last 60 trading days of the prior year.
- Years 1–4: Performance period for installment 1.
- Year 5: Measurement of target attainment, from which determination of the number of final performance shares to be allocated for installment 1, taking into account the allocation cap; multiplication of this final number by a VWAP of the last 60 trading days of year 4. Payout of this amount to the member of the Executive Board, taking into account the payout cap.

G12 Multi-year variable remuneration



3. Other agreements.

Clawback. The company has a right to repayment of the multi-year variable remuneration (so-called clawback) if, within three years after payout of the multiple variable remuneration, it becomes apparent that one of the audited and approved consolidated financial statements during the four-year performance period was objectively incorrect, and therefore had to be subsequently corrected in accordance with the relevant accounting standards. In addition, the Supervisory Board has the option to reduce the one-year variable remuneration by selecting a low multiplier if there are significant reasons relating to the behavior of a member of the Executive Board in addition to any statutory claims for damages under § 93(2) of the AktG or a reduction in remuneration under § 87(2) of the AktG. Should JENOPTIK AG terminate the employment relationship for a good reason for which the member of the Executive Board is responsible, all provisionally allocated performance shares for which the performance period has not yet

expired shall be forfeited without substitution or compensation. There was no reason to exercise this option in the fiscal year 2021, i.e. no variable remuneration components were clawed back.

Third-party benefit commitments. In the past fiscal year, no benefit commitments were promised or granted to any Executive Board member by a third party with regard to his activity as a member of the Executive Board.

Benefit commitments in the event of regular termination of employment. Dr. Stefan Traeger and Hans-Dieter Schumacher are not entitled to payment of bridging payments following their regular departure from the company. Nor was any right of termination agreed with them in the event of a change of control.

Benefits in the event of the premature termination of employment. In the event of a member of the Executive Board being dismissed in accordance with § 84(3) AktG in conjunction with the relevant provisions of the German Codetermination Act, the rights under the employment contract shall remain unaffected. In this case, however, the member of the Executive Board is entitled to terminate the employment relationship extraordinarily and with immediate effect. At the same time, Jenoptik is entitled to release the Executive Board member from his obligation to render services.

In the event that the appointment as member of the Executive Board and the employment contract end prematurely without good cause within the meaning of § 626 BGB, a severance payment may be agreed. This amounts to a maximum of two years' remuneration (plus fringe benefits) or the remuneration due for the remaining term of the service contract, whichever is lower ("severance payment cap"). The annual remuneration comprises the basic remuneration, the variable remuneration components, and the annual pension contribution. For the one-year variable remuneration, a target attainment of 100 percent and a neutral multiplier of 1.0 are assumed. Virtual performance shares that have already been provisionally allocated but whose performance period has not yet expired are not forfeit in the event of premature termination. They are valued in accordance with the normal procedure at the end of the performance period depending on the attainment of the performance criteria, allocated, and paid out.

However, should, the company terminate the employment relationship for a good reason for which the member of the Executive Board is responsible, as per § 626 BGB, all provisionally allocated virtual performance shares for which the performance period has not yet expired shall be forfeited without substitution or compensation.

Non-competition clause. A post-contractual non-competition clause was agreed with Dr. Stefan Traeger for a period of one year following the end of his contract of employment. An amount of 50 percent of the annual remuneration including variable remuneration (with a target attainment level of 100 percent) and pension contributions has been agreed as compensation for the non-competition clause. Any severance payment shall be offset against the compensation. Prior to termination of the employment relationship, Jenoptik may also waive the post-contractual non-competition clause by means of a written declaration.

Ancillary activities. The acceptance of seats on a supervisory board, advisory board or comparable supervisory bodies of companies outside the Group requires the approval of the Supervisory Board.

Rejection of the remuneration system. Should the Annual General Meeting reject the remuneration system and/or the remuneration report, the members of the Executive Board have committed themselves to enter into discussions on an adaptation of the remuneration system.

