Dear shareholders,
SUSE has had a groundbreaking and successful FY21. On 17 May 2021, SUSE listed on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange and trading in SUSE’s shares commenced on 19 May 2021. This has laid the foundation for the next phase of growth for SUSE.

With the final offer price of €30 per share, SUSE issued 18.3 million shares for net proceeds of €540,765,000 and became the largest enterprise software IPO in Europe of 2021. Our CEO, Melissa Di Donato, is the first woman to be the CEO of a multi-billion euro company listing on the Frankfurt Stock Exchange.

The share price has traded in a range of €25.56 to €40.59 and on the last day of trading for FY21, the share price closed at €37.33.

As well as continuing to grow organically, SUSE has also expanded through targeted acquisitions. At the start of FY21, SUSE completed the acquisition of the Rancher Group and at the end of FY21 SUSE completed the acquisition of NeuVector.

To prepare for SUSE’s IPO, SUSE converted from a SARL to an S.A. and the Supervisory Board and its committees were established for the first time in May 2021. The Supervisory Board then appointed Melissa Di Donato and Andy Myers as CEO and CFO of the Management Board, respectively.

The Supervisory Board would like to thank the Management Board and all employees worldwide for their dedication and hard work during such a busy and successful FY21.

In the following report, the Supervisory Board would like to inform you about the work that it and its committees have carried out during FY21, beginning with its inaugural meeting on 4 May 2021.

Unfortunately, as a result of Covid restrictions, the Supervisory Board, the Audit Committee and the Nomination and Remuneration Committee have yet to meet in person but we hope to do so as soon as this is advisable.

Composition of the Management Board and the Supervisory Board
As of 31 October 2021, the Management Board had the following two members:
- Melissa Di Donato, the Chief Executive Officer of SUSE.
- Andy Myers, the Chief Financial Officer of SUSE.
Each member of the Management Board has been appointed until 30 April 2024.

As of 31 October 2021, the Supervisory Board had the following eight members:
- Jonas Persson, Chair of the Supervisory Board.
- Henning Kagermann, Vice Chair of the Supervisory Board.
- Adrian T. Dillon, Audit Committee Chair.
- Nora M. Denzel, Nomination and Remuneration Committee Chair.
- Dr. Ariane Reinhart, Member of the Supervisory Board.
- Elke Reichart, Member of the Supervisory Board.
- Johannes Reichel, Member of the Supervisory Board.
- Matteo Thun-Hohenstein, Member of the Supervisory Board.
Each member of the Supervisory Board was appointed for the period up until the Annual General Meeting that will resolve the formal approval of SUSE’s annual accounts for FY23. This Annual General Meeting must be held at the latest on 30 April 2024.
SUSE is proud to have a diverse Management Board and Supervisory Board, with four female members out of a total of ten members.

Collaboration between the Management Board and the Supervisory Board
During FY21, the Supervisory Board exercised its duties as required by law with the utmost care. It supervised the management of SUSE by the Management Board and provided advice to the Management Board on SUSE’s strategic development. During and outside of meetings of the Supervisory Board, the Supervisory Board was in regular contact with the Management Board to discuss SUSE’s strategy, business development and risk management.

During the reporting period, there were no conflicts of interest involving the members of the Management Board and the Supervisory Board which are required to be disclosed to the Supervisory Board and of which the Annual General Meeting must be informed.

Supervisory Board setup, meetings and priorities
Following the appointment of the Supervisory Board members on 3 May 2021, the Supervisory Board passed a written resolution on 4 May 2021 to approve, amongst other things:

- The appointment of Jonas Persson as Chair of the Supervisory Board and Henning Kagermann as Vice Chair of the Supervisory Board.
- The Rules of Procedure for the Supervisory Board.
- The creation of the Audit Committee and the Nomination and Remuneration Committee, the appointment of the members to those Committees and the approval of the Rules of Procedure to govern those Committees.
- The IPO and the listing of SUSE on the Frankfurt Stock Exchange.

The Supervisory Board met a total of five times in the period from May 2021 to 31 October 2021 and the Management Board attended all five of the Supervisory Board meetings.

At every meeting of the Supervisory Board there are a number of standing agenda items that are discussed. The Management Board is in attendance and there are updates from the CEO on operational and strategic performance, key stakeholders and the health, safety and well-being of employees, the CFO on financial performance and the Chief Legal Officer on legal, compliance and company secretarial matters.

At its meeting on 19 May 2021, the Supervisory Board performed a deep dive of the IPO, in particular on pricing, the identity of SUSE’s top 20 shareholders and key investor feedback during the IPO roadshow.

At its meeting on 28 June 2021, the Supervisory Board discussed the H1 2021 results, the proposed acquisition of NeuVector, Inc. and the reports from the Audit Committee and the Nomination and Remuneration Committee.

On 3 September 2021, the Supervisory Board held a meeting at short notice and outside of SUSE’s normal board cycle. At this meeting, the Supervisory Board examined SUSE’s marketing and brand awareness activities and approved the proposed acquisition of NeuVector. The Supervisory Board provided its final approval to the acquisition of NeuVector through a written resolution on 26 October 2021.

At the meeting on 8 September 2021, the Supervisory Board reviewed the draft Q3 2021 results as well as the content and format of the Q3 2021 results presentation.

Over the course of two days on 17 and 18 October 2021, the Supervisory Board conducted a strategic review of the SUSE business, the budget for FY22 and received reports from the Chairs of the Audit Committee and the Nomination and Remuneration Committee, respectively. Following a period of reflection, the Supervisory Board approved the budget for FY22 through a written resolution.

All members of the Supervisory Board attended all of the Supervisory Board’s meetings in person or via video conference, with the exception of Elke Reichart who sent her apologies for the Supervisory Board meeting on 3 September 2021 and provided her comments in advance on the topics that were discussed by the Supervisory Board.
The table below shows which members of the Supervisory Board attended the various meetings of the Supervisory Board, the Audit Committee and the Nomination and Remuneration Committee.

<table>
<thead>
<tr>
<th>Supervisory Board</th>
<th>Audit Committee</th>
<th>Nomination and Remuneration Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jonas Persson</td>
<td>5(5)</td>
<td>1(1)</td>
</tr>
<tr>
<td>Henning Kagermann</td>
<td>5(5)</td>
<td>n/a</td>
</tr>
<tr>
<td>Adrian T. Dillon</td>
<td>5(5)</td>
<td>2(2)</td>
</tr>
<tr>
<td>Nora M. Denzel</td>
<td>5(5)</td>
<td>n/a</td>
</tr>
<tr>
<td>Dr. Ariane Reinhart</td>
<td>5(5)</td>
<td>n/a</td>
</tr>
<tr>
<td>Elke Reichart</td>
<td>4(5)</td>
<td>2(2)</td>
</tr>
<tr>
<td>Johannes Reichel</td>
<td>5(5)</td>
<td>0(1)</td>
</tr>
<tr>
<td>Matteo Thun-Hohenstein</td>
<td>5(5)</td>
<td>2(2)</td>
</tr>
</tbody>
</table>

As allowed under SUSE’s Articles of Association and in compliance with Luxembourg law, the Supervisory Board also used written resolutions to approve certain matters when it was not possible for the Supervisory Board to meet in person or virtually.

**Committees**

To enable it to perform its tasks efficiently, the Supervisory Board has formed the Audit Committee and the Nomination and Remuneration Committee.

**Audit Committee**

The Audit Committee met on two occasions between May 2021 and 31 October 2021. During a financial year, the Audit Committee will meet at least three times per year, however, given SUSE’s listing in May 2021 and its financial year ending on 31 October 2021, it was agreed that only two meetings were required in FY21.

At the meeting on 27 June 2021, the Audit Committee covered, among other things, the following items:

- Since it was the Audit Committee’s first meeting, an overview of the Audit Committee Rules of Procedure, including the main tasks of the Audit Committee.
- The draft consolidated interim results for the six months to 30 April 2021. These were discussed in detail with the CFO highlighting points of note.
- Although it was not a regulatory requirement, it was noted that the draft consolidated interim results were also being reviewed by KPMG and the key findings were discussed.
- An update on whistleblowing incidents was provided and it was noted that the Whistleblowing Policy was being refreshed and an independent reporting hotline would be established.
- Risk management would be a regular standing agenda item for Audit Committee meetings with deep dives on particular risks, e.g. cybersecurity.

At the meeting on 18 October 2021, the Audit Committee covered the following items:

- A presentation by KPMG on its plan and strategy for its audit of SUSE’s financial statements for FY21.
- The audit fee proposal for FY21.
- An update on the risk register and a presentation from Sebastian Drews (Head of IT) on cybersecurity and the steps that had been taken to increase SUSE’s cyber security defenses.
- An update on the intention to hire a “Big Four” Audit Manager to oversee the internal audit function and the delivery of the internal audit plan.

The three members of the Audit Committee attended both meetings of the Audit Committee. Representatives from KPMG, SUSE’s statutory auditor, attended both meetings of the Audit Committee.
Nomination and Remuneration Committee
The Nomination and Remuneration Committee met once between May 2021 and 31 October 2021. During a financial year, the Nomination and Remuneration Committee is only required to meet once a year, however, the Nomination and Remuneration Committee expects it will meet more regularly than this. Given SUSE’s listing in May 2021 and its financial year ending on 31 October 2021, it was agreed that only one meeting was required in FY21.

At the meeting on 18 October 2021, the Nomination and Remuneration Committee covered the following items:

- Since it was the Nomination and Remuneration Committee’s first meeting, an overview of the Nomination and Remuneration Committee Rules of Procedure, including the main tasks of the Nomination and Remuneration Committee.
- Succession planning for the Management Board, the Senior Leadership Team and new hires to the Senior Leadership Team.
- The remuneration system that had been drafted by Freshfields Bruckhaus Deringer LLP, Bonn & Schmitt and PwC to be compliant with Luxembourg law and the guiding principles of the German Corporate Governance Code.
- LTIP and bonus structure for future financial years.

Nora Denzel and Jonas Persson attended the meeting of the Nomination and Remuneration Committee on 18 October 2021 with Johannes Reichel sending his apologies. Representatives from Freshfields Bruckhaus Deringer LLP, Bonn & Schmitt and PwC also attended the meeting on 18 October 2021, as did the CEO and the CFO until their remuneration was discussed.

Audit of the annual and consolidated financial statements
SUSE’s annual and consolidated financial statements were given an unqualified audit opinion by KPMG Luxembourg.

SUSE’s financial statements were submitted to the Supervisory Board well in advance of the meeting to approve the financial statements on 18 January 2022, giving the Supervisory Board time to review the statements ahead of the meeting. KPMG explained their audit report in detail on SUSE’s FY21 financial statements to the Audit Committee and the key findings were highlighted.

Following its own examination, and an update from the Audit Committee to the Supervisory Board following the explanation provided by KPMG to the Audit Committee of its audit report, the Supervisory Board concluded that no objections needed to be raised and concurred with the auditor’s audit findings. Accordingly, at its meeting on 18 January 2022, the Supervisory Board adopted SUSE’s annual financial statements and approved the consolidated financial statements along with the combined management report.

Corporate governance
The Supervisory Board considers good corporate governance to be of utmost importance, an essential part of SUSE’s culture and crucial to SUSE’s long-term success.

SUSE S.A. is a public limited liability company (société anonyme) incorporated in Luxembourg and is subject to Luxembourg law, in particular the Luxembourg law of 10 August 1915 on commercial companies as amended. As a Luxembourg public limited liability company, the shares of which are traded on the Frankfurt Stock Exchange, SUSE is neither required to adhere to the Luxembourg corporate governance regime that is applicable to companies that are traded on the Luxembourg Stock Exchange nor to the German corporate governance regime that is applicable to companies that are incorporated in Germany.

