



CORPORATE GOVERNANCE STATEMENT AND CORPORATE GOVERNANCE REPORT

The principles of responsible and good corporate governance determine the activities of the management and control bodies of the SCHWEIZER Group and Schweizer Electronic AG. The corporate governance statement in accordance with Section 289f and Section 315d HGB forms part of the combined status report.

Schweizer Electronic AG is a listed company in accordance with German law and therefore has a dual management system, comprising the Executive Board and the Supervisory Board.

The Executive Board of Schweizer Electronic AG and the management of the Group subsidiaries lead the company in accordance with the statutory provisions, the Articles of Association and the procedural rules.

The Supervisory Board monitors, advises and supports the Executive Board in its activities. The procedural rules of both boards regulate aspects such as the collaboration between them. With the German Corporate Governance Code, a standard for the transparent control and management of companies was established, which is focused particularly on the interests of the shareholders.

DECLARATION OF COMPLIANCE IN ACCORDANCE WITH SECTION 161 AKTG

The declarations of compliance made by Schweizer Electronic AG have been made available to all interested parties on the company website www.schweizer.ag/en/investor-relations/corporate-governance.html.

The Executive Board and the Supervisory Board dealt with the recommendations and guidelines of the German Corporate Governance Code once again in the 2020 financial year.

WORDING OF THE DECLARATION OF COMPLIANCE (VERSION: DECEMBER 2020)

The Management Board and Supervisory Board of Schweizer Electronic AG (hereinafter also referred to as the “company”) issue the following Declaration of Compliance in accordance with Section 161 AktG with reference to the recommendations of the “German Corporate Governance Code governmental commission” and will ensure that it is published on the company’s website. The Executive Board and the Supervisory Board of Schweizer Electronic AG issued the last declaration of compliance in accordance with Section 161 AktG in December 2019. The following declaration relates to the period between May 2019 and 19 March 2020 and refers to the recommendations of the German Corporate Governance Code (“Code”) in the version of 07 February 2017, which was published in the Federal Gazette on 24 April 2017 (“2017 version“). For the period after 20 March 2020, the following declaration refers to the recommendations of the Code in the version of 16 December 2019, which was published in the Federal Gazette on 20 March 2020 (“2020 version“).

The Executive Board and the Supervisory Board of Schweizer Electronic AG declare that, since the last declaration of compliance was issued in December 2019, the recommendations of the Code were and are being complied with, with the following exceptions:

Code No. 4.2.1 (2017 version): Code No. 4.2.1 clause 1 (2017 version) recommends that the Executive Board should have a Chairman or Spokesperson. Due to the early departure of Dr Rolf Merte from the Executive Board, the position of Executive Board Chairman was temporarily vacant between 6 March 2020 and 9 April 2020. Code No. 4.2.1 (2017 version) was therefore not complied with in the period between 6 March 2020 and the expiry of the validity of the 2017 version.

Code No. 4.2.2 (2017 version): Code No. 4.2.2 (2), clause 3, (2017 version) recommends that, when determining the total remuneration of the individual members of the Executive Board, the Supervisory Board should consider the relationship of the Executive Board remuneration to the remuneration of senior management staff and the workforce overall and its development over time. The Supervisory Board did not fully comply with this recommendation. When concluding the employment contracts the Supervisory Board did take steps, in accordance with the provisions of the German Stock Corporation Act (AktG), to ensure that the total remuneration awarded to Executive Board members does not exceed the customary remuneration without special reason. However, to the extent the Code specifies this review of vertical appropriateness of the remuneration awarded to the Executive Board required pursuant to the German Stock Corporation Act, and defines the comparative groups decisive for the comparison as well as the time period of the comparison, a deviation in this regard is declared. Nevertheless, the Personnel and Finance Committee regularly deals with the substance of the vertical remuneration comparison. The Supervisory Board considers the requirements of the recommendation to be too vague. In particular, the Supervisory Board does not have sufficiently specific information on how the senior management staff should be distinguished from junior management and which sections of the workforce are relevant and which irrelevant in this respect. It is also unclear what time frame and perspective should be considered in terms of “development over time”. The Supervisory Board is therefore of the view that the measures already implemented for determining the remuneration of the Executive Board are sufficient to ensure appropriate remuneration for members of the Executive Board.

In the future, the Supervisory Board will decide on a system for the Executive Board remuneration within the statutory deadline in accordance with the newly added Section 87a AktG by ARUG II and submit it to the Annual General Meeting for approval.