4. Proposed renewed revision of the remuneration system

As described in the chapters A. III. 2 a) (ii) and (iii), the one-year variable remuneration already provides for a clear reference to ESG targets via the multiplier. Against the background of recent developments with respect to Executive Board remuneration, the Supervisory Board is conscious that the ESG reference of the remuneration should be further expanded and, in future, also become a component of the multi-year variable remuneration.

The multi-year variable remuneration in the current remuneration system is already very strongly linked to the development of the Jenoptik share price via the (virtual) performance share system. However, the remuneration system does not currently allow for any obligation on the part of the members of the Executive Board to hold Jenoptik shares. Here, too, the increasing implementation of share ownership guidelines has resulted in new developments in the area of Executive Board remuneration systems, which the Supervisory Board would like to address within the context of a revision of the remuneration system.

The planned revision of the remuneration system is to be carried out by the newly constituted Supervisory Board following the 2022 Annual General Meeting. Waiting until the Annual General Meeting in 2023 also offers the opportunity to take account of current developments in the area of Executive Board remuneration by the end of 2022 following the last revision in 2020/2021.

IV. Detailed presentation of the total remuneration for the members of the Executive Board.

Table T12 below contains a list of the remuneration components granted and owed to Dr. Stefan Traeger and Hans-Dieter Schumacher for the past fiscal year. In this context, remuneration granted and owed is understood to mean remuneration paid for professional activities performed in the fiscal year 2021, irrespective of whether payout takes place in 2021 or later. The multi-year variable remuneration is deemed to be granted and owed in the last year of the performance period, even if payout is made in the following year, because only then can it be determined that all performance criteria were fulfilled.

T12 Remuneration granted and owed in the 2020 and 2021 fiscal years

	Dr. Stefan Traeger President & CEO				Hans-Dieter Schumacher Executive Board member			
	2021		2020		2021		2020	
	in euros	in %	in euros	in %	in euros	in %	in euros	in %
Non-performance-related remuneration								
Fixed remuneration	650,000	45.0	600,000	49.7	450,000	31.3	450,000	36.5
Fringe benefits	18,250	1.3	18,517	1.5	21,532	1.5	21,008	1.7
Pension contribution	200,000	13.9	200,000	16.6	160,000	11.1	160,000	13.0
Total	868,250	60.2	818,517	67.8	631,532	43.9	631,008	51.1
Performance-related remuneration								
One-year variable remuneration (bonus for 2021 fiscal year)	446,428	30.9	n. a.		279,017	19.4	n. a.	
One-year variable remuneration (bonus for 2020 fiscal year)	n. a.		301,600	25.0	n. a.		194,580	15.8
Multi-year variable remuneration (performance shares 2018 and LTI 2017*)	128,572	8.9	n. a.		529,447	36.7	n. a.	
Multi-year variable remuneration (performance shares 2017 and LTI 2016*)	n. a.		86,624	7.2	n. a.		408,484	33.1
Total	574,999	39.8	388,224	32.2	808,465	56.1	603,064	48.9
Total remuneration	1,443,249	100	1,206,741	100	1,439,997	100	1,234,072	100

* Payout of 2017 and 2016 installments of the LTI model applicable for Hans-Dieter Schumacher until 2017

V. Comparative presentation of the annual change in remuneration, the company's development of earnings as well as the average remuneration for employees considered over the last five fiscal years

The table T13 below presents the total remuneration granted and owed to the members of the Executive Board and the Supervisory Board in the years 2017 to 2021.

The total remuneration of the Executive Board comprises the fixed remuneration, the one-year and multi-year variable remuneration, fringe benefits and pension contributions. Should a member not have worked for Jenoptik for the full calendar year, the amount is extrapolated to a full 12 months. The former Executive Board member Dr. Michael Mertin left the company in 2017 and, in this context, received his virtual shares, which had not yet been paid out, and parts of a contractually agreed transitional allowance. The payments received by him in 2017 are shown as a total amount.