German Stock Exchange rules (which are applicable to SUSE) require that certain recommendations of the German Corporate Governance Code that deal with the Audit Committee of the Supervisory Board need to be complied with in order for SUSE to be included in any of the DAX indices (DAX, MDAX, SDAX, TecDAX). These recommendations are C.10, D.3, D.9, D.10 and D.11 in the German Corporate Governance Code and are followed in full by SUSE.

On behalf of the Supervisory Board

Jonas Persson
Chair of the Supervisory Board
Corporate governance statement

Corporate governance overview

Corporate governance is the system for managing and supervising a company. SUSE considers good corporate governance to be of utmost importance, an essential part of SUSE’s culture and crucial to SUSE’s long-term success.

Since its listing, SUSE has continued to review and enhance such processes and procedures on an ongoing basis and to embed such processes and procedures into the organization.

Corporate governance structure

SUSE has a two-tier management structure in the form of the Management Board and the Supervisory Board. The two Boards have different responsibilities and different members although the Supervisory Board and the Management Board have joint responsibility for SUSE’s governance and risk management.

The Management Board is responsible for managing SUSE and the Supervisory Board supervises the Management Board, without being authorized to interfere with the operation of the Management Board. A member of the Management Board cannot be a member of the Supervisory Board, and vice versa.

Together, the Supervisory Board and the Management Board are responsible for ensuring that SUSE has an effective organizational structure in place with clear reporting lines. The Supervisory Board has established the Audit Committee and the Nomination and Remuneration Committee that report directly to the Supervisory Board. The members and the duties of the Audit Committee and the Nomination and Remuneration Committee are set out on page 96.

Corporate governance structure

**Supervisory Board**
- Supervises and monitors the effectiveness of the risk management system and provides advice to the Management Board on risks facing the business and measures to mitigate
- Appoints the Management Board
- Advises the Management Board
- Supervises the Management Board

**Management Board**
- Overall responsibility for ensuring SUSE’s activities comply with applicable legislation, regulatory requirements and internal policies
- Delegates day-to-day operations to the Senior Leadership Team

**Senior Leadership Team**
- Reports to the Management Board

**Audit Committee**

**Nomination and Remuneration Committee**

**Covid-19 Committee**

**Disclosure Committee**

**Health & Safety Committee**

**IT and Cyber Committee**

**Large Deal and Pricing Committee**

**M&A Committee**

**Risk and Compliance Committee**

All Committees are Chaired by a member of the Management Board or the Senior Leadership Team.
The Management Board has established seven committees: the Covid-19 Committee, the Disclosure Committee, the Health & Safety Committee, the IT and Cyber Committee, the Large Deal and Pricing Committee, the M&A Committee and the Risk and Compliance Committee. These committees are all chaired by a member of the Management Board or a member of the Senior Leadership Team (SLT). The purpose of each committee is set out on page 92.

The SLT is led by the CEO of the Management Board. The Management Board delegates responsibility for certain areas of the business to the SLT. The SLT is a multi-functional team which consists of the Chief Revenue Officer, Chief Customer Officer, Chief Operating Officer, the Chief Customer Officer, the President of Engineering & Innovation, the Chief Human Resources and Transformation Officer, the Chief Technology & Product Officer, the Chief Legal Officer & Company Secretary, the Chief Communications Officer and the Chief Marketing Officer.

Corporate Governance Codes

SUSE S.A. is a public limited liability company (société anonyme) incorporated in Luxembourg and is subject to Luxembourg law, in particular the Luxembourg law of 10 August 1915 on commercial companies as amended. As a Luxembourg public limited liability company, the shares of which are traded on the Frankfurt Stock Exchange, SUSE is neither required to adhere to the Luxembourg corporate governance regime that is applicable to companies that are incorporated in Luxembourg nor to the German corporate governance regime that is applicable to companies that are incorporated in Germany.

German Stock Exchange rules (which are applicable to SUSE) require that certain recommendations of the German Corporate Governance Code that deal with the Audit Committee of the Supervisory Board need to be complied with in order for SUSE to be included in any of the DAX indices (DAX, MDAX, SDAX, TecDAX). These recommendations are C.10, D.3, D.9, D.10 and D.11 in the German Corporate Governance Code and are followed in full by SUSE.

Direction and leadership by the Management Board

- Responsible for managing SUSE.
- Delegates responsibility to adequately qualified personnel in the SLT.
- Ensures compliance through the establishment of seven committees.

The Management Board is responsible for managing SUSE’s operations. The Management Board’s actions and decisions are focused on acting in the best interests of SUSE with the goal of sustainably increasing SUSE’s value. The members of the Management Board are jointly accountable for managing SUSE. In conjunction with the Supervisory Board, the Management Board determines the business and strategic aims of SUSE and ensures their implementation.

The Management Board is also responsible for creating an effective organizational structure, delegating responsibility to adequately qualified personnel in the SLT, managing and monitoring the SUSE business by planning and executing the corporate budget (subject to approval from the Supervisory Board), allocating resources and management capacities, monitoring and making decisions on significant individual measures, implementing an efficient reporting system and supervising operational management.

The Management Board must ensure that SUSE’s activities comply with applicable legislation, regulatory requirements and internal policies. This includes the establishment of the appropriate systems for internal control, compliance and risk management as well as establishing a compliance culture across the Group. The Risk management and principal risks section on page 75 describes the main features of the internal control system and the risk management system.

The Management Board has launched a Code of Business Ethics (“COBE”) which provides the primary ethical and legal framework within which SUSE conducts its business. The COBE is communicated to employees globally and contains a fundamental set of rules that define how SUSE conducts its business.

One of the ways that the Management Board ensures compliance with applicable legislation and regulatory requirements is through the establishment of committees. As mentioned above, the Management Board has established a total of seven committees: the Covid-19 Committee, the Disclosure Committee, the Health & Safety Committee, the IT and Cyber Committee, the Large Deal and Pricing Committee, the M&A Committee and the Risk and Compliance Committee.
As part of SUSE’s ongoing assessment of its corporate governance processes and procedures, the Management Board may decide to create additional committees.

The Management Board has refreshed its Whistleblowing Policy, explaining how employees can raise concerns about potential unethical conduct or illegal activity, and has communicated this to employees through a global communication. The Management Board has also introduced an independent Reporting Hotline and this is to be used by employees where they have concerns that they do not feel comfortable notifying internally.

The Management Board is strictly separate from the Supervisory Board, which supervises the Management Board on management issues, and a member of the Management Board cannot be a member of the Supervisory Board, and vice versa. The Management Board meets as often as the business and interests of SUSE require and, as a minimum, every three months.

Decisions of the Management Board are made by the majority of the votes of the members present or represented. In the case of a tie, the Chair shall have the casting vote. Certain transactions of fundamental importance and other Management Board decisions which would have a major impact on the business operations and on the financial position of SUSE are subject to the Supervisory Board’s approval. These matters are explained in more detail in the “Supervision of the Management Board by the Supervisory Board” section below.

As of 31 October 2021, the Management Board comprised two members. The two current members of the Management Board have been appointed for a three-year term of office and their current term of appointment ends on 30 April 2024.

The Supervisory Board is responsible for appointing the members of the Management Board and deciding their remuneration and the terms of their office (which may not exceed six years). Members of the Management Board may be re-appointed for successive terms. A member of the Management Board may be removed with or without cause and/or replaced, at any time, by a resolution adopted by the Supervisory Board.

<table>
<thead>
<tr>
<th>Committee</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure Committee</td>
<td>Monitors any inside information that SUSE has and assesses whether SUSE has any disclosure obligations</td>
</tr>
<tr>
<td>Health &amp; Safety Committee</td>
<td>Assesses and monitors SUSE’s current Health and Safety operations and implements any necessary changes</td>
</tr>
<tr>
<td>IT and Cyber Committee</td>
<td>Assesses the strength of SUSE’s IT system and cybersecurity defenses. Implements any upgrades which are required to SUSE’s IT systems and cybersecurity defenses.</td>
</tr>
<tr>
<td>Large Deal and Pricing Committee</td>
<td>Reviews contracts with customers with unusual terms or where the value is in excess of $250,000.</td>
</tr>
<tr>
<td>M&amp;A Committee</td>
<td>Identifies M&amp;A targets and executes transactions. Reports to the Management Board and the Supervisory Board to provide transaction updates.</td>
</tr>
<tr>
<td>Risk and Compliance Committee</td>
<td>Identifies and assesses all risks facing SUSE and the measures in place to mitigate such risks. Reports in detail on top 10 risks facing SUSE to the Management Board.</td>
</tr>
</tbody>
</table>
Supervision of the Management Board by the Supervisory Board

- Appoints members of the Management Board.
- Supervises the Management Board on management issues.
- Established two Supervisory Board Committees: Audit Committee and Nomination and Remuneration Committee.

The Supervisory Board appoints the members of the Management Board and supervises the Management Board on management issues. It reviews the decisions of the Management Board with respect to their compliance with laws and their commercial suitability but does not manage SUSE.

As of 31 October 2021, the Supervisory Board comprised eight members with Jonas Persson as chair. The Supervisory Board members were first appointed on 3 May 2021, ahead of the IPO, and were provided with an induction to prepare them to be directors of a listed company.

The members of the Supervisory Board are appointed at a meeting of SUSE’s shareholders (normally the Annual General Meeting) by way of simple majority vote of the shares present or represented. The General Meeting determines the number, the duration of the mandate and the remuneration of the members of the Supervisory Board. The members of the Supervisory Board shall be elected for a term not exceeding six years and shall be eligible for reappointment. They may be removed with or without cause and/or replaced, at any time, by the General Meeting by a simple majority vote of the shares present and represented.

The Management Board provides the Supervisory Board with a written report of the Management Board on the progress and development of SUSE’s business at least every three months. This report includes updates from the CEO on operational and strategic performance, key stakeholders and the health, safety and well-being of employees, from the CFO on financial performance and from the Chief Legal Officer on legal, compliance and company secretarial matters. Discussion of this report is a standing agenda item at each meeting of the Supervisory Board.

The Management Board must promptly pass to the Supervisory Board any information on events which are likely to have a significant effect on SUSE’s business. The chair of the Supervisory Board is in regular contact with the Management Board to discuss SUSE’s strategy, business development and risk management.

Certain transactions of fundamental importance and other Management Board decisions with a major impact on the business operations and on the financial position of SUSE require the authorization of the Supervisory Board. The full list of reserved matters is set out on SUSE’s website and these matters include approval of the annual budget and annual business planning of SUSE, significant M&A transactions and the auditing and approval of SUSE’s annual financial statements.

Through the Supervisory Board Committees, the Supervisory Board monitors the accounting process, the internal audit system and remuneration of employees. The tasks of the Supervisory Board also include reviewing and approving SUSE’s annual financial statements, SUSE’s management report and consolidated financial statements.

The Supervisory Board meets as often as the business and interests of SUSE require but will meet at least four times per year. The chair of the Supervisory Board can convene additional meetings if necessary. The meetings of the Supervisory Board and its committees are called by their respective chairs. The Supervisory Board validly deliberates and makes decisions only if at least half of its members are present or represented. Resolutions of the Supervisory Board are passed by a simple majority vote of the participating members present or represented. In the case of a tie, the Chair shall have the casting vote.

