

SHOP APOTHEKE EUROPE N.V.

Remuneration Policy of the Managing Board

1. ADOPTION, CHANGES FROM PREVIOUS POLICY, AMENDMENTS, DEVIATIONS AND PERIODIC REVIEW

Adoption

- 1.1 The existing remuneration policy for Shop Apotheke Europe N.V. and its subsidiaries (together, the “**Company**”), covering both the managing board (*raad van bestuur*) of the Company (the “**Managing Board**”) and the supervisory board (*raad van commissarissen*) of the Company (the “**Supervisory Board**”) was adopted by the general meeting of the Company (the “**General Meeting**”) at the annual general meeting held on 30 April 2020 (the “**2020 Remuneration Policy**”).
- 1.2 This proposed revised policy (the “**Remuneration Policy**”) covering the Managing Board has been proposed by the Supervisory Board and is presented to be adopted by the General Meeting at the annual general meeting (such meeting, an “**AGM**”) to be held on 14 April 2022. If approved, this Remuneration Policy will replace the 2020 Remuneration Policy as of the Effective Date (vide 1.6).

Changes compared to Previous Policy

- 1.3 This Remuneration Policy continues to apply the principles of the 2020 Remuneration Policy, and has been updated considering the latest market developments around executive compensation and feedback received by the Company from its shareholders and other stakeholders. In summary, the changes relate to:
 - (a) more transparency, specificity and information regarding the terms and conditions applicable to the Company’s remuneration components for the members of the Managing Board, including quantum, performance criteria, and vesting schedules;
 - (b) the Managing Board members’ remuneration components to be more aligned with the performance, strategy and long-term interests of the Company and encouraging long-term value creation and sustainability of the Company;
 - (c) transparency regarding the criteria and benchmarks used by the Supervisory Board for determining the Managing Board members’ remuneration components;
 - (d) criteria for the treatment of the Managing Board members’ remuneration components upon termination of employment or a change of control at the level of Shop Apotheke Europe N.V.
- 1.4 With the intent to demonstrate best-in-class transparency and a best-in-class link to long-term value creation, the following describes the most significant changes from the previous Remuneration Policy that have been incorporated into this revised Remuneration Policy:
 - (a) reference to alignment of Remuneration Policy objectives and principles with sustainable development goals (vide 2.5);
 - (b) elimination of annual cash bonuses or short-term incentives from the compensation design for any current or future Managing Board member;

- (c) outline of terms and conditions of any future long-term incentive plan that may be proposed by the Supervisory Board to an AGM, including caps on the value of annual grants, references to performance criteria and periods, duration of grants, and holding requirements post vesting (vide 2.18);
- (d) introduction of caps expressed in multiples of annual base salary for determination of variable remuneration elements, severance payments, and payments related to non-competition clauses (vide 2.18, 2.25, 2.26, 2.27);
- (e) reference to D&O coverage (vide 2.28);
- (f) enhanced provision for claw-backs of variable remuneration (vide 2.29);
- (g) policy for handling of variable remuneration for good and bad leavers (vide 2.30);
- (h) policy for handling of variable remuneration in case of change of control at the level of Shop Apotheke Europe N.V. (vide 2.31)
- (i) introduction of share ownership requirements for the Managing Board members to strengthen alignment with shareholders (vide 2.32);
- (j) policy for sign-on bonuses for new hires (vide 2.33);
- (k) separation of remuneration policies for (1) the Managing Board and (2) the Supervisory Board.

Effective Date and Amendments

- 1.5 This Remuneration Policy, once approved by the General Meeting at the annual general meeting on 14 April 2022, may only be amended by the General Meeting pursuant to a proposal of the Supervisory Board.
- 1.6 The effective date of this Remuneration Policy is 1 January 2022 (the “**Effective Date**”), i.e., the stipulations of this revised Remuneration Policy will apply to all remuneration components awarded on or after 1 January 2022. This Remuneration Policy will remain in effect for four years, up to and including the date of the AGM to be held in 2026, or, if earlier, until a revised Remuneration Policy has been approved by the General Meeting in accordance with paragraph 1.5. Any material changes to this Remuneration Policy will be submitted to the General Meeting for approval, together with a description and explanation of the material change(s). The explanation submitted to the General Meeting will also specify how the proposed changes consider the votes cast relating to this Remuneration Policy and the remuneration report during the last AGM, and views of the Company's shareholders and other stakeholders with respect to this Remuneration Policy. If the General Meeting does not approve the proposed changes to this Remuneration Policy, the existing Remuneration Policy will continue to apply.