Code No. 4.2.3 (2017 version): In Code No. 4.2.3 (2), clause 8, (2017 version), the 2017 Code also recommends, with respect to the variable remuneration components, that any retroactive change to performance targets or comparison parameters should be excluded. The company has not complied with and does not comply with this recommendation. The current remuneration rules in the Executive Board employment contracts provide, in the event of extraordinary developments within the company (e.g. change in legal form, share buyback, capital measures, acquisition and/or sale of the company and plant, disclosure of hidden reserves) that have a significant impact on the achievability of the targets subject to variable remuneration, for the Supervisory Board to unilaterally revise the contract terms and conditions and other variable remuneration parameters. The Executive Board and Supervisory Board believe it is advisable and necessary to take reason-

able steps to counter the impact of such extraordinary developments. The company has not complied with and does not comply with the recommendation set forth in Section 4.2.3 (4), clause 1, of the Code (2017 version), which stipulates that when concluding contracts with members of the Executive Board, care should be taken to ensure that payments including fringe benefits made to a member as a result of premature termination of management duties do not exceed the value of two years' compensation (severance payment cap), and compensate no more than the remaining term of the contract. The employment contracts signed with members of the Schweizer Electronic AG Executive Board do not contain such a regulation. The Executive Board and the Supervisory Board do not consider it advisable to incorporate such a clause, since even in this case the board member could refuse to step down from the board and insist on payment of their remaining entitlement under the Executive Board employment contract. We also believe that the Supervisory Board would have regard to the company's interests in its negotiations with members who retire from the board early and would not award any excessive severance payment. This means that the recommendation in Code No. 4.2.3 (4), Clause 3 (2017 version) (calculation of the severance payment cap) is not complied with. Code No. 4.2.3, clause 5 (2017 version), recommends that payments promised in the event of premature termination of management duties due to a change of control should not exceed 150% of the severance payment cap amounting to two years' compensation (i.e. total of three years' compensation). In the event of premature termination of their Executive Board activities as a result of a change of control, the members of the Executive Board have a contractual entitlement to a settlement and severance payment limited to three years' compensation, so that the recommendation in Code No. 4.2.3 clause 5 (2017 version) is in principle complied with. However, for calculating the decisive annual remuneration, the overall remuneration of the past financial year and also any expected overall remuneration for the current financial year is not used, as provided for in the Code. In fact, the calculation is based on the average of the overall remuneration of the last three financial years prior to exit. The Executive Board and Supervisory Board are of the view that measuring the severance payment cap based on the average of several years of compensation is more meaningful and more appropriate than using the overall remuneration of only the last and any current financial year. Given the aforementioned, a partial deviation from Code No. 4.2.3, para. 5 in conjunction with No. 4.2.3, para. 4 clause 3 is declared.

Code No. 5.1.2 (2017 version), B.5 2020 version: In the Code, it is recommended that an age limit be set for Executive Board members (Code No. 5.1.2 (2) clause 3 (2017 version), B.5 (2020 version)) and to disclose this in the corporate governance statement (in this regard only B.5 in the 2020 version). The company has not complied with and does not comply with this recommendation. The Executive Board and the Supervisory Board do not consider it advisable to make a standard specification of an age limit for members of the Executive Board. Competence, technical expertise and experience are far more relevant criteria, which should be evaluated regardless of age.

Code No. 5.3.1, 5.3.2 and 5.3.3 (2017 version), D.2, D.3, D.4, D.5 (2020 version): The Supervisory Board has neither an audit committee as recommended in Code No. 5.3.2 (2017 version), D.3 clause 1 (2020 version) nor a nomination committee as recommended in Code No. 5.3.3 (2017 version), D.5 (2020 version). The Supervisory Board does not believe it is either advisable or necessary to set up the above committees for a company the size of Schweizer Electronic AG with only six members sitting on the Supervisory Board. The tasks designated for the audit committee and nomination committee as well as the other tasks of the Supervisory Board can easily be dealt

with in plenary sessions, provided they are not delegated to the existing personnel and finance committee. The personnel and finance committee is the only committee of the Supervisory Board. Given the size of the company and the size of the Supervisory Board of Schweizer Electronic AG, the Supervisory Board believes it is neither advisable nor necessary to set up additional committees. With the composition of the personnel and finance committee, the Supervisory Board has adequately satisfied the recommendation in Code No. 5.3.1, clause 1 (2017 version), D.2 clause 1 (2020 version) (formation of professionally qualified committees depending on the specific nature of the enterprise and the number of its members). However, as an extreme precautionary measure, it is clear that no claim to comply with the Code recommendation is made.