The Report of the Supervisory Board provides additional information about the meetings of the Supervisory Board held during FY21.
Corporate governance statement continued

Supervisory Board

Jonas Persson
Chair of the Supervisory Board
Appointed: 2021
Term expires: At the AGM approving SUSE’s annual accounts as at 31 October 2023 (held at the latest on 30 April 2024)

Adrian T. Dillon
Member of the Supervisory Board
Audit Committee Chair
Independent Director
Appointed: 2021
Term expires: At the AGM approving SUSE’s annual accounts as at 31 October 2023 (held at the latest on 30 April 2024)

Elke Reichart
Member of the Supervisory Board
Independent Director
Appointed: 2021
Term expires: At the AGM approving SUSE’s annual accounts as at 31 October 2023 (held at the latest on 30 April 2024)

Johannes Reichel
Member of the Supervisory Board
Appointed: 2021
Term expires: At the AGM approving SUSE’s annual accounts as at 31 October 2023 (held at the latest on 30 April 2024)

Current membership of Supervisory Boards (or equivalent): Chairman of the Board at Acumatica; Chairman of the Board at IFS; Chairman of the Board at Peltarion; Chairman of the Board at Sitecore; Member of the Board at Skandia; Chairman at Myrtel Management

Current membership of Supervisory Boards (or equivalent): Member of the Board and Chair of the Audit Committee at Datto, Inc; Member of the Board, Chair of the Audit & Risk Committee and a member of the Cybersecurity Committee at HealthEquity, Inc

Elke Reichart
Independent Non-Executive Director at esure Group plc

Current membership of Supervisory Boards (or equivalent): Member of the Supervisory Board at Bechtle AG; Independent Non-Executive Director at esure Group plc

Management Board

Melissa Di Donato
Chief Executive Officer
Appointed: 2021
Term expires: 30 April 2024
Joined SUSE: 2019
Degree: Bachelor’s degree in Russian language and literature and political science from Manhattanville College, a master’s degree in Russian from American University and an MBA in International Business from American University
Responsibilities: Corporate development, strategy, HR, engineering and innovation, product, sales, marketing, customers, transformation, investor relations, M&A and board and shareholder relationships.
Current membership of Supervisory Boards (or equivalent): Independent Non-Executive Director at JPM Europe,
Dr Ariane Reinhart
Member of the Supervisory Board
Independent Director
Appointed: 2021
Term expires: At the AGM approving SUSE’s annual accounts as at 31 October 2023 (held at the latest on 30 April 2024)
Current membership of Supervisory Boards (or equivalent): Member of the Supervisory Board and Chairman of its Strategy and Technology Committee at KUKA AG; Member of the Supervisory Board at Mambu; Chairman of the Board of Trustees (Kuratorium) at acetech (German Academy of Science and Engineering)

Nora M. Denzel
Member of the Supervisory Board
Nomination and Remuneration Committee Chair
Independent Director
Appointed: 2021
Term expires: At the AGM approving SUSE’s annual accounts as at 31 October 2023 (held at the latest on 30 April 2024)
Current membership of Supervisory Boards (or equivalent): Chair of the Compensation Committee and member of the Technology and Nominating Committee at Advanced

Matteo Thun-Hohenstein
Member of the Supervisory Board
Appointed: 2021
Term expires: At the AGM approving SUSE’s annual accounts as at 31 October 2023 (held at the latest on 30 April 2024)
Current membership of Supervisory Boards (or equivalent): Does not currently hold any Supervisory Board (or equivalent) memberships but is the Managing Director at EQT Partners AG

Andy Myers
Chief Financial Officer
Appointed: 2021
Term expires: 30 April 2024
Joined SUSE: 2020
Degree: Bachelor of engineering in production engineering and production management from the University of Nottingham
Qualification: ICAEW Chartered Accountant
Responsibilities: Accounting, tax, audit, finance, treasury, risk management and compliance, legal, investor relations, procurement and IT
Current membership of Supervisory Boards (or equivalent): Non-Executive Director, Audit Chair and a member of the Remuneration Committee at Berkeley Group Holdings plc
Supervisory Board Committees

To enable it to carry out its supervision activities effectively, the Supervisory Board has established two Supervisory Board Committees: the Audit Committee and the Nomination and Remuneration Committee. As part of SUSE’s ongoing assessment of its corporate governance processes and procedures, the Supervisory Board may decide to create additional committees.

Audit Committee

Members
- Adrian T. Dillon (Chair), Elke Reichart and Matteo Thun-Hohenstein.
- Adrian T. Dillon and Elke Reichart are considered to be independent.

Duties
- Informs the Supervisory Board of the outcome of SUSE’s statutory audit and explains how the statutory audit contributed to the integrity of financial reporting and what the role of the Audit Committee was in that process.
- Monitors the financial reporting drawing-up process and submits recommendations or proposals to ensure its integrity.
- Monitors the statutory audit of SUSE’s annual and consolidated financial statements.
- Reviews SUSE’s accounting and assesses and monitors the accounting process, effectiveness of the internal control system, the risk management system, the internal audit system and compliance.
- Recommends the statutory auditor and reviews and monitors the auditor’s independence, in particular the appropriateness of the provision of non-audit services to the Group.

The Audit Committee intends to meet three times during SUSE’s financial year.

Expertise
Adrian T. Dillon has specific knowledge and experience in applying accounting principles and internal control procedures and is familiar with annual audits.

Nomination and Remuneration Committee

Members
- Nora T. Denzel (Chair), Jonas Persson and Johannes Reichel.

Duties
- Identifies and recommends candidates suitable to be members of the Supervisory Board.
- Evaluates the independence of the independent members of the Supervisory Board.
- Reviews the structure, number of members and composition of the Supervisory Board and the Management Board.
- Provides advice to the Supervisory Board on the general remuneration policy and the identity of the members of the Supervisory Board, Management Board and SLT.
- Assists the Supervisory Board in its review and design of the diversity policy.

The Nomination and Remuneration Committee intends to meet at least once during SUSE’s financial year.

Please see the description in the report of the Supervisory Board for information on the meetings of the Nomination and Remuneration Committee during FY21.

Competence profile, diversity concept and objectives for the composition of the Management Board

The Supervisory Board works with the Management Board to ensure long-term succession planning for the Management Board. As mentioned in the report of the Supervisory Board, the Nomination and Remuneration Committee has focused on succession planning for the Management Board and the Senior Leadership Team.

Diversity
In addition to the professional skills and experience of the members of the Management Board, the Supervisory Board is of the opinion that diversity plays an important role in the successful performance and development of SUSE and that this should be reflected in the composition of the Management Board.

In line with its focus on diversity, the Supervisory Board is therefore seeking to ensure that the Management Board consists of members who complement each other in terms of their personal and professional background, their experience and specialist knowledge. This will enable the Management Board, in its entirety, to call on as wide a range of experiences, knowledge and abilities as possible.

Please see the description in the report of the Supervisory Board for information on the meetings of the Audit Committee during FY21.
SUSE does not have a formal policy in place in respect of diversity for the members of the Management Board and the Nomination and Remuneration Committee intends to adopt a formal policy during the course of 2022. Despite the absence of a formal policy, diversity within the Management Board is reflected in the members’ individual educational and professional careers and the broad spectrum of experience that each possesses.

50% of the Management Board is female and, as set out on page 62, SUSE’s goal is to have at least 30% women in leadership by 2026.

Skills and expertise
Each Management Board member must be able to perform the tasks required of a Management Board member in a listed software company with international operations. Furthermore the members of the Management Board must possess in-depth knowledge of SUSE’s business and the market environment and are usually expected to have several years of management experience.

In view of SUSE’s business model, at least one member of the Management Board should have knowledge of the following areas:
- Strategy and strategic management.
- Technology and SaaS companies, including the relevant markets and customer needs.
- Operations and technology, including IT and digitalization.
- Human resource management and development.
- Finance, including financing, accounting, controlling, risk management and internal control procedures.
- Corporate governance and compliance.

Given the international focus of SUSE’s activities, at least some members of the Management Board should possess noteworthy international experience.

The number of members of the Management Board is determined by the Supervisory Board. The Supervisory Board considers two to be an appropriate number of Management Board members given the current position of the SUSE business and its future strategy.

The current composition of the Management Board meets the competence profile, the diversity concept and objectives for the composition of the Management Board, with each member of the Management Board being chosen following an extensive and thorough recruitment process.

Competence profile, diversity concept and objectives for the composition of the Supervisory Board
On its formation in May 2021, the competence profile, diversity concept and objectives for the composition of the Supervisory Board were considered, with reference to the German Corporate Governance Code, and these objectives will continue to be reviewed on a regular basis. The Supervisory Board is composed of members who have strong backgrounds in finance, technology, HR, transformation and strategy for international companies, both public and private.

The guiding principle for the Supervisory Board is to ensure qualified supervision and guidance for the Management Board. Any individuals who are nominated for election or re-election to the Supervisory Board should be individuals who can, based on their professional expertise and experience, integrity, commitment, specialist knowledge and character, successfully perform the work of a supervisory board member at a listed software company with international operations.

Diversity
In addition to the professional skills and experience of the members of the Supervisory Board, the Supervisory Board is of the opinion that diversity plays an important role in the successful performance and development of SUSE and that this should be reflected in the composition of the Supervisory Board.

In line with its focus on diversity, the Supervisory Board is therefore seeking to ensure that the Supervisory Board consists of members who complement each other in terms of their personal and professional background, their experience and specialist knowledge. This will enable the Supervisory Board, in its entirety, to call on as wide a range of experiences, knowledge and abilities as possible.

SUSE does not have a formal policy in place in respect of diversity for the members of the Supervisory Board and the Nomination and Remuneration Committee intends to adopt a formal policy during the course of 2022. Despite the absence of a formal policy, diversity within the Supervisory Board is reflected in the members’ individual educational and professional careers and the broad spectrum of experience that each possesses. For example, the members of the Supervisory Board have a broad range of ages and nationalities.

Half of the independent members of the Supervisory Board are female and three out of eight members of the Supervisory Board are female.
Skills and expertise

In view of SUSE's business model, the Supervisory Board members must, taken as a whole, have all of the skills and expertise required to perform its task effectively. Therefore, at least one member of the Supervisory Board should have knowledge of the following areas:

- Strategy and strategic management.
- Management of a company with international operations, in particular in software, SaaS or technology.
- Supervisory positions in Germany and/or abroad;
- Corporate development of a company with an international footprint.
- Finance, including financing, accounting, controlling, risk management and internal control procedures.
- Corporate governance and compliance.

The current composition of the Supervisory Board meets the competence profile, the diversity concept and objectives for the composition of the Supervisory Board, with each member of the Supervisory Board being chosen following an extensive and thorough recruitment process.

Independence

The Supervisory Board believes that the Supervisory Board should include at least two members who are independent.

The Supervisory Board considers that all of its members, except for Johannes Reichel and Matteo Thun-Hohenstein, are independent in accordance with the criteria for independence set out in the German Corporate Governance Code.

Conflicts of interest

The members of the Management Board and the Supervisory Board must act in the best interests of SUSE. In all their decisions, they must neither pursue personal interests nor exploit for themselves business opportunities which are offered to SUSE or one of its subsidiaries for themselves or third parties.

Each member of the Supervisory Board must inform the Chair of the Supervisory Board of any conflicts of interest without undue delay. Material conflicts of interest involving a member of the Supervisory Board that are not merely temporary shall result in the termination of that member’s Supervisory Board mandate.

Each member of the Management Board must disclose conflicts of interest to the Chair of the Supervisory Board and to the rest of the Management Board without undue delay. During the reporting period, there were no conflicts of interest involving members of the Management Board and the Supervisory Board that are required to be disclosed to the Supervisory Board and of which the AGM must be informed.

Board evaluation and effectiveness

As SUSE listed in May 2021, the Supervisory Board has not yet completed its review of how effective the Supervisory Board and its committees fulfill their tasks. The Supervisory Board intends to undertake this review during 2022.