Deviations

- 1.7 With respect to the remuneration of the Managing Board, the Supervisory Board may, in exceptional circumstances only and in accordance with Dutch law, decide to temporarily deviate from any provision of this Remuneration Policy.

- 1.8 Exceptional circumstances will only cover situations in which the deviation from a provision of this Remuneration Policy is necessary (i) to ensure the long-term interests and sustainability of the Company, or (ii) to assure the Company's viability, such as a change of control at the level of Shop Apotheke Europe N.V.
- 1.9 The Supervisory Board will account for any deviation from a provision of this Remuneration Policy in the remuneration report for such fiscal year as well as at the next AGM, i.e. the AGM to be held after the occurrence of the exceptional circumstance that resulted in a deviation from this Remuneration Policy.

Periodic Review

- 1.10 The Supervisory Board strives to keep this Remuneration Policy up to date with market circumstances and developments, as well as any new or changed requirements set by applicable laws. This Remuneration Policy will be reviewed periodically by the Supervisory Board.

2. REMUNERATION POLICY FOR THE MANAGING BOARD

Authority

- 2.1 The Supervisory Board will have the authority to determine the remuneration of the individual members of the Managing Board within the scope of this Remuneration Policy.
- 2.2 In its annual remuneration report, the Supervisory Board will communicate clearly and transparently to the Company's stakeholders how this Remuneration Policy has been implemented.

Objectives and principles

- 2.3 This Remuneration Policy aims to attract, retain and reward highly qualified executives with the required background, skills, experience, in the context of competitive global labour markets for senior executives, and drive to develop and implement the strategy and achieve the strategic and operational objectives of the Company. The overarching aim of the Company's remuneration packages is long-term value creation for the Company by incentivising behaviours and rewarding performance generating long-term profitable growth to ensure the sustainability of the Company, as well as aligning the interests of the Managing Board with the interests of the Company's shareholders and other stakeholders.
- 2.4 This Remuneration Policy is designed in the context of international competitive labour market trends, statutory requirements and corporate governance best practices in relation to remuneration, and has been prepared considering the public opinion on remuneration at board levels.
- 2.5 The Company's mission and strategy are centred on pursuing growth by enabling people to live their healthiest life possible, strengthening the Company's market position and developing the Company into Europe's leading customer-centric e-pharmacy platform, combined with sustainable development strategies, namely "better planetary care, better patient care and better employee care". This Remuneration Policy aims at incentivising the Managing Board to realise the Company's ambitions.
- 2.6 The Company strives to make good choices to build an ethical and sustainable business and drive sustainable profitable growth for the Company's shareholders

and other stakeholders. The Company's corporate social responsibility approach is based on (i) the Company's commitment to make a positive impact on society with its mission centred on enabling people to live their healthiest life possible, (ii) limiting the Company's impact on the environment, (iii) ensuring sound corporate governance practices, and (iv) engaging, empowering and developing the Company's employees.

- 2.7 The overriding principle of this Remuneration Policy is to ensure fairness and transparency. This Remuneration Policy is based on the firm belief that sustainable value creation is essential for the Company's long-term financial success. The link to long-term value creation and sustainability is created not only, but in particular, by allocating a significant portion of the remuneration package to share-based remuneration for the members of the Managing Board, i.e. granting of stock options, that:
- (a) represents a fitting entrepreneurial risk and return profile;
 - (b) fosters and rewards sustainable performance of the Managing Board;
 - (c) provides an incentive for long-term commitment and retention of the members of the Managing Board; and
 - (d) is designed to incentivise and reward sound, long-term decision making of the Managing Board.
- 2.8 The Company aims to have a fair balance between the remuneration of the members of the Managing Board and the remuneration of the employees of the Company, and, therefore, the Company strives to use the same benchmarking methods, e.g., grading, market medians, industry sectors, company size, for both groups and takes remuneration ratios of a Managing Board member's remuneration and the average remuneration per employee of the Company into consideration. Additionally, the members of the Managing Board are not entitled to any special or additional benefits or allowances that are not reflected in this Remuneration Policy or are not standardly applied by the Company to all employees of the Company.