Code No. 5.4.1 (2017 version), C.2 (2020 version): In Section 5.4.1, para. 2, sentence 1, alt. 1 and clause 2 (2017 version), it is recommended that, when stating the specific objectives to be achieved when constituting the board, the Supervisory Board should consider, inter alia, an appropriate age limit for members of the Supervisory Board (in this regard also C.2, 2020 version) and an appropriate control limit for the duration of a term of office on the Supervisory Board. The company has not complied with and does not comply with these recommendations. The Supervisory Board does not consider it advisable to make a standard specification of an age limit for members of the Supervisory Board. Competence, technical expertise and experience are far more relevant criteria, which should be evaluated regardless of age. The Supervisory Board therefore did not define such an age limit when it stated the specific objectives to be achieved when constituting the board. Neither does the Supervisory Board consider the stipulation of a control limit for the duration of a term of office on the Supervisory Board to be constructive. The Supervisory Board members who would be affected by such a limit are precisely those who have in-depth knowledge of the company and many years of experience, from which the company profits. The decision as to whether a person's term of office should be extended therefore must always be taken on the merits of the individual case.

C.7 (2020 version): According to recommendation C.7 (1), 2020 version, more than half of shareholder representatives should be independent of the company and the Executive Board. This new recommendation is not complied with. In the estimation of the independence of its members from the company and the Executive Board, the shareholder side should take certain indicators into account that are regarded as reasons against the independence of shareholder representatives (C.7 (2), 2020 version). If several of the indicators mentioned in C.7 are met, the relevant Supervisory Board members can, however, nevertheless be seen as independent. Against this background, the shareholder representatives currently regard two shareholder representatives as not independent. One shareholder representative is a close family member of an Executive Board member; another shareholder representative has a significant relationship with the company by holding a responsible function of a third-party company.

C.10 (2020 version): As Mr Christoph Schweizer, as Chairman of the Supervisory Board and of the Personnel and Finance Committee dealing with the Executive Board remuneration, is not independent of the Executive Board and the company for the aforementioned reasons, a deviation from C.10 clause 1, version 2020 is also declared.

Code No. 5.4.1 (2017 version), C.13 (2020 version): In Code No. 5.4.1, paras. 6 to 8 (2017 version), C.13 (2020 version), it is recommended that when proposing candidates to the Annual General Meeting the Supervisory Board should disclose each candidate's personal and professional relationships with the company, with executive bodies of the company and with a shareholder holding a material interest in the company. The company has not complied with and does not comply with this recommendation, because the Supervisory Board believes the requirements of the Code on the duty to report are not clearly defined or delineated. In this context, such notification is not considered advisable.

Code No. 5.4.6 (2017 version), G.18 (2020 version): According to the recommendation in Code No. 5.4.6 (2), clause 2 (2017 version), G.18 clause 2 (2020 version), if a Supervisory Board members is promised performance-related compensation, it should be oriented toward the sustainable and long-term growth of the enterprise. The company has not complied with and does not comply with this recommendation, because the performance-related compensation promised to Supervisory Board members is linked to the dividend distributed for the respective financial year. The Executive Board and the Supervisory Board believe that linking performance-related remuneration to the dividend adequately reflects the responsibility of the Supervisory Board for sustainable business development and that the existing compensation arrangement provides the members of the Supervisory Board with sufficient incentive to orient the exercise of their duties towards the long-term, successful development of the company.

Code No. 7.1.2 (2017 version), F.2 (2020 version): In Code No. 7.1.2 Clause 3, 1st subclause 2017 version, F.2, first subclause 2020 version, it is recommended that the consolidated financial statements and the Group status report should be made publicly accessible within 90 days of the end of the financial year.

The company has not complied with and does not comply with this recommendation. Compliance with a term of 90 days is not possible due to the time required to prepare consolidated financial statements and a Group management report. The consolidated financial statements and Group management report were and are, however, published by the statutory deadline.