Relationship with majority shareholder

As of 31 October 2021, Marcel LUX III SARL, on behalf of EQT VIII fund, held 76.49% of the shares in SUSE and 23.51% of the shares in SUSE were publicly traded.

Johannes Reichel and Matteo Thun-Hohenstein are both members of the Supervisory Board and are Managing Directors at EQT Partners, which are entities advising the EQT funds. They do not receive additional payment for their services as members of the Supervisory Board.

Under article 7 quater of the Luxembourg Law of 24 May 2011 as amended, any material transaction between SUSE and a related party shall be subject to the approval of the Management Board. SUSE shall publicly announce any material transactions with related parties at the latest by the time of conclusion of the transaction.

General Meetings

General meetings of shareholders (“General Meeting(s)”) shall be convened under the conditions, in the form and within the time limits provided for by the Law of 10 August 1915 and the Law of 24 May 2011 on the exercise of certain rights of shareholders in General Meetings of listed companies and transposing Directive 2007/36/EC of the European Parliament and of the Council of July 11, 2007 on the exercise of certain rights of shareholders of listed companies (the Shareholders Rights Law).

General Meetings are conducted in English at SUSE’s registered office in the Grand Duchy of Luxembourg or at any other location in the Grand Duchy of Luxembourg as specified in the convening notice.

SUSE shall ensure equal treatment for all shareholders who are in the same position with regard to participation in, and the exercise of voting rights at, the General Meeting. Any duly constituted General Meeting shall represent all SUSE’s shareholders. It shall have the widest powers to order, implement or ratify all acts connected with SUSE’s operations that are not conferred on the Management Board or the Supervisory Board.
General Meetings (other than the AGM of the shareholders) may be called as often as the interests of the Company require. The Management Board or the Supervisory Board are obliged to call a General Meeting if a group of shareholders representing at least 10% of SUSE’s share capital requests the convening of a General Meeting in writing, indicating the agenda of the proposed meeting. The AGM shall be held within six months of the end of SUSE’s financial year. Following the approval of the annual accounts and consolidated accounts, the AGM shall decide by special vote on the discharge of the liability of the members of the Management Board and Supervisory Board.

In accordance with the Shareholders Rights Law, the convening notice to a General Meeting is to be published at least 30 days before the day of the General Meeting in the official gazette of Luxembourg (Recueil Electronique des Sociétés et Associations), in a Luxembourg newspaper and in such media as may reasonably be relied upon for the effective dissemination of information to the public throughout the European Union in a manner ensuring fast access to it and on a non-discriminatory basis. If a General Meeting is adjourned for lack of quorum, provided that the convening requirements of the Shareholders Rights Law have been complied with and no new item has been added to the agenda, the 30-day period is reduced to a 17-day period.

The convening notice must inter alia contain the time and place of the General Meeting as well as the agenda and the nature of the business to be transacted at the General Meeting. The agenda for an extraordinary General Meeting shall also, where appropriate, describe any proposed changes to the Articles of Association. The convening notice must also set out a clear and precise description of the procedures shareholders must comply with in order to participate and to cast their vote in the General Meeting.

The convening notice and the documents required to be submitted to the shareholders in connection with a General Meeting shall be posted on SUSE’s website from the date of the first publication of the convening notice for the General Meeting, as set out above.

In accordance with the Shareholders Rights Law, shareholders holding, individually or collectively, at least 5% of the issued share capital of SUSE (a) have the right to put items on the agenda of the General Meeting and (b) have the right to table draft resolutions for items included or to be included on the agenda of the General Meeting. Those rights shall be exercised upon request in writing by the relevant shareholders submitted to SUSE by postal services or electronic means at the address indicated by SUSE in the convening notice. The requests shall be accompanied by a justification or a draft resolution to be adopted in the General Meeting and shall include the electronic or mailing address at which SUSE can acknowledge receipt of these requests. Any such requests from shareholders shall be received by SUSE at the latest on the twenty-second (22nd) day before the date of the General Meeting. SUSE shall acknowledge receipt of these requests within forty-eight (48) hours from such receipt. Where the requests entail a modification of the agenda for the General Meeting already communicated to the shareholders, SUSE shall make available a revised agenda at the latest on the 15th day before the date of the General Meeting.

Under normal circumstances each shareholder is entitled to attend the General Meeting, in person or by proxy, and to exercise voting rights in accordance with SUSE’s Articles of Association. Each SUSE share issued and outstanding represents one vote. The right to participate in the General Meeting and exercise voting rights is determined on the basis of share ownership on the fourteenth (14th) day before the date of the General Meeting (the Record Date). All shareholders holding shares on the Record Date have the right to participate in the General Meeting regardless of the number of shares held. Shareholders shall notify the Company of their intention to participate in a General Meeting by a declaration in writing by post or by e-mail to the postal or e-mail address indicated in the convening notice which shall be received on the Record Date at the latest. Further details about attending and voting at the General Meeting will be included in the convening notice that will be available from SUSE’s website once the convening notice has been published.

The General Meetings pass resolutions by a simple majority of votes cast unless the Articles of Association or the Law of 10 August 1915 provide for a different majority or different requirements. Abstention and nil votes will not be taken into account.

The AGM is empowered to decide on the appropriation of distributable profit, the discharge of the members of the Management Board and the Supervisory Board, the election of Supervisory Board members, amendments to the Articles of Association, the issue of new shares and the authorization to acquire SUSE’s own shares, the approval of the remuneration system, the selection of the independent auditors and the approval of the annual financial statements.
Overview of shareholder rights
The following disclosures are made in accordance with article 11 of the Luxembourg law on Takeover Bids of 19 May 2006.

(A) Share Capital Structure
SUSE has issued one class of ordinary shares which is admitted to trading on the Frankfurt Stock Exchange. No other securities have been issued. The issued share capital as at 31 October 2021 amounts to $16,902,711.70 represented by 169,027,117 ordinary shares without any nominal value, all subscribed and fully paid up.

SUSE shares are in dematerialized form.

(B) Transfer Restrictions
Subject to the below, at the date of this report, all SUSE shares are freely transferable but shall be subject to the provisions of German insider dealing and market manipulation laws and regulation, which prevent anyone who has material non-public information about a company from dealing in its shares and from manipulating the market.

Notwithstanding the above, SUSE has a Share Dealing Code in place that contains restrictions on dealings by employees of SUSE and its subsidiaries. All awards to Management Board members under the LTI are subject to a holding period such that the total period from the grant to the release of shares is four years.

(C) Major Shareholding
The shareholding structure of SUSE as at 31 October 2021 is as follows: Marcel LUX III SARL, on behalf of EQT VIII fund, held 76.49% of the shares in SUSE and 23.51% of the shares in SUSE were publicly traded.

(D) Special Control Rights
All the issued and outstanding shares of SUSE S.A. have equal voting rights with no special control rights attached.

(E) Control System in Employee Share Scheme
SUSE’s Management Board is not aware of any issue regarding section e) of article 11 of the Luxembourg Law on Takeover Bids of 19 May 2006.

(F) Restrictions on Voting Rights
Each SUSE share issued and outstanding represents one vote. The Articles of Association do not provide for any voting restrictions.

(G) Shareholders’ Agreement with Transfer Restrictions
At the date of this report, the Supervisory Board and the Management Board have no information about any agreements that may result in restrictions on the transfer of securities of voting rights.

(H) Appointment of Board Members, Amendments to the Articles of Association
The appointment and replacement of members of the Supervisory Board and the Management Board and the amendments to the Articles of Association are governed by Luxembourg Law and the Articles of Association.

The members of the Supervisory Board are appointed at a meeting of SUSE’s shareholders (normally the Annual General Meeting) by way of simple majority vote of the shares present or represented. The General Meeting determines the number, the duration of the mandate and the remuneration of the members of the Supervisory Board. Provided that SUSE has more than one shareholder, the Supervisory Board shall be composed of at least three members. The members of the Supervisory Board shall be elected for a term not exceeding six years and shall be eligible for reappointment. They may be removed with or without cause and/or replaced, at any time, by the General Meeting by a simple majority vote of the shares present and represented.

In the event of a vacancy in the office of a member of the Supervisory Board, the remaining members of the Supervisory Board may appoint a successor to fill such vacancy until the following General Meeting at which such appointment shall be confirmed by the General Meeting or at which the General Meeting may appoint another member of the Supervisory Board. The Supervisory Board shall appoint a chair from among its members and may also appoint from among its members one or more vice-chair.

The Supervisory Board is responsible for appointing the members of the Management Board. It determines the number of members of the Management Board, the duration of the mandate and the remuneration of the members of the Management Board. Provided that the Company has more than one shareholder, the Management Board shall be composed of at least two members. The members of the Management Board are elected for a term not exceeding six years. They are eligible for reappointment.

The Management Board members may be removed with or without cause and/or replaced, at any time, by a resolution adopted by the Supervisory Board by a simple majority of the votes of the members present or represented. In the event of a vacancy in the office of members of the Management Board, the remaining members of the Management Board may appoint a successor to fill such vacancy until the following meeting of the Supervisory Board which shall resolve on a
permanent appointment. The Management Board may appoint a chair from among its members and may also appoint from among its members one or more vice-chair.

The Articles of Association may be amended at a meeting of SUSE’s shareholders in an extraordinary general meeting. In this case, the quorum shall be at least 50% of all the shares issued and outstanding. If the said quorum is not present, a second meeting may be convened at which there shall be no quorum requirement. In order for the proposed resolutions to be adopted, and save as otherwise provided by the law, a two-thirds majority of the votes of the shareholders present or represented is required. Abstention and nil votes will not be taken into account.

The Articles of Association are published under the ‘Investors’ Corporate Governance section on SUSE’s website, www.suse.com.

(i) Powers of the Management Board and the Supervisory Board
The Management Board is vested with the broadest powers to manage the business of SUSE. It may take all acts of administration and disposal in the interests of SUSE.

All powers not expressly reserved by the law or by the Articles of Association to the General Meeting or the Supervisory Board fall within the authority of the Management Board. Certain major decisions require the authorization of the Supervisory Board.

SUSE shall be bound against third parties in all circumstances by the joint signature of any two members of the Management Board. The Company shall also be bound against third parties by (i) the sole or joint signature(s) of any person or persons to whom such signatory power shall have been delegated by the Management Board or, (ii) with respect to matters of daily management, by the sole signature of a daily manager.

During a period of five years from the day of the General Meeting held on 3 May 2021, the Management Board may from time to time issue shares within the limits of the authorized capital which is currently set at $26,000,000 (the Authorized Share Capital), at such times and on such terms and conditions, including the issue price, as the Management Board resolves and the Management Board is further authorized to arrange for a requisite change in SUSE’s Articles of Association to reflect such capital increase. The Management Board is authorized to suppress or limit any pre-emptive subscription rights for any issue of shares within the Authorized Share Capital.

The Management Board is authorized to attribute existing shares or issue new shares, to the following persons free of charge:
- Employees or a certain category of employees of SUSE.
- Employees of companies in which SUSE holds directly or indirectly at least ten per cent (10%) of capital or voting rights.
- Employees of companies holding directly or indirectly at least ten per cent (10%) of the capital or voting rights of SUSE.
- Employees of companies of which at least fifty per cent (50%) of the capital or voting rights are directly or indirectly held by a company holding directly or indirectly at least fifty per cent (50%) of the capital or voting rights of SUSE.
- Corporate officers of SUSE or of any of the companies mentioned above or certain categories of such corporate officers.

The Management Board is authorized to determine the conditions and modalities of any attribution or issue of shares free of charge (including any required minimum holding period).

SUSE may, to the extent and under the terms permitted by law, repurchase its own shares.