Determining remuneration

- 2.9 When determining the remuneration levels of the members of the Managing Board, the Supervisory Board considers the remuneration arrangements for the employees of the Company, the internal remuneration ratios, the expectations of the Company's shareholders and the views within society, to ensure that the remuneration of the members of the Managing Board remains fair, reasonable and aligned with the Company's values and mission.
- 2.10 When implementing this Remuneration Policy, the Supervisory Board analyses the possible outcomes of a variable remuneration element, i.e. a share-based remuneration element, and how those elements may affect the total remuneration of the Managing Board. At the date of the AGM to be held on 14 April 2022, the remuneration structure of the members of the Managing Board does not include a short-term incentive, i.e., an annual cash bonus.
- 2.11 When implemented, these remuneration elements will from time to time be benchmarked against external market data, primarily data of other relevant European headquartered companies of similar scale listed on a European regulated market.

- 2.12 Although the external market data provides useful context, it is ultimately the responsibility of the Supervisory Board to determine the appropriate level of the remuneration packages of the Managing Board that reflect the specific context and requirements of the Company, and the skills and capability of the individual members of the Managing Board. As such, external market data will be used to provide the Supervisory Board with the relevant information to determine and evaluate the remuneration of the Managing Board, rather than drive the Supervisory Board's decision-making process.
- 2.13 The Company considers the remuneration ratios and employment conditions of the employees of the Company when determining the remuneration of the Managing Board in accordance with this Remuneration Policy and the Dutch Corporate Governance Code (the “**Code**”).

Remuneration elements

- 2.14 The remuneration structure of the members of the Managing Board can consist of one or more of the following elements:
- (a) fixed compensation, i.e. an annual base salary;
 - (b) long-term incentive plan, e.g. granting of stock options or comparable long-term incentive designs; and
 - (c) pension allowance and other benefits (to the extent applicable).

Fixed compensation (annual base salary)

- 2.15 The annual base salary is a fixed compensation, and is determined by the Supervisory Board considering a variety of factors (including the benchmarking set forth in paragraph 2.11). The base salary will be evaluated periodically, considering factors such as (i) the development, experience, capability and marketability of the individual members of the Managing Board, (ii) the nature of the roles and responsibilities and the historic salary levels of the individual members of the Managing Board, (iii) remuneration levels within the Company, and (iv) general market developments relevant to the Company.

Short-term incentive (annual cash bonus)

- 2.16 At the date of the AGM to be held on 14 April 2022, the employment agreements of the Managing Board members do not include any short-term incentive, i.e., an annual cash bonus. The Supervisory Board holds the view that in the present stage of the Company's development cycle, a share-based remuneration component seems best suited to align the interests of the Managing Board with the Company's mission, strategy and operational objectives. Hence, annual cash bonuses or short-term incentives are not part of the compensation design for any current or future Managing Board member.

Current long-term incentive plans (granting of stock options)

- 2.17 Currently, there are two stock option plans in effect for one or more members of the Managing Board: (i) the stock option plan that was approved by the General Meeting on 30 April 2019 (the “**2019 Stock Option Plan**”); and (ii) the stock option plan that was approved by the General Meeting on 30 April 2020 (the “**2020 Stock Option Plan**”). No additional stock options will be awarded to Managing Board members under the 2019 Stock Option Plan or the 2020 Stock Option Plan.