Schramberg, December 2020
Schweizer Electronic AG

Executive Board

Supervisory Board

STRUCTURE OF THE COMPANY'S MANAGEMENT AND MONITORING

SHAREHOLDERS AND ANNUAL GENERAL MEETING

The shareholders of Schweizer Electronic AG exercise their rights as part of the company's Annual General Meeting held at least once a year. The Chair of the Supervisory Board presides over the Annual General Meeting. Each share represents one vote. All shareholders who are entered in the share register and have registered by the deadline are entitled to participate in the Annual General Meeting. The Annual General Meeting decides on all the tasks allocated to it by law, in particular with respect to the appropriation of profits, formal approval of the actions of the Executive Board and Supervisory Board, appointment of auditors, capital measures and changes to the Articles of Association. The company assists shareholders in exercising their rights at the Annual General Meeting. Furthermore, the Investor Relations department is available for the exchange of information between the company and shareholders throughout the year.

It is the goal of SCHWEIZER to make it as easy as possible for shareholders to participate in the Annual General Meeting. All the documents necessary for participation are therefore published online. The shareholders can register for the Annual General Meeting in writing or electronically, and they can issue authorisations by postal vote or online, for example, to the company's proxy holders. In 2020, shareholders could follow the Annual General Meeting, which was held virtually due to the COVID-19 pandemic, on the Internet.

EXECUTIVE BOARD

As a governing body of the Group, the Executive Board is committed to serving the company's interests and increasing its value in a sustainable manner. The Executive Board develops the strategic direction of the company, consults on and agrees same with the Supervisory Board and ensures implementation. The Executive Board ensures appropriate risk management and controlling in the company. The Executive Board leads the company under its own responsibility.

The Executive Board is responsible for preparing the interim announcements, the semi-annual financial report as well as the annual financial statements and summarised status report of Schweizer Electronic AG and the Group.

Furthermore, the Executive Board ensures that statutory provisions, official regulations and internal corporate guidelines are adhered to and acts to ensure that they are complied with through the Group companies (compliance). The Executive Board fosters a corporate culture in which reliability, honesty, credibility and integrity are the cornerstones of actions.

In the context of the established risk management system, the Executive Board not only ensures that existing legal regulations and company guidelines and principles are complied with, but also provides for an environment in which any risks are identified at an early stage and measures are taken, thereby guaranteeing lawful conduct and minimising risks. Directives on competition law, insider regulations, fair competition, foreign trade legislation, export controls and the avoidance of corruption are made available to employees and form part of the corporate processes. Besides the general conditions of purchase, the existing supplier guidelines and evaluations, as well as the Conflict Minerals Policy, form the basis for a responsible supply chain. The company has estab-

lished a whistleblower system in order to investigate violations fairly and appropriately. SCHWEIZER employees as well as external parties can report violations using this system. The whistleblower system ensures that absolute confidentiality is maintained when processing the information provided.

Periodic evaluations of specific compliance risks are carried out using checklists; the necessary measures are taken and verified by certification companies. Information on the implementation of the CSR Directive Implementation Act is available in the Non-Financial Statement as a separate section in the 2020 Annual Report and is available on the website at: www.schweizer.ag/en/about-us/corporate-social-responsibility.html.

The Executive Board informs the Supervisory Board regularly, promptly and comprehensively with regard to all relevant issues regarding strategy, planning, business development, risk situation, risk management and compliance.

COMPOSITION OF THE EXECUTIVE BOARD

The Executive Board comprised three members until 6 March 2020 and since Dr Rolf Merte's resignation has had two members. The Executive Board currently consists of Mr Nicolas-Fabian Schweizer (appointed until 30 June 2022) and Mr Marc Bunz (appointed until 31 March 2023). Further information regarding the first appointment, areas of responsibility and resumes of the Executive Board members can be found on the company's website at: www.schweizer.ag/en/about-us/executive-board.html.

TARGETS AND DIVERSITY FOR THE COMPOSITION OF THE EXECUTIVE BOARD

In its resolution dated 19 June 2017, the Supervisory Board determined the targets and diversity of Executive Board appointments. Besides technical suitability, experience and management quality, the criteria of diversity and an appropriate proportion of women must be taken into account in the selection of suitable Executive Board candidates. Further criteria of the target composition of the Executive Board are the purpose and size of the company. When evaluating potential candidates for appointment to vacant Executive Board positions, qualified women are to be included in the selection process and considered appropriately. Taking into account the points mentioned, the Supervisory Board has set a target of zero in the appointment of a woman to an Executive Board position. The target applies as from 1 July 2017 and is valid until 30 June 2022.