As at the date of this report, the Management Board does not have the authority to repurchase SUSE shares and no SUSE shares were repurchased during FY21.

Interim dividends may be declared by the Management Board subject to observing the conditions laid down in the law.

The Supervisory Board and the Management Board have set up several committees that report directly to the Supervisory Board and the Management Board, as appropriate. Their duties and members are set out above and the activities of the Audit Committee and the Nomination and Remuneration Committee for FY21 are included in the Report of the Supervisory Board.

(J) Significant Agreements or Essential Business Contracts
The Supervisory Board and the Management Board are not aware of any significant agreements to which SUSE is party and which take effect, alter or terminate upon a change of control of SUSE following a takeover bid.

(K) Agreements with Directors and Employees
There are no agreements between SUSE and the members of the Management Board or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.
The remuneration report sets out the remuneration of members of the SUSE Management Board and Supervisory Board for the financial year ended 31 October 2021 (FY21), our first financial year as a listed company.

As a Luxembourg incorporated company listed on the Frankfurt Stock Exchange, this report complies with statutory reporting requirements in Luxembourg.

Summary of FY21 business performance and remuneration outcomes

FY21 was a strong year for the business as we worked towards the IPO. In particular, we delivered strong ACV performance (increasing 26% to $490.6m), adjusted EBITDA of $212.1m (an increase of 20% on FY20) and total ARR of $560.0m. The performance was delivered against a backdrop of uncertainty in light of the ongoing Covid-19 pandemic and is therefore a testament to the hard work of our teams.

In light of the group’s strong FY21 performance, annual bonuses for the Management Board were in line with the maximum, equal to $2,032k and $1,053k for the CEO and CFO respectively. The Company’s first grant of awards under the LTI were made on IPO at 100% of the maximum level based on FY20 performance. The awards are a mix of restricted stock units (RSUs) and stock options. RSUs vest in equal tranches one, two and three years after the award date. Stock options vest in equal tranches two and three years after the award date. All awards to Management Board members under the LTI are subject to a holding period such that the total period from the grant to the release of shares is four years.

Remuneration Policy

As a newly listed company, a Remuneration Policy has not yet been approved by shareholders. However, the remuneration of the Management and Supervisory Boards has been consistent with the proposed Remuneration Policy since the Company’s IPO, in terms of maximum remuneration levels.

In accordance with the Grand Ducal Law of 1 August 2019 in Luxembourg, a Remuneration Policy which governs the remuneration of our Management and Supervisory Boards will be submitted to shareholders for approval at our first Annual General Meeting on 24 March 2022 and will apply from this date. The Remuneration Policy, which is set out on pages 103-113 of this report, is consistent with the disclosures in the IPO Prospectus published in May 2021. This Remuneration Policy represents the “Remuneration System” for the purposes of the German Corporate Governance Code, a copy of which will also be available on the Company’s website.

Nora Denzel
Chair of the Nomination and Remuneration Committee
SUSE S.A. Management Board Remuneration Policy

This section sets out the Remuneration Policy that will be put forward for shareholder approval at the AGM on 24 March 2022. This Remuneration Policy represents the “Remuneration System” for the purposes of the German Corporate Governance Code, a copy of which will also be uploaded to the Company’s website.

Principles of the Management Board Remuneration Policy

The Management Board Remuneration Policy of SUSE described in the following is designed to provide effective incentives for our strategy of organic growth acceleration supported by selective acquisitions. It thus delivers a key contribution to execute and achieve the SUSE growth strategy. The Remuneration Policy appropriately reflects the individual tasks and performance of the members of the Management Board, as well as SUSE’s overall situation and performance. It is based on the following principles:

<table>
<thead>
<tr>
<th>Business strategy</th>
<th>Promotes the execution of the SUSE organic and inorganic growth strategy supported by selective acquisitions.</th>
</tr>
</thead>
</table>
  - Aims to comply with the guiding principles of the German Corporate Governance Code. |
| Shareholder interests     | Linked to the overall business strategy.  
  - Long-term Incentives align the interests of executives and shareholders through share price development. |

Performance and sustainability

- Focuses on the key performance indicators that reflect the business strategy over the short term, as well as the long-term indicators of sustained performance.
- Considers financial and non-financial performance targets which take into account the ESG strategy.

Straightforward and demanding

- The Remuneration Policy has been designed to provide simplicity.
- Clearly structured and easily comprehensible.
- Cascadable to tiers below the Management Board.
- Sets demanding and quantifiable targets.

Management Board remuneration consists of a mix of short-term and long-term remuneration elements to effectively promote the business strategy and the sustainable and long-term development of SUSE. In addition to financial performance targets, non-financial performance targets will be included from 2022 onwards. Those non-financial performance targets will comprise ESG objectives providing an additional incentive for the long-term and sustainable success of SUSE. Furthermore, the long-term variable remuneration is largely based on the growth of SUSE’s share price which ensures that the interests of the Management Board and the shareholders are aligned. An obligation to acquire and hold shares of SUSE also contributes to this alignment.

SUSE’s Management Board remuneration complies with the requirements of the Law. When determining compensation for the Management Board, the Supervisory Board takes the respective compensation and employment conditions of senior management and the workforce of SUSE into account. The consistency of the Remuneration Policy for Management Board members, executives and employees is ensured by using the same overarching incentive structure, namely a short-term annual bonus and a long-term share-based incentive.
Procedure of determining, implementing and reviewing the Remuneration Policy

The Supervisory Board is responsible for the determination, implementation and review of the Management Board Remuneration Policy. In this regard, the Supervisory Board is supported by the Nomination & Remuneration Committee. The Nomination & Remuneration Committee develops recommendations for Management Board remuneration, taking into account the Law, the aforementioned principles as well as the recommendations of the German Corporate Governance Code (GCGC) in its applicable version. Prepared by the Nomination & Remuneration Committee, the Remuneration Policy as well as any other matter relating to the individual remuneration of the Management Board members are discussed and resolved by the Supervisory Board. If necessary, the Nomination & Remuneration committee as well as the Supervisory Board may consult an independent external remuneration expert to support the determination of the remuneration of Management Board members as well as the determination and review of the system as a whole.

The Remuneration Policy approved by the Supervisory Board will be submitted to the Annual General Meeting for approval. The Supervisory Board regularly reviews the Remuneration Policy and makes any changes that are deemed necessary. In the event of major changes to the Remuneration Policy, but at least every four years, the Remuneration Policy will be resubmitted to the Annual General Meeting for approval. If the Annual General Meeting does not approve the Remuneration Policy, a revised Remuneration Policy will be submitted for approval at the next regular Annual General Meeting.

Appropriateness of the Management Board remuneration

The remuneration of Management Board members appropriately reflects the individual tasks and performance as well as the economic situation, the success and future prospects of SUSE. The Nomination & Remuneration Committee regularly reviews the appropriateness of the Management Board remuneration and proposes adjustments to the Supervisory Board as necessary in order to ensure a remuneration package that is both in line with regulatory requirements and market competitive.

To assess the appropriateness of the remuneration, the Nomination & Remuneration Committee considers the level of remuneration in comparison with the remuneration of Management Board members of comparable companies (external relativity assessment), as well as its internal relativity to the remuneration and employment conditions of senior management and the overall workforce of SUSE.

To evaluate external relativity, comparable companies – based on country, company size and industry – are used as a peer group. The Supervisory Board decides on a suitable peer group and the composition of the group will be disclosed in the remuneration report.

To evaluate internal relativity, the senior management and workforce of SUSE are taken into account. In this evaluation, both the current ratio as well as the change of the ratio over time of the Management Board’s remuneration compared to the remuneration of senior management and the workforce as a whole are assessed. The Supervisory Board determines how senior management and workforce are to be differentiated for the comparison.

Measures for avoiding conflicts of interest

The Supervisory Board’s rules of procedure set out guidelines for the avoidance of conflicts of interest which also need to be taken into consideration when determining, implementing or reviewing the remuneration of the Management Board. The Supervisory Board members are obliged to consider only the interests of the enterprise and must disclose conflicts of interest in a timely manner. In its report to the Annual General Meeting, the Supervisory Board will provide information about any conflicts of interest that have arisen and on how these have been dealt with. Material conflicts of interest that are not only temporary and that relate to a member of the Supervisory Board will lead to a termination of the mandate.
## Overview of the Remuneration Policy

The following table provides an overview of SUSE’s Remuneration Policy.

### Fixed compensation

<table>
<thead>
<tr>
<th>Basic annual salary</th>
<th>Fixed, non-performance related remuneration paid in instalments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fringe benefits</td>
<td>Include car allowance, private medical expenses insurance, life assurance and permanent health insurance.</td>
</tr>
<tr>
<td>Company pension plan</td>
<td>The members of the Management Board are generally entitled to a Company Pension or cash allowance in lieu of pension contributions. The level of allowance is determined by the Supervisory Board with reference to market appropriateness. Different pension rules may apply according to the location of the member of the Management Board e.g. in order to comply with local tax regulations. For the current members of the Management Board, the pension allowances are: CEO: Allowance in lieu of a pension contribution of £30,000 gross per annum. CFO: Allowance in lieu of a pension contribution at a rate of 4.39% of his annual salary.</td>
</tr>
</tbody>
</table>

### Variable (i.e. performance related) compensation

#### Short-Term Incentive (STI)

<table>
<thead>
<tr>
<th>Performance criteria</th>
<th>Determined by a minimum of 75% financial metrics and a minimum of 10% assessment of ESG metrics. Financial performance metrics may include: Annual Contract Value (ACV) Revenue AEBITDA Cash AEBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance period</td>
<td>One year</td>
</tr>
<tr>
<td>Limitation/cap</td>
<td>200% of the target amount</td>
</tr>
<tr>
<td>Payment</td>
<td>Paid in cash Three equal Advance Payments of 20% of the target award at the end of Q1, Q2 and Q3 Balancing payment made in Q1 of next financial year</td>
</tr>
</tbody>
</table>

SUSE FY2021 Annual report
### Long-Term Incentive (LTI)

**Equity instrument**

There are normally two LTI equity instruments which may be granted: Restricted Stock Units and stock options. The mix between each instrument will be reviewed and determined annually by the Nomination and Remuneration Committee. The maximum award which may be granted under the LTI is 300% of salary.

**Performance conditions**

Pre-grant assessment criteria apply in respect of the financial year prior to the financial year in which awards are granted. Criteria may include ACV, AEBITDA and cash AEBITDA and other financial and non-financial metrics. The Nomination and Remuneration Committee assesses performance against the criteria in order to determine the level of grant.

**Holding periods**

Compulsory holding period normally applies to ensure that the period from grant of an award until it becomes exercisable is at least four years.

### Plan Type 1 – Restricted Stock Units (RSUs)

**Vesting period**

Vest in three equal tranches on the first, second and third anniversaries of the date of grant.

### Plan Type 2 – Market value stock options (Options)

**Vesting period**

Vest in two equal tranches on the second and third anniversaries of the date of grant.

**Exercise period**

Exercise period expires 10 years from grant.

### Other contractual elements

**Malus and clawback**

Partial or complete reduction or reclamation of variable compensation components.

**Share ownership guidelines (SOG)**

- CEO: 150% of salary.
- Other Management Board members: 125% of salary.

**Maximum remuneration**

GBP 10 million (see below)
a) Remuneration elements and structure
The Management Board Remuneration Policy is composed of fixed and variable elements, with the quantum set by the Supervisory Board based on comparisons against a basket of technology and technology-enabled companies based in Germany, elsewhere in Europe and the US. Fixed remuneration consists of the base salary, pension and benefits. Variable remuneration comprises a Short-Term Incentive (STI) and a Long-Term Incentive (LTI). The sum of base salary, benefits, pension, STI target amount and LTI target amount constitutes the total target remuneration.