Future long-term incentive plans (granting of stock options)

2.18 As stipulated in paragraph 2.7, the link to long-term value creation and sustainability is created by allocating a significant portion of the remuneration package to share-based remuneration for the members of the Managing Board, i.e. granting of stock options. Any future stock option plan for the Managing Board members that may be proposed by the Supervisory Board and approved by the General Meeting will be reflective of the following terms and conditions:

- (a) The maximum annual value of a grant, expressed as fair value on the grant date (see paragraph 2.19) will not exceed three-and-a-half times the annual base salary of a Managing Board member. This cap was determined considering benchmarking data of comparable companies.
- (b) The exercise price will be the higher of (i) the closing Xetra share price on the grant date and (ii) the average Xetra closing share price over the twenty trading days immediately preceding the grant date.
- (c) Assuming a significant appreciation of the Company's share price in comparison to the exercise price (see paragraph 2.18(b)) at the time of the exercise of stock options, the financial gain realized with such exercise of stock options by members of the Managing Board will not be capped.
- (d) Performance criteria will be applied. Such performance criteria will be pre-determined, quantifiable and assessable and will be disclosed to the General Meeting. Performance criteria will reflect the Company's strategy and long-term goals that are linked to shareholder value creation. Performance criteria will consist of weighted variables, covering both financial and non-financial objectives, including revenue growth, EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) margin or a similar profitability measure, and an ESG-related target. For each performance criterion, a threshold, i.e., a minimum level, and a maximum level will be defined. Threshold levels must in any case be better than the status-quo at the time of the grant. The number of stock options that will actually vest, will depend on the attainment against such pre-determined performance criteria. All performance criteria will be consistent with the Company's mission and strategy.
- (e) The performance period will be three years from the grant date.
- (f) The duration of any future stock option award, during which such stock options can be exercised, is set at six years from the grant date. Stock options will expire after the sixth anniversary of a grant.
- (g) Stock options will not start vesting before the third anniversary of the grant date. Stock options will only vest if pre-determined performance criteria have been achieved.
- (h) Shares resulting from the exercise of stock options will be subject to a one-year holding requirement from the vesting date of such stock options or the statutory holding period that may be applicable at the grant date if such a statutory holding period is longer than one year. During such a holding period, shares are no longer contingent on any performance criteria.

- 2.19 Any future stock option plan will be valued at fair value according to the Black-Scholes formula or similar methodologies. Fair values will be determined by an external agency.
- 2.20 No new stock option plan or stock options award for the Managing Board members has been proposed by the Supervisory Board to the General Meeting at the AGM to be held on 14 April 2022.

Pension allowance and other benefits

- 2.21 The Chief Operating Officer (“**COO**”), who is also the Company's responsible pharmacist, receives an employer's contribution to the statutory Dutch “Stichting Pensioenfonds Openbare Apothekers”. The CFO participates in a defined contribution plan. The other members of the Managing Board are not participating in a pension plan. The pension plan of the CFO is below the level of the pension plan that had been offered by his previous employer.
- 2.22 The members of the Managing Board may be awarded customary fringe benefits, such as relocation allowances, as determined by the Supervisory Board. The company does not provide any executive-type memberships. Other benefits in line with benefits provided to the employees of the Company will only be provided to Managing Board members if explicitly confirmed by the Supervisory Board.

Employment agreements, severance and change of control arrangements

- 2.23 Following the last remuneration review by the Supervisory Board, already in accordance with the principles outlined in this revised Remuneration Policy, the Supervisory Board negotiated revised employment contracts with the members of the Managing Board, with the exception of the CFO. The revised employment contracts for these Managing Board members became effective on 1 January 2021. Furthermore, as of the date of the AGM to be held on 14 April 2022, none of the Managing Board members' employment agreements contains a short-term incentive. The employment agreements have been entered into by Shop-Apotheke Service B.V., Shop-Apotheke B.V. and Shop-Apotheke Service GmbH, each a subsidiary of the Company, for an indefinite period of time.
- 2.24 The employment agreements of all the members of the Managing Board have been entered into for an indefinite period of time. These employment agreements only include the annual base salary, the stock option plan(s), the pension contributions for the CFO and the COO, and other fringe benefits. None of the employment agreements include any annual cash bonuses or company cars.
- 2.25 In compliance with the Code, the employment agreements of the members of the Managing Board do not contain any severance payment obligations of more than twelve monthly base salaries in the event of involuntary termination, i.e., the early termination of an employment agreement of a Managing Board member before the end of his or her term of appointment. The employment agreements for the Managing Board Members, with the exception of the CFO, contain a termination notice period of six months for the employer and three months for the employee. The employment agreement for the CFO contains Dutch statutory termination notice periods for him and the employer, with due observance of the statutory notice period. Employment agreements with new members of the Managing Board will include termination periods of at least six months for employer and employee.
- 2.26 All employment agreements of the members of the Managing Board include customary non-competition clauses. Any payment to a Managing Board member