LONG-TERM SUCCESSION PLANNING FOR THE EXECUTIVE BOARD

In fulfilment of its task with respect to the appointment and dismissal of Executive Board members, the Supervisory Board decides on appointments to the Executive Board. With the support of the Executive Board the Supervisory Board, jointly with the Personnel and Finance Committee, carries out sustainable long-term succession planning for the Executive Board. In this planning, the requirements of the German Stock Corporation Act (Aktiengesetz), the German Corporate Governance Code and the procedural rules of the Supervisory Board are taken into account in addition to the criteria determined by the Supervisory Board for the composition of the Executive Board. Taking into account the specific qualification requirements and the criteria mentioned, an appointment profile is developed on the basis of which the Personnel and Finance Committee prepares a shortlist of available candidates (internal and external). Structured interviews are held with

these candidates. A recommendation is then made to the Supervisory Board for the passing of an appropriate resolution. If required, external consultants are called in to support the development of the requirements profile in the selection of candidates.

When considering the composition of the Executive Board, a balanced age structure is observed without a fixed age limit being set.

The remuneration report provides information on the essential features of the Executive Board remuneration system.

D&O insurance with an excess has been concluded for the Executive Board.

SUPERVISORY BOARD

Under the Articles of Association, the Supervisory Board of Schweizer Electronic AG is made up of six members, of whom two are chosen by the company employees in accordance with the provisions of the law with respect to the German One-Third Employee Representation Act (Drittelbeteiligungsgesetz) and the remaining four by the Annual General Meeting. Elections to the Supervisory Board are held as individual elections.

The Chair and Deputy Chair of the Supervisory Board are chosen from among the members of the Supervisory Board.

The Supervisory Board appoints the members of the Executive Board. It monitors and advises the Executive Board in the leadership of the company. The key decisions made by the Executive Board require the approval of the Supervisory Board. The Supervisory Board meets at least four times per year. The members of the Executive Board participate in Supervisory Board meetings unless the Chair of the Supervisory Board issues a directive to the contrary. However, the Supervisory Board should also meet regularly without the presence of the Executive Board. Due to the special circumstances of the COVID-19 pandemic, several meetings of the Supervisory Board and the Committee were held virtually or as face-to-face meetings with the option of participating virtually in financial year 2020.

The Supervisory Board adopts the financial statements, approves the consolidated financial statements and appoints the auditor. Further details on its way of working are explained in the Supervisory Board report.

The Supervisory Board reviews and assesses its activity regularly every year by means of a questionnaire. The last review was in summer 2020. The results were then discussed by the Supervisory Board in a meeting. No major deficits were found.

The members of the Supervisory Board disclose any conflicts of interest to the Supervisory Board without delay. When passing resolutions, the Supervisory Board ensures that potential conflicts of interest are taken into account. Further details can be found in the Supervisory Board report.

Any further education and training measures required are carried out by the members of the Supervisory Board under their own responsibility and are supported by the company in doing so.

PERSONNEL AND FINANCE COMMITTEE

The Supervisory Board has a Personnel and Finance Committee. The committee chair regularly informs the Supervisory Board of the consultations and resolutions of the committee. The Personnel and Finance Committee comprises three shareholder representatives, the Chair of the Supervisory Board Mr Christoph Schweizer, and two other shareholder representatives Dr Stephan Zizala and Mr Michael Kowalski. Further information on the members of the Supervisory Board and the current Personnel and Finance Committee can be found in the notes to the annual financial statements and at: www.schweizer.ag/en/about-us/supervisory-board.html.

TARGETS FOR THE COMPOSITION, COMPETENCE PROFILE AND DIVERSIFICATION CONCEPT OF THE SUPERVISORY BOARD

In its meeting held on 19 June 2017, the Supervisory Board passed a resolution on its targets for its composition, diversity concept and competence profile. Accordingly, the Supervisory Board should have a composition such that it can perform its tasks set out by law and the Articles of Association in the best possible manner. This includes ensuring qualified control and consultation of the Executive Board by the Supervisory Board.

Competence profile of the Supervisory Board

The candidates proposed for election to the Supervisory Board should be in a position, based on their knowledge, skills and experiences, to carry out the tasks of a Supervisory Board member in an international company and to preserve the company's public reputation. In this respect, the independence, loyalty, mandate limitations, availability and professionalism of the persons proposed for election should be taken into account in particular.