The total compensation of the Supervisory Board comprises the fixed compensation paid for 2021 for membership of the Supervisory Board and its committees as well as the attendance fees for meetings held in 2021.

Also presented is the average remuneration for the total workforce and of employees paid in accordance with collective agreements in Germany over the last five fiscal years. The total workforce includes all employees below Executive Board level (including non pay-scale employees and senior executives) with the exception of employees of VINCORION which is shown as discontinued operation in the Consolidated Financial Statements 2021. The table also shows the average remuneration for all pay-scale employees in Germany. Pay-scale employees are salaried employees covered by collective bargaining agreements and employees on a par with the collective bargaining agreement but not bound by it. In addition to the basic salary, the average remuneration for the total workforce and pay-scale employees include bonuses, special payments, variable remuneration for the year in question (for the year 2021 the provision amount) and the employer's share of social security contributions, but not any severance pay or sign-on bonuses. Should an employee not have worked for Jenoptik for the full calendar year, the amount is extrapolated to a full 12 months. Due to differing salary levels worldwide, the presentation is restricted to employees working in Germany, particularly as both members of the Executive Board are also employed and based in Germany.

The company's development of earnings is presented on the basis of the Jenoptik' performance indicators of revenue, EBITDA and free cash flow of the Jenoptik Group. The overview was supplemented by a comparative presentation of the development of the annual net profit of JENOPTIK AG as per the HGB.

T13 Comparative presentation of the change in remuneration for the Executive Board, the employees, the company's development of earnings and the Supervisory Board

	2021		2020		2019		2018		2017
Remuneration in euros	2021 Amount	Change in %	2020 Amount	Change in %	2019 Amount	Change in %	2018 Amount	Change in %	2017 Amount
Development of earnings (in million euros)¹									
Revenue	895.7	16.7	767.2	-10.3	855.2	2.5	834.6	11.6	747.9
EBITDA	177.2	58.8	111.6	-16.7	134.0	5.1	127.5	19.3	106.9
Free cash flow (before income taxes)	62.8	0.8	62.3	-19.3	77.2	-28.7	108.3	50.0	72.2
JENOPTIK AG annual net profit as per German Commercial Code	16.0	-56.9	37.2	-33.2	55.6	-29.6	79.0	12.2	70.4
Average remuneration for employees²									
Combined workforce in Germany (excluding the Executive Board)	80,000	5.3	76,000	4.1	73,000	1.4	72,000	2.9	70,000
Pay-scale employees in Germany	71,000	1.4	70,000	7.7	65,000	3.2	63,000	1.6	62,000
Remuneration granted and owed to the Executive Board									
Dr. Stefan Traeger ³	1,443,249	19.6	1,206,741	20.2	1,003,786	-24.9	1,336,620	19.9	1,114,676
Dr. Michael Mertin ⁴									8,234,320
Hans-Dieter Schumacher ⁵	1,439,997	16.7	1,234,072	-9.5	1,363,020	41.4	963,613	19.1	809,161
Remuneration granted and owed to the Supervisory Board⁶									
Matthias Wierlacher	121,000	19.2	101,500	-8.6	111,000	4.4	106,308	-3.8	110,500
Stefan Schaumburg	79,500	57.5	50,470	-6.5	54,000	8.0	50,000	-6.5	53,500
Astrid Biesterfeldt	58,000	11.5	52,000	-14.1	60,500	1.7	59,500	9.8	54,171
Evert Dudok	44,000	14.3	38,500	-15.4	45,500	0	45,500	1.1	45,000
Michael Ebenau (until October 15, 2020)	/	/	57,536	-28.5	80,500	4.7	76,904	7.6	71,500
Elke Eckstein (since June 8, 2017)	52,500	11.7	47,000	-9.6	52,000	3.2	50,404	88.9	26,685
Brigitte Ederer (until June 7, 2017)	/	/	/	/	/	/	/	/	19,315
Thomas Klippstein	64,500	5.7	61,000	-11.6	69,000	3.0	67,000	-2.9	69,000
Dörthe Knips (since June 8, 2017)	53,000	10.4	48,000	-10.3	53,500	5.1	50,904	90.8	26,685
Dieter Kröhn	53,500	12.6	47,500	-10.4	53,000	4.1	50,904	-4.6	53,329
Sabine Löttsch (until June 7, 2017)	/	/	/	/	/	/	/	/	19,815
Doreen Nowotne	69,500	8.6	64,000	-11.1	72,000	3.0	69,904	5.9	66,000
Heinrich Reimitz	79,000	14.5	69,000	-11.5	78,000	2.6	76,000	-8.4	83,000
Frank-Dirk Steininger (since October 16, 2020)	50,500	517.6	9,757	/	/	/	/	/	/
Prof. Dr. Andreas Tünnermann	57,000	21.3	47,000	-11.3	53,000	2.9	51,500	-13.4	59,500