The majority of the total target remuneration of the Management Board is made up of variable, performance-based elements in order to ensure that Management Board pay outcomes are aligned with corporate and share price performance. The LTI has a greater weighting than the STI to ensure that Management Board remuneration outcomes are aligned to the sustainable and long-term development of SUSE.

The proportion of the fixed remuneration in total target remuneration ranges between 30% and 35%, whereof base salary has a share of 90% to 95% and fringe benefits account for up to 10%. The proportion of variable remuneration in total target remuneration ranges between 65% and 70%, of which 40% to 45% is attributable to the STI and 55% to 60% to the LTI.

The proportions may vary where Management Board members receive buyout awards to compensate for remuneration forfeited from previous employers. Any such buyout awards would be made taking into account the form (cash or shares), timing and expected value (i.e. the likelihood of meeting any existing performance criteria) of the remuneration being forfeited.

b) Maximum remuneration
In order to avoid uncontrolled and excessive Management Board remuneration, the remuneration is capped twice. Firstly, the payout of variable remuneration elements is limited to 200% of the target amount for the STI. Secondly, the Supervisory Board has determined an overall maximum remuneration for the Management Board members, which comprises the fixed and variable remuneration elements in respect of a financial year (defined as salary, pension and bonus earned in respect of a financial year and the value at vesting of LTIP awards granted for that financial year). Maximum remuneration achievable for a specific financial year may not exceed GBP 10m for each member of the Management Board.

2) Elements of the Remuneration Policy in detail
a) Fixed remuneration elements
i) Base salary
Members of the Management Board receive a fixed annual base salary in cash, payable in installments.

ii) Benefits
Members of the Management Board are also granted benefits. These may consist of car allowance, private medical expenses insurance, life assurance and permanent health insurance. All members of the Management Board are covered during the full term of appointment by a D&O insurance policy taken out by the Company providing for customary terms.

The Company shall reimburse members of the Management Board for all reasonable travelling and similar out-of-pocket expenses incurred in the discharge of their duties subject to the provision of receipts and invoices in accordance with the Company’s expenses policy in force from time to time.

The Company will pay the reasonable cost of tax and legal advice to enable the member of the Management Board and the Company to achieve an efficient and effective employment and compensation structure. Furthermore, in order to attract qualified candidates for the Management Board, the Supervisory Board has the right to grant sign-on payments to new Management Board members in an appropriate and market-compliant way, e.g. to compensate for forfeited remuneration from previous employers.

The members of the Management Board are generally entitled to a Company pension or cash allowance in lieu of pension contributions. The level of allowance is determined by the Supervisory Board with reference to market appropriateness. Different pension rules may apply according to the location of the member of the Management Board, such as in order to comply with local tax regulations.

The CEO receives an allowance in lieu of a pension contribution of £30,000 gross per annum and the CFO receives an allowance in lieu of a pension contribution at a rate of 4.39 % of annual salary.
Variable remuneration elements

Variable remuneration accounts for the majority of the Management Board remuneration. It comprises three elements:

- An STI in the form of an annual bonus with a performance period of one year.
- An LTI grant of Restricted Stock Units which vest in three equal tranches one, two and three years after the date of grant.
- An LTI grant of market value stock options which vest in two equal tranches two and three years after the date of grant.

LTI awards are subject to the achievement of pre-grant performance criteria in respect of the financial year prior to the financial year in which the grants are made. A vesting period applies to all LTI grants such that the awards may not be disposed of until at least four years from the date of grant.

The STI provides an incentive for the achievement of targets for key performance indicators of the business for the financial year. The measures are aligned to business strategy and targets are set taking into account the budget and consensus for the year.

The LTI incentivizes the long-term performance of SUSE and creates alignment between members of the Management Board and shareholders through the grant of awards as Restricted Stock Units and market value stock options, which only deliver value to participants if the share price grows. In order to focus the Management Board on sustainable, long-term growth, the weighting of the LTI exceeds that of the STI.

Short-Term Incentive

The Short-Term Incentive (STI) is an annual cash bonus which rewards the contribution to the successful delivery of the business strategy in a specific financial year.

The STI outcome is calculated by an assessment of performance conditions. The Supervisory Board will determine the weighting of each performance condition at the start of the relevant performance year. A minimum of 75% of the STI will be assessed against financial metrics, which may include Annual Contract Value, revenue, Adjusted EBITDA (AEBITDA) and cash AEBITDA. The STI payout is limited to 200% of the STI target amount.

An element of the assessment will be based on performance against Environmental, Social and Governance (ESG) objectives with a minimum weighting of 10%.

Performance targets of the Short-Term Incentive

Financial performance targets and multiplier

Each year, a minimum of 75% of the STI will be assessed against financial metrics which are strategically important to the Company. These may include:

- Annual Contract Value (ACV): ACV represents the first 12 month monetary value of a contract. If total contract duration is less than 12 months, 100% of contract value is included in the ACV.
- Adjusted Revenue: Adjusted Revenue measures revenue excluding the deferred revenue fair value adjustments. Adjusted revenue represents the performance of SUSE based on the invoiced bookings and excludes fair value adjustments which relate to historic balance sheet adjustments.
- Adjusted EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization): this measure represents earnings before net finance costs, share of loss of associate and tax, adjusted for depreciation and amortization, share-based payments, fair value adjustment to deferred revenue, statutory separately reported items, specific non-recurring items and net unrealized foreign exchange (gains)/losses.
- Adjusted Cash EBITDA: this measure represents Adjusted EBITDA plus changes in deferred revenue in the related period excluding the impact of the deferred revenue haircut.

For financial performance targets, the Supervisory Board defines a target value in consideration of relevant reference points such as the management plan, the state of the organization and other relevant factors for the relevant financial year. The Supervisory Board will also set a minimum performance level, below which there is no payout for that measure. Where the achieved value falls between the minimum performance level and the target value, or is above the target value, the payout of the STI for that measure is based on a sliding scale.

Target values, thresholds and the resulting target achievements will be transparently disclosed in the remuneration report for the respective financial year.
b. Non-financial performance targets
In addition to financial performance targets, non-financial performance targets, which particularly comprise Environmental, Social and Governance (ESG) aspects, will be included when measuring the overall success of SUSE.

At the beginning of each fiscal year, the Supervisory Board will decide which ESG aspects will be included in the STI. The Supervisory Board will decide on specific targets of relevance and define objectives and their respective weighting. Defined objectives and the resulting target achievement will be transparently disclosed in the remuneration report for the respective financial year. ESG metrics may include employee and customer metrics (under the “Social” of ESG) and commitment to climate action (under the “Environment” of ESG). ESG metrics may include either input or output based metrics.

iv) Long-Term Incentive
1. Principles of the Long-Term Incentive
Awards to Management Board members under the Long-Term Incentive (LTI) comprise Restricted Stock Units and market value stock options. Restricted Stock Units vest in equal tranches one, two and three years after the award date. Market value stock options vest in equal tranches two and three years after the award date. All awards to Management Board members under the LTI are subject to a holding period such that the total period from the grant to the release of shares is four years.

At the beginning of the financial year prior to the financial year in which awards are granted, the Supervisory Board sets pre-grant performance criteria. At the end of the one year performance period, the Supervisory Board assesses the performance against the performance criteria in order to determine the grant value of awards.

2. Performance targets of the Long-Term Incentive
a. Financial performance targets
The pre-grant performance criteria will include a minimum 75% financial metrics which are strategically important to the Company. These may include metrics such as:

- Annual Contract Value (“ACV”): ACV represents the first 12 month monetary value of a contract. If total contract duration is less than 12 months, 100% of contract value is included in the ACV.
- Adjusted Revenue: Adjusted Revenue measures revenue excluding the deferred revenue fair value adjustments. Adjusted revenue represents the performance of SUSE based on the invoiced bookings and excludes fair value adjustments which relate to historic balance sheet adjustments.
- Adjusted EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization): this measure represents earnings before net finance costs, share of loss of associate and tax, adjusted for depreciation and amortization, share-based payments, fair value adjustment to deferred revenue, statutory separately reported items, specific non-recurring items and net unrealized foreign exchange (gains)/losses.
- Adjusted Cash EBITDA: this measure represents Adjusted EBITDA plus changes in deferred revenue in the related period excluding the impact of deferred revenue haircut.

Defined objectives and the resulting target achievement will be transparently disclosed in the remuneration report for the respective financial year.

b. Non-financial performance targets
In addition to the financial performance targets, non-financial performance targets, including in respect of ESG, may be included in the overall LTI target achievement. ESG metrics may include employee and customer metrics (under the “Social” of ESG) and commitment to climate action (under the “Environment” of ESG). ESG metrics may include either input or output based metrics. The Supervisory Board decides on relevant targets, defines concrete objectives and their weighting prior to each LTI grant.

Defined objectives and the resulting target achievement will be transparently disclosed in the remuneration report for the respective fiscal year.
3) Further contractual agreements

a) Share ownership guidelines
Management Board members are obliged to build a shareholding in SUSE S.A. over a period of four years after their first appointment as members of the Management Board. The share ownership guideline is 150% of gross base salary for the CEO and 125% of gross base salary for other Management Board members.

b) Malus and clawback
Variable remuneration elements are subject to malus and clawback provisions. In certain circumstances, the Supervisory Board is entitled to reduce outstanding variable remuneration in whole or in part (malus) and may also partially or completely reclaim variable remuneration elements already paid out at its reasonable discretion (clawback). The circumstances in which malus or clawback may apply are the discovery of a material misstatement resulting in an adjustment in the audited accounts; the discovery that any information used to determine the award (either the number of shares or the assessment of performance targets) was based on error, or inaccurate or misleading information; conduct amounting to fraud (or a comparable criminal offence), gross misconduct or a serious breach of duty; reputational damage to the Company attributable to the awards holder; material failure of risk management of the Company; insolvency or corporate failure for which the award holder is partly or wholly responsible.

4) Legal provisions concerning remuneration

a) Duration of the service agreements
Appointment periods usually range between three and five years and service agreements are generally aligned to these periods. The service agreements for the current members of the Management Board are three years in duration. Service agreements for the current members of the Management Board are under the UK Group Company and therefore subject to UK law. Service agreements for future members of the Management Board may be under a different Group Company.

b) Termination of employment
The employment of the Management Board members may be terminated by the Company giving not less than six months’ notice in writing or by the Management Board members giving not less than six months’ notice in writing to the Company.

In lieu of giving notice to terminate the Management Board member’s employment or at any time during any notice period, the Company may terminate the Management Board member’s employment with immediate effect and make a payment in lieu of notice (the Payment in Lieu) of an amount equal to:

- The basic salary which the Management Board member would have been entitled to receive under their service agreement during the notice period if notice had been given (or, if notice has already been given, during the remainder of the notice period).
- The car allowance and pension that the Management Board member would have been entitled to receive during the notice period if notice had been given (or, if notice has already been given, during the remainder of the notice period).

The Payment in Lieu will be payable in equal monthly installments on the normal payroll dates, subject to such deductions as may be required by law. These installments will continue until the date on which the relevant notice period would have expired or (if earlier) the date on which the Management Board member secures alternative employment or alternative engagements with the same or a higher basic salary or fee.

If a Management Board member has given or received notice of termination, an STI award will not be paid to them during any period when the notice is effective, unless the Supervisory Board determines otherwise.