The aim is to have all the knowledge and experience that are regarded as significant, given the activities and business fields of SCHWEIZER, on the Supervisory Board as a whole. Among other things, this includes knowledge and experience in the areas of general business management, general legal principles, experience in corporate strategy and management, technology, production and sales, finance (including accounting), personnel and law (including compliance and regulatory law). Should new appointments need to be made, care must be taken to determine which of the desired knowledge and skills should be strengthened.

Diversity concept and composition targets

The Supervisory Board of Schweizer Electronic AG has resolved the following composition given the purpose and size of the company and the proportion of international business activities:

- a minimum of one seat on the Supervisory Board for persons that particularly embody the criterion of internationality (for example, through foreign nationality, relevant experience abroad or relevant experience in international business);
- no more than two seats on the Supervisory Board for persons having an advisory or executive role at customers, suppliers, lenders or other business partners of Schweizer Electronic AG; this is intended to limit potential conflicts of interest within the Supervisory Board;

- a minimum of three seats on the Supervisory Board for independent members of the Supervisory Board in terms of Code No. 5.4.2, i.e. a minimum of one seat on the Supervisory Board for independent shareholder representatives and a minimum of two seats on the Supervisory Board for independent employee representatives (the Supervisory Board estimates that employee representatives will in principle be independent members of the Supervisory Board);
- a minimum of one seat on the Supervisory Board to be occupied by a woman.

This target applies as from 1 July 2017 and is expected to be reached by 30 June 2022.

When selecting members of the Supervisory Board, criteria such as professional and social competence, international experience and suitability in terms of character are primary considerations.

When considering the composition of the Supervisory Board, a balanced age structure is observed without a fixed age limit being set.

IMPLEMENTATION OF THE TARGETS FOR COMPOSITION, INCLUDING THE COMPETENCE PROFILE, AND DIVERSITY CONCEPT

The Supervisory Board, in its current composition, meets the targets set in 2017. The Supervisory Board as a whole has all the required technical and personnel qualifications and is familiar with the business fields of SCHWEIZER. The majority of Supervisory Board members hold international positions or have many years of international experience. The diversity of the Supervisory Board is appropriate. The target of having one woman on the Supervisory Board by 30 June 2022 has been met since the Annual General Meeting in 2017.

In addition, the Supervisory Board has an appropriate number of independent members in accordance with its target set on 19 June 2017. According to this target, the Supervisory Board should have at least three independent Supervisory Board members, of whom at least one independent member is a shareholder. At present, the Supervisory Board has two independent shareholder representatives with Mr Michael Kowalski and Dr Stephan Zizala. Mr Kowalski is regarded by the committee as independent due to his professionalism and experience despite his long-term Supervisory Board membership. Furthermore, the Supervisory Board categorises Dr Zizala as an independent shareholder representative on the Supervisory Board. Although Dr Zizala holds a responsible position in a company that is both a customer and supplier of SCHWEIZER, the business relationship with this company does not fall under the responsibility of Dr Zizala.

Members of the Supervisory Board and Supervisory Board member mandates

Name	Current profession	Date of birth	Member since	Ap- pointed until ¹⁾	Membership in statutory domestic or foreign con- trolling bodies of commer- cial enterprises (Version: 31/12/2020)
Christoph Schweizer (Chair) Chair of the Personnel and Finance Com- mittee	Former Managing Direc- tor of Schweizer Ver- waltungs- und Beteili- gungsgesellschaft and Schweizer Air Service GmbH & Co.KG	30/08/1941	From 1999 to 2017 Since 06/2019	2022	-
Dr Stephan Zizala (Vice Chair) Members of the Personnel and Finance Com- mittee	Vice President & Gen- eral Manager, Busi- ness-Line High Power, Automotive Infineon Technologies AG, Neu- biberg	24/11/1972	2016	2024	-
Michael Kowalski Members of the Personnel and Finance Com- mittee	Former Interim Manager & Consultant	03/03/1951	1999	2021	-
Chris Wu	President of WUS Print- ed Circuit (Kunshan) Co., Ltd.	20/09/1971	2017	2024	Director, Biggering (BVI) Holdings Co., Ltd. Director, Happy Union In- vestment Co., Ltd.
Petra Gaiselmann ²⁾	Vice Chair of the Works Council at Schweizer Electronic AG	22/06/1971	2019	2024	-
Jürgen Kammerer ²⁾	Process Engineer for Mechanics at Schweizer Electronic AG	12/03/1966	2019	2024	-

¹⁾ The term of office ends at the end of the (respective) ordinary Annual General Meeting.