triggered by an invocation by the Company of such a non-competition clause must not be in excess of (i) twelve monthly base salaries, and (ii) any more restrictive provision pursuant to local legal requirements and/or market best practices.

- 2.27 The combination of a severance payment in accordance to paragraph 2.25 and a payment related to a non-competition clause in accordance to paragraph 2.26 must not be in excess of twelve monthly base salaries of a Managing Board member.
- 2.28 The members of the Managing Board are covered by the Company's insurance policy for directors and officers (D&O insurance) with a coverage comparable to peer companies. The insurer provides worldwide coverage in the event that (i) a claim for compensation is made in writing against one of the insured persons, or (ii) a financial loss claim is brought through the courts against an insured person in writing, arising out of an (alleged) breach of duty committed in the insured person's capacity as a Managing Board member. In the event of a loss, the coverage will include the costs both of the judicial and extra judicial defence and the settlement of justified compensation claims.

Adjustments to variable remuneration (including clawback)

- 2.29 In accordance with the Dutch Civil Code and the Code, the short-term and/or long-term variable remuneration awarded to a member of the Managing Board may be adjusted or clawed back from that member of the Managing Board if certain circumstances apply, including, but not limited to, an award of variable remuneration based on incorrect financial data, an error that incurred in the determination of the vesting of a short-term or long-term variable remuneration award, or a for-cause termination of a Managing Board member.

Arrangements for good and bad leavers and for change of control

- 2.30 When a person resigns, or is dismissed, as a member of the Managing Board, the Supervisory Board will determine whether a departing Managing Board member is considered a good leaver or a bad leaver. Generally, bad leavers depart on the basis of for-cause terminations, whereas good leaver status is warranted for departures due to retirement or ill health. In principle, it is the Supervisory Board's intention that bad leavers will forfeit any outstanding short-term incentives as well as any unvested long-term incentives. For bad leavers, long-term incentives could be clawed back for a period of up to two years post vesting. If the Supervisory Board grants good-leaver status to a departing Managing Board member, short-term and/or long-term incentives should principally be pro-rated for performance and time. It is within the Supervisory Board's authority to deviate from these principles if facts and circumstances of individual cases require different arrangements. Any decision not to apply the aforementioned principles would only be made in exceptional circumstances, and would be disclosed in the remuneration report for such fiscal year as well as at the next AGM, i.e. the AGM to be held after the occurrence of the exceptional circumstance that resulted in a deviation from these principles.
- 2.31 In case of change of control at the level of Shop Apotheke Europe N.V., short-term incentives and/or long-term incentives shall be pro-rated for performance, as well as time to reflect the time between the start of the performance period and the time when the change of control occurred. The details of these arrangements fall within the discretion of the Supervisory Board.

Share ownership requirement

- 2.32 To further enhance alignment between the Managing Board members and the Company's shareholders, the Managing Board members are required to reach and maintain share ownership of at least one-hundred-twenty-five percent of that member's actual annual base salary. New members of the Managing Board will have up to five years from the date they joined the Managing Board to build up such share ownership. Share holdings resulting from a holding requirement for exercised stock options count against this share ownership requirement.

New joiners

- 2.33 The Supervisory Board will consider and award, if and where relevant, sign-on bonuses to new joiners to the Managing Board. To the extent possible, the Supervisory Board intends to limit such sign-on bonuses to the value of short-term incentives and/or long-term incentives from a new joiner's previous employer that will be forfeited. Especially sign-on bonuses for forfeited long-term incentives shall not exceed the realistic value of such forfeited awards.

Loans

- 2.34 The Company does not provide any personal loans, advance payments or guarantees to the members of the Managing Board.