¹ Key figures for revenue, EBITDA and free cash flow on a group-wide basis (including VINCORION)

² Personnel expenses including employer share of social security contributions without severance pay and sign-on bonuses

³ 2017 normalized to 12 months

⁴ Payout of all outstanding virtual shares and a transitional allowance – see Annual Report 2017, pages 49f













⁵ In the case of Hans-Dieter Schumacher, from 2019 including LTI payouts under the LTI model applicable until 2017 (for the last time in 2021)

⁶ In the Corona year 2020, the members of the Supervisory Board waived 10 percent of their fixed compensation

B Supervisory Board Remuneration

Current remuneration for the members of the Supervisory Board is governed by § 19 of the Articles of Association of JENOPTIK AG and was approved by the Annual General Meeting on June 7, 2017.

G13 Supervisory Board Remuneration

Basic remuneration for the Supervisory Board					
					
					
Chairman of the Supervisory Board	Deputy		Member		
80,000 €	60,000 €		40,000 €		

Additional remuneration for committee work				
in euros	Audit Committee	Personnel Committee	Investment Committee	Nominations Committee
Chairman	20,000	10,000	10,000	10,000
Deputy	15,000			
Member	10,000	5,000	5,000	5,000

Each member of the Supervisory Board receives a fixed annual remuneration of 40,000 euros for their services. No variable remuneration is provided. This way, an independent control of the Executive Board by the Supervisory Board can be ensured. The Chairman of the Supervisory Board receives double and his deputy one-and-a-half times this amount.

In addition, each member of a committee receives an annual remuneration in the sum of 5,000 euros per year. The Chairman of the committee receives double this amount. The annual remuneration for members of the Audit Committee, whose duties are particularly labor- and time-intensive, is 10,000 euros. The Chairman of the Audit Committee receives double and their deputy one-and-a-half times this amount. These allowances are intended to take account of the particular responsibility and greater time commitment associated with individual roles on the Supervisory Board. This also implements the recommendation of Point G.17 of the German Corporate Governance Code.

Members of committees that have not met during the fiscal year receive no remuneration. Members of the Supervisory Board who have only served on the Supervisory Board or a committee for part of the fiscal year receive a pro rata temporis payment. All the aforementioned remuneration is payable on expiry of the fiscal year.

The members of the Supervisory Board are paid a meeting allowance of 1,000 euros for attending a meeting. Half of this amount is paid for participation in conference calls. The same applies from the second meeting on any day on which several meetings are convened. Verified expenses incurred in connection with a meeting are reimbursed in addition to the meeting allowance, but limited to an amount of 1,000 euros for meetings held in Germany. JENOPTIK AG also reimburses the members of the Supervisory Board for any value added tax applicable to the payment of their expenses.

The members of the Supervisory Board are covered by directors' and officers' liability insurance.

There are no further remuneration-related agreements between the company and the members of the Supervisory Board which go beyond the provisions of § 19 of the Articles of Association. In particular, in the event of a member leaving the Supervisory Board, there is no provision granting remuneration to the members of the Supervisory Board after the end of their term of office.