²⁾ Employee representative

The remuneration report provides information on the essential features of the Supervisory Board remuneration system.

D&O insurance with an excess has been concluded for the Supervisory Board.

TARGETS FOR AND IMPLEMENTATION OF THE PROPORTION OF WOMEN ON THE SUPERVISORY BOARD, EXECUTIVE BOARD AND AT MANAGEMENT LEVEL

The "Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector Act" stipulates a minimum quota of 30 percent for women and men (known as the gender quota) on the supervisory boards of companies that are publicly listed and subject to parity co-determination. For companies such as Schweizer Electronic AG that are publicly listed or subject to codetermination (including under the One-Third Employee Representation Act [Drittelbeteiligungsgesetz]), an obligation has been introduced whereby they themselves must set targets for the proportion of women on the Supervisory Board and Executive Board and at the two highest management levels. The company has to observe a "no deterioration" rule.

For the period from 1 July 2017, for the proportion of women on the Supervisory Board, the Supervisory Board set a target that at least one seat on the Supervisory Board should be filled by a woman. At the time the new target was determined, there were no women on the Supervisory Board. The Supervisory Board has set a target of zero for the percentage of women on the Executive Board for the period from 1 July 2017. At the time the new target was determined, there were no women on the Executive Board.

For the period from 1 July 2017, the Executive Board has set a target that, for the proportion of women at the key management level below the Executive Board, at least one position should be filled by a woman. The legally stipulated second management level below the Executive Board is not defined as such at SCHWEIZER. For this reason, the target relates to the key management level. At the time the new targets were stipulated, the main management level below the Executive Board comprised employees who report directly to the Executive Board and comprised a total of eleven persons. When defining the new target figure, there were no women at this management level.

All targets that were to be reached by 30 June 2022 were reached by 31 December 2020.

ACCOUNTING AND FINANCIAL STATEMENT AUDIT

Since the 2015 financial year, consolidated financial statements have been prepared in accordance with IFRS guidelines. The annual financial statements of Schweizer Electronic AG are prepared in accordance with HGB guidelines. The consolidated financial statements and the annual financial statements are produced by the Executive Board, checked by the auditor and approved and adopted by the Supervisory Board. The consolidated financial statements and the annual financial statements are published within four months of the end of the financial year.

It has been agreed with the auditor, Ernst & Young GmbH – a Stuttgart-based audit firm – that the Chair of the Supervisory Board shall immediately be informed of key issues that arise during the audit. The auditor reports on all issues and occurrences that are of essential importance to the tasks of the Supervisory Board that are revealed by the financial statements audit – reporting immediately to the Chair of the Supervisory Board. In addition, the Chair shall be informed if the auditor identifies facts that result in inaccuracy with respect to the Declaration of Compliance submitted by the Executive Board and the Supervisory Board in accordance with Section 161 AktG [German Stock Corporation Act]. The auditor participates personally in the Supervisory Board meetings at which the consolidated financial statements and the annual financial statements are approved and adopted.

TRANSPARENCY

SCHWEIZER attaches great importance to ensuring consistent, comprehensive and timely information. The business situation and the results are reported in the annual report, in earnings calls, in the interim reports and in the half-yearly financial report.

Information is also communicated via press releases and ad-hoc disclosures. All reports and disclosures are available at www.schweizer.ag/en/investor-relations.html. Furthermore, the Investor Relations and Communications departments are available to answer any questions throughout the year.

ACQUISITION AND SALE OF COMPANY SHARES

In accordance with Article 19 of Regulation (EU) No. 596/2014 on market abuse, members of the Executive Board and the Supervisory Board are statutorily obliged to disclose the acquisition or sale of shares of Schweizer Electronic AG or related derivatives or other associated financial instruments, where the value of the transactions made by the affected member or related persons reaches a total volume of EUR 5,000 (EUR 20,000 as from 2020) within one calendar year. The dealings reported to Schweizer Electronic AG during the last financial year were duly disclosed and can be viewed on the company's website at: www.schweizer.ag/en/investor-relations/corporate-governance/managers-transactions.html.

Schramberg, 12 April 2021
Executive Board

Supervisory Board

Nicolas-Fabian Schweizer
Chairman of the Executive Board

Christoph Schweizer
Chairman of the Supervisory Board

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