



**ADVA Optical Networking SE**

**Meiningen**

**Publication of the resolution and of the system of remuneration for the members of the Supervisory Board in accordance with Sections 113 para 3, 120a para. 2 German Stock Corporation Act (AktG)**

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The virtual annual general meeting of ADVA Optical Networking SE resolved on Wednesday, May 19, 2021, under agenda item 9 on the system of remuneration for the members of the Supervisory Board, as set forth in the following.

Valid votes were cast for 29,597,650 shares, representing 58,61 % of the share capital. Those votes were cast as follows:

29,582,315	Yes	99,95 %
15,335	No	0,05 %

The annual general meeting therefore approved the proposed system of remuneration with the required majority.

The system of remuneration for the Supervisory Board members, that was resolved, is described in detail below (information pursuant to sec. 113 para. 3 sentence 2 in conjunction with sec. 87a para. 1 sentence 2 AktG):

- a) The system of remuneration for the Supervisory Board members provides for purely fixed remuneration without any variable components or share-based remuneration. Granting purely fixed remuneration is in line with the common prevailing practice of other listed companies and has proved worthwhile. The Management Board and Supervisory Board take the view that purely fixed remuneration of the Supervisory Board members is the most suitable way of strengthening the Supervisory Board's independence and of taking into account the advisory and supervisory role of the Supervisory Board to be fulfilled regardless of the Company's performance. Purely fixed remuneration is also provided for in the recommendation under margin no. G. 18 sentence 1 of the German Corporate Governance Code.

- b) The Supervisory Board's remuneration consists of the following components:

The annual fixed remuneration amounts to EUR 100,000 for the Chair of the Supervisory Board and EUR 45,000 for each of the other Supervisory Board members. The Chair of the Audit Committee additionally receives EUR 45,000 for this role. This appropriately takes into account the increased time needed to perform the duties of Chair of the Supervisory Board and of the Audit Committee.

The Supervisory Board members are included in a D&O insurance policy for officers that is maintained by the Company. The premiums for this policy are paid by the Company to the extent that it has taken out such insurance for the Supervisory Board members. In addition to being reimbursed the expenses incurred by them in the course of their duties and receiving their remuneration, the Supervisory Board members are refunded any value added taxes incurred on these payments.

The cap for the remuneration of the Supervisory Board members amounts to the total fixed remuneration, the amount of which specifically depends on the duties assumed on the Supervisory Board and/or its committees.

- c) The amount and structure of the Supervisory Board's remuneration reflects market conditions and ensures that the Company will remain able to attract and retain outstandingly qualified candidates for the Supervisory Board in the future. This is a prerequisite for the best possible fulfilment of the Supervisory Board's advisory and supervisory activities, which in turn make a key contribution to promoting the Company's business strategy and long-term development.
- d) The annual remuneration is paid in four instalments, in each case at the end of the quarter. In the event of changes on the Supervisory Board and/or its committees, the remuneration is paid *pro rata temporis*.
- e) The remuneration of the Supervisory Board members is definitively set by art. 12 of the Articles of Association and when the Annual General Meeting has adopted the approval resolutions. There are no ancillary or additional agreements. The remuneration is linked to the duration of the appointment of a Supervisory Board member. No commitments have been made regarding the payment of compensation for dismissal, nor do any pension or early retirement benefit arrangements exist.
- f) As the advisory and supervisory activities of the Supervisory Board members differ fundamentally from the duties of the Company's employees, a vertical comparison with employee remuneration is not a suitable criterion for determining whether the Supervisory Board remuneration is appropriate.
- g) The remuneration of the Supervisory Board is resolved by the Annual General Meeting upon the proposal of the Management Board and the Supervisory Board. At regular intervals, at the latest every four years, the Management Board and the Supervisory Board conduct a review as to whether the amount and the structure of remuneration still reflect market conditions and are still appropriate in relation to the duties of the Supervisory Board and the situation of the Company. In the course of this review, they may seek advice from an external remuneration expert. If there is reason to change the remuneration of the Supervisory Board, the Management Board and the Supervisory Board will submit a proposed resolution to this effect to the Annual General Meeting. Any conflicts of interest during the review of the remuneration system are prevented by the statutory distribution of powers, as the final decision-making authority regarding the remuneration of the Supervisory Board members lies

with the Annual General Meeting, to which the Management Board and the Supervisory Board submit a proposed resolution. This means that a system of reciprocal control is already provided for under the law.

**Meiningen, May 2021**

**ADVA Optical Networking SE**

***The Management Board***