Ordinarily any STI award will lapse on cessation of employment. However, if the Management Board member ceases employment by reason of death, injury, ill-health, disability, retirement, terminating their employment for cause (“aus wichtigem Grund”) for which the Company is responsible or any other circumstances if the Supervisory Board in its absolute discretion decides in any particular case, any STI award held by them will continue and the performance targets shall be considered at the normal time for determination and payment.
Ordinarily any LTI award will lapse on cessation of employment. However, if the Management Board member ceases employment by reason of death, injury, ill-health, disability, retirement, terminating their employment for cause (“aus wichtigem Grund”) for which the Company is responsible or any other circumstances if the Supervisory Board in its absolute discretion decides in any particular case, any LTI award held by them which has not vested will continue until the normal time of vesting. Alternatively, the Supervisory Board may decide that an award will vest immediately in which case the proportion of the award which shall Vest will be determined by the Supervisory Board in its absolute discretion taking into account such factors as the Supervisory Board may consider relevant. Unless the Supervisory Board in its absolute discretion decides otherwise, the LTI award will be reduced pro-rata to reflect the period of the year in employment.

c) Change of control

Service agreements of the Management Board members do not include any provisions in the event of a change of control.

The LTI rules state that in the event of a change of control, awards shall vest on the normal vesting date (unless this is not possible as a result of the structure of the change of control). The proportion of an award which shall vest will be determined by the Supervisory Board in its absolute discretion subject to such conditions as it may require.

d) Post-contractual non-competition clause

Members of the Management Board may be subject to a post-contractual non-competition clause lasting up to twelve months.

It may be necessary to pay compensation to members of the Management Board depending on the law under which the member is employed.

e) Secondary activities

Service agreements for members of the Management Board contain provisions permitting specified approved roles outside the Company if and as long as such positions do not affect the individual’s ability to perform the duties and do not otherwise conflict with, or are detrimental to, the interests and business operation of the company. In the event that the individual becomes aware of any conflicts of interest that may arise in relation to any approved role, they must disclose these to the Board together with any information or knowledge acquired or gained by the individual in any manner whatsoever whilst the individual continues in office, which may be of value or which may be to the detriment of the company. Remuneration in respect of any such secondary activities will be deducted from the member’s Management Board remuneration.

If Management Board members are employed at another group company, which compensates them fully, this compensation will be treated as compensation for their service as Management Board members and this Remuneration Policy will apply to that compensation.

5) Temporary deviations from the Remuneration Policy

The Supervisory Board has the right to temporarily deviate from the Remuneration Policy in special and extraordinary circumstances (such as a serious financial or economic crisis), if this is in the interest of SUSE’s long-term well-being. Unfavorable market developments are not considered to be special and extraordinary circumstances that would permit a deviation from the Remuneration Policy.

Even if there is a deviation from the Remuneration Policy, the remuneration must continue to be aligned with the long-term and sustainable development of SUSE and must be consistent with the success of SUSE and the performance of the Management Board.

Any deviation from the Remuneration Policy under the aforementioned circumstances is only possible after a careful analysis of these exceptional circumstances and the options for reaction and on the basis of a proposal by the Nomination and Remuneration Committee and a corresponding resolution of the Supervisory Board that has identified the exceptional circumstances and the necessity for a deviation.

A temporary deviation from the Remuneration Policy is possible with regard to the following elements: performance targets relating to the STI as well as the LTI. If existing remuneration elements have been adjusted but the incentive effects of Management Board remuneration cannot be adequately restored, the Supervisory Board is further entitled, in case of extraordinary developments and under the same conditions, to temporarily grant additional remuneration elements, or to replace individual remuneration elements with other components.
SUSE S.A. Supervisory Board Remuneration Policy

Principles of the Supervisory Board Remuneration Policy

Pursuant to the law, a Remuneration Policy for the Supervisory Board members needs to be prepared and presented to the Annual General Meeting for resolution.

The structure of the Supervisory Board remuneration of SUSE S.A. is based on the following principles:

- To ensure that the Supervisory Board can exercise its control and advisory function in an independent manner, the Supervisory Board remuneration solely consists of fixed remuneration. As the remuneration is independent from SUSE’s short-term success, the Supervisory Board is enabled to focus its activities on the long-term development of SUSE.

- In addition, it is ensured that the level of remuneration is appropriate to SUSE’s situation and takes into account the duties and responsibilities of the Supervisory Board members. Furthermore, the Supervisory Board remuneration of comparable companies is considered. In this respect, due consideration is taken in particular of the increased time required for the Chair and Deputy Chair of the Supervisory Board as well as for the Chair and members of the Committees.

The provisions of the Law and the recommendations of the German Corporate Governance Code (GCGC) form the regulatory framework of the Remuneration Policy of the Supervisory Board.

Procedure of determining, implementing and reviewing the Supervisory Board Remuneration Policy

The remuneration of the Supervisory Board members is determined on the basis of SUSE’s Articles of Association.

When determining and reviewing the Remuneration Policy, applicable regulations for dealing with conflicts of interests are considered.

The Supervisory Board Remuneration Policy is submitted as a resolution at the Annual General Meeting at every material change and in any case at least every four years. In the event that shareholders do not approve the resolution for the Remuneration Policy at the Annual General Meeting, a revised Remuneration Policy will be presented at the latest at the following ordinary Annual General Meeting.

Structure of the Supervisory Board Remuneration Policy

The remuneration of the Supervisory Board members of SUSE solely comprises fixed remuneration components.

The members of the Supervisory Board may receive a fixed annual remuneration (currently €70,000). For the Chair and Deputy Chair an increased remuneration is provided to reflect the higher responsibility and the associated time effort (currently fixed annual remuneration of €175,000 and €125,000 respectively).

Supervisory Board members acting as Chair of a Supervisory Board Committee may receive additional fixed remuneration to reflect the additional associated responsibility and time effort of the role. The remuneration for the Chair of the respective Committees is currently as follows, provided the relevant Committee meets at least once a year to perform its duties:

<table>
<thead>
<tr>
<th>Committee</th>
<th>Current fee for Chair of the Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
<td>€25,000</td>
</tr>
<tr>
<td>Nomination &amp; Remun</td>
<td>€25,000</td>
</tr>
<tr>
<td>Other (if any)</td>
<td>€25,000</td>
</tr>
</tbody>
</table>

Supervisory Board members who only belong to the Supervisory Board or hold the office of Chair or Deputy Chair for part of a financial year receive corresponding proportionate remuneration on a pro-rata basis. The same approach applies to remuneration for a Chair or member of a Committee.

The remuneration is due and payable in four equal installments at the end of the quarter for which the remuneration is paid.

The fees may be reviewed from time to time by the Board and any changes will be set out in the remuneration report.

Beyond the remuneration described above, SUSE shall reimburse the members of the Supervisory Board for their reasonable out-of-pocket expenses incurred in the performance of their duties as Supervisory Board members including any VAT on expenses.
Employees of EQT Partners who serve as members of the Supervisory Board of the Company shall not receive payments from the Company for their services, since these are considered to be covered by their contractual remuneration at EQT. As a rule, they are obligated to waive any compensation that may be due to them in connection with such positions.

Furthermore, new members of the Supervisory Board may be granted a one-off stock grant on appointment up to the amount of €200,000 gross (the Stock Grant). During the period of the first mandate of the Supervisory Board member to the Company’s Supervisory Board, the Stock Grant shall be subject to a lock-up (the Vesting Period). During the Vesting Period, the Supervisory Board member shall not sell, transfer, encumber, use as collateral or otherwise dispose of or liquidate the Stock Grant. During the Vesting Period, the Stock Grant shall further be subject to the condition subsequent that certain bad leaver events occur.

The terms of the Supervisory Board members
As provided by the Articles of Association, the Supervisory Board members are elected for a term not exceeding six (6) years.

The General Meeting shall determine the terms of their office (including without limitation any notice period regarding their resignation). A member of the Supervisory Board may be removed with or without cause and/or replaced, at any time, by a resolution adopted by the General Meeting.

Total remuneration of the Supervisory Board for FY21

The remuneration of the Supervisory Board members is determined on the basis of SUSE’s Articles of Association and comprises fixed remuneration components only: a fixed annual fee, additional fixed fees and reimbursement for out-of-pocket expenses, as outlined in the Remuneration Policy. Employees of EQT Partners who serve as members of the Supervisory Board of the Company shall not receive payments from the Company for their services.

The table below sets out the remuneration of the members of the Supervisory Board in respect of FY21. 100% of the remuneration of Supervisory Board members is fixed remuneration.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Fees</th>
<th>Benefits</th>
<th>One-off share awards</th>
<th>Total remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jonas Perrson</td>
<td>Chair of the Supervisory Board</td>
<td>$103,403</td>
<td>n/a</td>
<td>$244,440</td>
<td>$347,843</td>
</tr>
<tr>
<td>Henning Kagermann</td>
<td>Deputy Chair of the Supervisory Board</td>
<td>$73,859</td>
<td>n/a</td>
<td>$244,440</td>
<td>$318,299</td>
</tr>
<tr>
<td>Adrian T. Dillon</td>
<td>Supervisory Board Member</td>
<td>$56,133</td>
<td>n/a</td>
<td>$244,440</td>
<td>$300,573</td>
</tr>
<tr>
<td>Dr. Ariane Reinhart</td>
<td>Supervisory Board Member</td>
<td>$41,361</td>
<td>n/a</td>
<td>$244,440</td>
<td>$285,801</td>
</tr>
<tr>
<td>Elke Reichart</td>
<td>Supervisory Board Member</td>
<td>$41,361</td>
<td>n/a</td>
<td>$244,440</td>
<td>$285,801</td>
</tr>
<tr>
<td>Johannes Reichel</td>
<td>Supervisory Board Member</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Matteo Thun-Hohenstein</td>
<td>Supervisory Board Member</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Nora M. Denzel</td>
<td>Supervisory Board Member</td>
<td>$56,133</td>
<td>n/a</td>
<td>$244,440</td>
<td>$300,573</td>
</tr>
</tbody>
</table>

1. Members of the Supervisory Board (excluding employees of EQT Partners) were granted a one-off stock grant of €200,000 gross on IPO. Further details are available in the “Shares awarded or due to the Directors for the reported financial year” table on page 116.

2. The figures stated above have been converted from EUR to USD using an exchange rate of EUR 1:USD 1.18175 ave. rate May–Oct 2021.
Total remuneration of the Management Board for FY21

The remuneration of the Management Board is determined by the Supervisory Board and is based on recommendations from the Nomination and Remuneration Committee. The table below sets out the remuneration earned by members of the Management Board during FY21 (over the full period 1 November 2020 to 31 October 2021).

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Base salary</th>
<th>Benefits</th>
<th>Pension</th>
<th>STI</th>
<th>LTI</th>
<th>Other</th>
<th>Total remuneration</th>
<th>Fixed vs. variable remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Melissa Di Donato</td>
<td>CEO</td>
<td>$1,062k</td>
<td>$23k</td>
<td>$41k</td>
<td>$2,232k</td>
<td>$905k</td>
<td>$3,153k</td>
<td>$7,416k</td>
<td>Fixed: 15% Variable: 85%</td>
</tr>
<tr>
<td>Andy Myers</td>
<td>CFO</td>
<td>$529k</td>
<td>$19k</td>
<td>$25k</td>
<td>$1,053k</td>
<td>$399k</td>
<td>$463k</td>
<td>$2,488k</td>
<td>Fixed: 23% Variable: 77%</td>
</tr>
</tbody>
</table>

1. The fixed remuneration figures above have been converted from GBP to USD using the average exchange rate on a monthly basis.
2. The annual STI figures above have been converted from GBP to USD using the exchange rate GBP 1: USD 1.3691 as at 31 October 2021.
3. The LTI figures above reflect the value of awards granted during the year. As the market value options have no value at grant, the value above is wholly attributable to RSUs (equal to number of RSUs multiplied by the share price at grant, 30 EUR). The figures have been converted from EUR to USD using the exchange rate EUR 1: USD 1.2219 on the date of grant (18 May 2021).
4. The “Other” figures above reflect the value of IPO related bonus awards made to reflect contributions to the business in the lead up to the IPO, as outlined in the Prospectus. The figures have been converted from GBP to USD using the average exchange rate for June 2021 (the month the awards were paid) of GBP 1: USD 1.4021.