Jenoptik did not pay any other remuneration or benefits to the members of the Supervisory Board for services rendered personally by them, in particular consulting and intermediary services.

The following table T14 shows the remuneration granted and owed to the members of the Supervisory Board of JENOPTIK AG for the fiscal year 2021 in accordance with § 162 (1) (1) AktG:

T14 Supervisory Board Remuneration

	Total remuneration in euros	in %	Fixed remuneration 2021 in euros	in %	Remuneration for committee work in euros	in %	Meeting allowances in euros	in %
Matthias Wierlacher (Chairman)	121,000	100	80,000	66.1	30,000	24.8	11,000	9.1
Stefan Schaumburg	79,500	100	60,000	75.5	10,000	12.6	9,500	11.9
Astrid Biesterfeldt	58,000	100	40,000	69.0	10,000	17.2	8,000	13.8
Evert Dudok	44,000	100	40,000	90.9			4,000	9.1
Elke Eckstein	52,500	100	40,000	76.2	5,000	9.5	7,500	14.3
Thomas Klippstein	64,500	100	40,000	62.0	15,000	23.3	9,500	14.7
Dörthe Knips	53,000	100	40,000	75.5	5,000	9.4	8,000	15.1
Dieter Kröhn	53,500	100	40,000	74.8	5,000	9.3	8,500	15.9
Doreen Nowotne	69,500	100	40,000	57.6	20,000	28.8	9,500	13.7
Heinrich Reimitz	79,000	100	40,000	50.6	30,000	38.0	9,000	11.4
Frank-Dirk Steininger (since October 16, 2020)	50,500	100	40,000	79.2	5,000	9.9	5,500	10.9
Prof. Dr. rer. nat. habil. Andreas Tünnermann	57,000	100	40,000	70.2	10,000	17.5	7,000	12.3
Total	782,000		540,000		145,000		97,000	

At regular intervals and at the latest every four years, the Supervisory Board reviews whether the remuneration received by its members is appropriate in view of their duties and the company situation. Due to the special nature of the Supervisory Board's work, a vertical comparison with the remuneration paid to company employees is not generally used when reviewing Supervisory Board remuneration. The Executive Board and Supervisory Board submitted the remuneration system, unchanged since 2017, to the Annual General Meeting on June 9, 2021 for approval, where it was confirmed by a majority of 99.58 percent. The remuneration system for the Supervisory Board can be found on our website at www.jenoptik.com/investors/corporate-governance under the heading Supervisory Board.

The intention is to propose an increase in the fixed remuneration and an adjustment to the meeting allowance for meetings held in person and remotely to a uniform level for resolution at the 2022 Annual General Meeting.

March 25, 2022



Dr. Stefan Traeger
President & CEO



Hans-Dieter Schumacher
Chief Financial Officer



Matthias Wierlacher
Chairman of the Supervisory Board

Independent auditor's report

To JENOPTIK AG

We have audited the attached remuneration report of JENOPTIK AG, Jena, prepared to comply with Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] for the fiscal year from 1 January to 31 December 2021 and the related disclosures.

Responsibilities of the executive directors and the supervisory board

The executive directors and supervisory board of JENOPTIK AG are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, the executive directors and supervisory board are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on this remuneration report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report and the related disclosures are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the remuneration report and the related disclosures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the remuneration report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and supervisory board, as well as evaluating the overall presentation of the remuneration report and the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the fiscal year from 1 January to 31 December 2021 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG.

Other matter – formal audit of the remuneration report

The audit of the content of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the remuneration report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects.

Limitation of liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the IDW on 1 January 2017 are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement (www.de.ey.com/general-engagement-terms).

Stuttgart, 25 March 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Maurer

Bartsch

Wirtschaftsprüfer
[German Public Auditor]

Wirtschaftsprüfer
[German Public Auditor]