**Fixed remuneration**

The fixed gross annual base salary amounts were set on IPO at £850,000 per year for the CEO, and at £450,000 for the CFO. The amounts in the table reflect the fixed remuneration earned and received by Melissa Di Donato and Andy Myers in their capacity as CEO and CFO respectively over the full FY21 (including prior to the IPO).

Management Board members received the following additional benefits in the reporting year:

- An allowance in lieu of pension contributions:
  - CEO: £30,000 gross per annum.
  - CFO: 4.39% of annual salary.
- Membership of a private medical expenses insurance scheme.
- Annual medical check-up.
- Life assurance.
- Permanent health insurance scheme.
- Car allowance.
- Reimbursement of out-of-pocket expenses (including travel expenses) incurred in the course of providing services to SUSE.
Variable remuneration

1. Annual bonus outcomes in FY21
The FY21 bonus plan was established prior to IPO and is paid in cash, but is aligned with the bonus set out in the Remuneration Policy.

Performance under the annual bonus is based on financial measures (Annual Contract Value, Adjusted EBITDA and Adjusted Cash EBITDA) aligned with the Company’s KPIs and long-term strategy. For FY21, the performance targets and outcomes were:

- Annual Contract Value (50% weighting) – performance target of $488.1m, and actual performance of $473.2m corresponding to 96.9% of the target performance level.
- Adjusted EBITDA (50% weighting) – performance target of $147.7m, and actual performance of $171.6m corresponding to 116.2% of the target performance level.
- Adjusted Cash EBITDA (multiplier) – performance target of $214.5m, and actual performance of $235.5m corresponding to 109.8% of the target performance level.

The above performance target and actual performance attainment figures are at FY21 budget rates, the exchange rates used to set the budget and calculate the actual attainment relative to the target. It excludes adjustments for IFRS15 and IFRS16, which was also excluded from the performance targets.

Reflecting the overall exceptional performance outcome, the maximum bonus was awarded, equivalent to $2,232k and $1,053k for the CEO and CFO respectively.
2. LTI awards in FY21

LTI awards comprise a mix of Restricted Stock Units and stock options. The mix between each instrument is reviewed and determined annually by the Nomination and Remuneration Committee.

A proportion of the value of the LTI grants for the Management Board are granted as stock options (also known as market value options), which have no intrinsic value at the date of grant and will only have value if the share price increases over the vesting and holding period to the point of exercise. This aligns with the German Corporate Governance Code principle that Management Board remuneration should be set in a way that promotes the corporate strategy and the Company’s long-term development.

A holding period also applies to all LTI grants such that the awards may not be disposed of until at least four years from the date of grant.

The value of LTI awards on vesting depends solely on share price and is therefore fully aligned to corporate performance and the shareholder experience. In addition, LTI awards are subject to a pre-grant assessment of SUSE’s achievement against performance criteria relating to the financial year prior to the financial year in which the awards are granted. For FY21, a formulaic approach was used whereby the performance is measured relative to two pre-set points (threshold and stretch target) and the LTI grant level is determined based on this positioning.

- 0% of the LTI is granted if performance is at threshold.
- 100% is granted if performance is at stretch target.
- Linear interpolation between these two points.

For the awards granted in FY21, performance was assessed by the Nomination and Remuneration Committee in respect of FY20 (i.e. before the IPO listing). The Committee determined that awards should be made at 100% of the opportunity level for the CEO and CFO respectively.

The table below shows the award opportunities for the CEO and CFO respectively as a percentage of salary in relation to FY21.

<table>
<thead>
<tr>
<th></th>
<th>Options award (% of salary)</th>
<th>RSU award (% of salary)</th>
<th>Face value 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Melissa Di Donato, CEO</td>
<td>225%</td>
<td>75%</td>
<td>$905k</td>
</tr>
<tr>
<td>Andy Myers, CFO</td>
<td>187.5%</td>
<td>62.5%</td>
<td>$399k</td>
</tr>
</tbody>
</table>

1. Calculated as:
   a) For the RSU award, the total number of shares subject to the award multiplied by the share price on IPO, which was €30; and
   b) For the options, the value is zero (because the exercise price is equal to the share price at grant).

The figures have been converted from EUR to USD using the exchange rate of EUR 1: USD 1.2219 on the date of grant (18 May 2021).
Further details of the awards granted during FY21 are set out in the next section.

For FY22, the LTI awards will be based on FY21 Adjusted EBITDA based on targets set during FY21 by the Nomination & Remuneration Committee as follows:

- 0% of the normal grant level will be granted if FY21 Adjusted EBITDA of $0m or lower.
- 100% of the normal grant level will be granted for FY21 Adjusted EBITDA of $147.7m or above.
- Straight line interpolation between these points.

Based on the FY21 Adjusted EBITDA outturn of $171.6m, 100% of the normal LTI grant level will be granted during FY22.

**Share options awarded or due to the Directors for the reported financial year**

The table below sets out the share options granted to Directors during FY21:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Plan</th>
<th>Pre-grant performance period</th>
<th>Award date</th>
<th>Vesting dates</th>
<th>End of holding period</th>
<th>Strike price of the share (EUR)</th>
<th>Share options awarded at the start of the year</th>
<th>Share options awarded</th>
<th>Share options vested</th>
<th>Share options subject to a performance condition</th>
<th>Share options awarded and unvested</th>
<th>Share options subject to a holding period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Melissa Di Donato</td>
<td>CEO</td>
<td>LTI</td>
<td>1/1/2020</td>
<td>31/10/2021</td>
<td>18/5/2021</td>
<td>18/5/2023</td>
<td>30.00</td>
<td>n/a</td>
<td>74,084</td>
<td>n/a</td>
<td>n/a</td>
<td>74,084</td>
<td>n/a</td>
</tr>
<tr>
<td>Andy Myers</td>
<td>CFO</td>
<td>LTI</td>
<td>1/1/2020</td>
<td>31/10/2021</td>
<td>18/5/2021</td>
<td>18/5/2023</td>
<td>30.00</td>
<td>n/a</td>
<td>32,684</td>
<td>n/a</td>
<td>n/a</td>
<td>32,684</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>n/a</td>
<td>106,768</td>
<td>n/a</td>
<td>n/a</td>
<td>106,768</td>
<td>n/a</td>
</tr>
</tbody>
</table>

1. The number of awards granted is based on the face value of the grant and the share price on IPO (EUR 30).
Shares awarded or due to the Directors for the reported financial year
The table below sets out the share awards granted to Directors during FY21:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Plan</th>
<th>Pre-grant performance period</th>
<th>Award date</th>
<th>Vesting dates</th>
<th>Shares awarded at the start of the year</th>
<th>Share awarded</th>
<th>Share vested</th>
<th>Shares awarded and unvested at year end</th>
<th>Shares subject to a performance condition</th>
<th>Shares subject to a holding period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Board:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Melissa Di Donato</td>
<td>CEO</td>
<td>LTI</td>
<td>1/11/2020 – 31/10/2021</td>
<td>18/5/2021</td>
<td>18/5/2022</td>
<td>n/a</td>
<td>24,694</td>
<td>n/a</td>
<td>24,694</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Andy Myers</td>
<td>CFO</td>
<td>LTI</td>
<td>1/11/2020 – 31/10/2021</td>
<td>18/5/2021</td>
<td>18/5/2022</td>
<td>n/a</td>
<td>10,894</td>
<td>n/a</td>
<td>10,894</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Supervisory Board:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jonas Perrson</td>
<td>Chair</td>
<td>n/a</td>
<td>n/a</td>
<td>18/5/2021</td>
<td>30/4/2024</td>
<td>n/a</td>
<td>3,000</td>
<td>n/a</td>
<td>3,000</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Henning Kagermann</td>
<td>Deputy Chair</td>
<td>n/a</td>
<td>n/a</td>
<td>18/5/2021</td>
<td>30/4/2024</td>
<td>n/a</td>
<td>6,666</td>
<td>n/a</td>
<td>6,666</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Adrian T. Dillon</td>
<td>Member</td>
<td>n/a</td>
<td>n/a</td>
<td>18/5/2021</td>
<td>30/4/2024</td>
<td>n/a</td>
<td>6,666</td>
<td>n/a</td>
<td>6,666</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Dr. Ariane Reinhart</td>
<td>Member</td>
<td>n/a</td>
<td>n/a</td>
<td>18/5/2021</td>
<td>30/4/2024</td>
<td>n/a</td>
<td>6,666</td>
<td>n/a</td>
<td>6,666</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Elke Reichart</td>
<td>Member</td>
<td>n/a</td>
<td>n/a</td>
<td>18/5/2021</td>
<td>30/4/2024</td>
<td>n/a</td>
<td>3,933</td>
<td>n/a</td>
<td>3,933</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Johannes Reichel</td>
<td>Member</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Matteo Thun-Hohenstein</td>
<td>Member</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Nora M. Denzel</td>
<td>Member</td>
<td>n/a</td>
<td>n/a</td>
<td>18/5/2021</td>
<td>30/4/2024</td>
<td>n/a</td>
<td>4,333</td>
<td>TBC</td>
<td>4,333</td>
<td>TBC</td>
<td>n/a</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>n/a</td>
<td>31,264</td>
<td>n/a</td>
<td>31,624</td>
<td>n/a</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>n/a</td>
</tr>
</tbody>
</table>

1. The number of awards granted is based on the face value of the grant and the share price on IPO (€30).
Malus and clawback provisions

Variable remuneration is subject to malus and clawback provisions. In certain circumstances, the Supervisory Board is entitled to reduce outstanding variable remuneration in whole or in part (malus) and may also partially or completely reclaim variable remuneration elements already paid out at its reasonable discretion (clawback).

The circumstances in which malus or clawback may apply include:

- The discovery of a material misstatement resulting in an adjustment in the audited accounts.
- The discovery that any information used to determine the award was based on error, or inaccurate or misleading information.
- Conduct amounting to fraud (or a comparable criminal offence), gross misconduct or a serious breach of duty.
- Reputational damage to the Company attributable to the awards holder.
- Material failure of risk management of the Company.
- Insolvency.
- Corporate failure.

No malus or clawback was applied in relation to the remuneration earned during FY21.

Comparative information on the change of remuneration and Company performance

The remuneration structure for the financial years prior to our IPO in May 2021 differs from the remuneration payable under the proposed Remuneration Policy (which will apply for the FY22 onwards subject to shareholder approval). We therefore believe that a year-on-year comparison of this historic data (prior to the Company’s IPO) would not be meaningful to shareholders.

Starting next year, the Company will provide comparative information on the change of remuneration and Company performance for members of the Management Board and Supervisory Board, building up to a five-year comparison in line with Luxembourg reporting requirements.

Derogations and deviations from the Remuneration Policy and from the procedure for its implementation

This is not applicable for the reporting year on the basis of the Remuneration Policy having not been formally adopted.

SUSE does not have any outstanding loans or advances to members of the Company’s Management Board and Supervisory Board or any guarantees for the benefit of any member of the Company’s Management Board and Supervisory Board. None of the members of the Management Board and Supervisory Board has entered into service contracts with the Company or any of our affiliates that provide for benefits upon the termination of their service.
Empowered & Accountable