

CORPORATE GOVERNANCE 2021



CORPORATE GOVERNANCE STATEMENT

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 (German Commercial Code) 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's website at

<https://schweizer.ag/en/investors-media/corporate-governance-en/compliance-declarations>.

The Executive Board and the Supervisory Board dealt with the recommendations and guidelines of the German Corporate Governance Code also in the 2021 financial year.

WORDING OF THE DECLARATION OF COMPLIANCE (VERSION: NOVEMBER 2021)

The Executive Board and the Supervisory Board of Schweizer Electronic AG (hereinafter "Company") issue the following Declaration of Compliance pursuant to § 161 Aktiengesetz (German Stock Corporation Act) with respect to the recommendations of the "Government Commission on the German Corporate Governance Code" and will ensure that this is published on the Company's website. The Executive Board and the Supervisory Board of Schweizer Electronic AG issued the last Declaration of Compliance pursuant to § 161 Aktiengesetz (German Stock Corporation Act) in December 2020. The following declaration refers to the recommendations of the version of the German Corporate Governance Code of 16 December 2019, which was published in the Federal Gazette on 20 March 2020. The Executive Board and the Supervisory Board of Schweizer Electronic AG declare that the recommendations of the Code have been complied with since the last Declaration of Compliance was issued in December 2020, with the following exceptions:

B.5: The Code recommends that an age limit be specified for members of the Executive Board and disclosed in the Corporate Governance Statement (recommendation B.5 of the Code). The Company has not complied with and is not complying with this recommendation. The Executive Board and the Supervisory Board do not consider a specification of an age limit for members of the Executive Board to be meaningful. Competence, technical expertise and experience are far more relevant criteria, which should be evaluated regardless of age.

C.2: C.2 of the Code recommends that an age limit be specified for members of the Supervisory Board and disclosed in the Corporate Governance Statement. The Company has not complied with and is not complying with this recommendation. The Supervisory Board does not consider a general specification of an age limit for members of the Supervisory Board to be meaningful. Competence, technical expertise and experience are far more relevant criteria, which should be evaluated regardless of age.

C.7: According to recommendation C.7, para.1 of the Code, more than half of the shareholder representatives shall be independent from the Company and the Executive Board. The Company has not complied with and is not complying with this recommendation. When assessing the independence of its members from the Company and the Executive Board, shareholders shall take into consideration certain indicators that speak against the independence of shareholder representatives (C.7, para. 2 of the Code). If one or more of the indicators set out in C.7 are met, the Supervisory Board member concerned may still be considered independent. Against this background, the shareholder representatives currently do not consider two of the shareholder representatives to be independent. One shareholder representative is a close family member of an Executive Board member; another shareholder representative maintains a material business relationship with the Company in a leading position of a third-party entity.

C.10: Since Mr Christoph Schweizer, as Chairman of the Supervisory Board and of the Audit Committee that addresses Executive Board remuneration, is not independent from the Executive Board and the Company for the reasons stated above, a deviation from C.10 sentence 1 of the Code is also declared.

C.13: C.13 of the Code recommends that in its election proposals to the General Meeting, the Supervisory Board shall disclose the personal and business relationships of every candidate with the enterprise, the governing bodies of the Company, and any shareholders with a material interest in the Company. The Company has not complied with and is not complying with this recommendation, because the Supervisory Board believes the requirements of the Code regarding the duty of disclosure are vague and unclear in their delimitation. In this context, such a report is not considered useful.

D.2, D.3, D.4, D.5: The Supervisory Board of Schweizer Electronic AG has established an Audit Committee by resolution of 26 November 2021, renaming the existing Personnel and Finance Committee as Audit Committee and entrusting to it the tasks incumbent on the Audit Committee under the law by amending the rules of procedure for the Supervisory Board. As a result, since 26 November 2021, the recommendation in D.3 sentence 1 of the Code has been complied with. Since the Chairman of the Audit Committee is the Chairman of the Supervisory Board, who is also a close

family member of an Executive Board member, the recommendation in D.4 sentence 1 at the end and sentence 2 of the Code has been deviated from at the same time since 26 November 2021.

Furthermore, there is still no nomination committee of the Supervisory Board recommended by D.5 of the Code. The Supervisory Board does not believe it is either reasonable or necessary to set up such a committee for a company the size of Schweizer Electronic AG with only six members sitting on the Supervisory Board. The tasks intended for the Nomination Committee as well as the other tasks of the Supervisory Board can easily be dealt with in plenary meetings, provided they are not entrusted to the existing Audit 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 maintains it is neither reasonable nor necessary to set up additional committees. With the earlier establishment of the Personnel and Finance Committee and since 26 November 2021 of the Audit Committee, the Supervisory Board has therefore complied with the recommendation in D.2, sentence 1 of the Code (formation of committees of members with relevant specialist expertise depending on the specific circumstances of the Company and the number of its members). However, as a highly precautionary measure, a deviation from this Code recommendation is declared.

F.2: In F.2, 1st half-sentence of the Code, it is recommended that the consolidated financial statements and the Group status report shall be made publicly accessible within 90 days from the end of the financial year. The Company has not complied with and is not complying 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 status report. However, the consolidated financial statements and Group status report have been and are disclosed within the statutory period.

G.4: The Code recommends in G.4 that to ascertain whether remuneration is in line with usual levels within the enterprise itself, the Supervisory Board shall take into account the relationship between Executive Board remuneration and the remuneration of senior managers and the workforce as a whole, and how remuneration has developed over time. The Supervisory Board has not fully complied with this recommendation. When concluding 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 specific reason. However, insofar as the Code specifies this review of vertical appropriateness of Executive Board remuneration, which is already required under the German Stock Corporation Act, and defines in more detail the relevant comparison groups as well as the time scale for the comparison, a deviation is declared in this respect. The Supervisory Board considers the requirements of the recommendation to still 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.

G.13: In G.13 sentence 2 of the Code, it is recommended that if post-contractual non-compete clauses apply, the severance payments shall be taken into account in the calculation of any compensation payments. The Company has not complied with and is not complying with this recommendation. The Executive Board employment contracts do not take these into account so far. However, the remuneration system adopted by the Supervisory Board on 12 April 2021 and approved by the Annual General Meeting on 25 June 2021 for the members of the Schweizer Electronic AG Executive Board provides for any severance payment to be offset against compensation payments for observing non-compete obligations, so that in the future, when new Executive Board employment contracts are concluded or when existing Executive Board employment contracts are extended, recommendation G.13 sentence 2 of the Code will be complied with.

G.18: According to Code Recommendation G.18, sentence 2, performance-related remuneration promised to members of the Supervisory Board is intended to be geared towards sustainable or long-term corporate development. The Company has not complied with and is not complying 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.

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 and 2021, shareholders could watch 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 2021 Annual Report and is available on the website at: <https://schweizer.ag/en/the-company/csr-en>.

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 Board consist of two members. The Executive Board currently consists of Mr Nicolas-Fabian Schweizer (appointed until 30 June 2027) and Mr Marc Bunz (appointed until 31 March 2023). Further information regarding the first appointment, areas of responsibility, mandates and resumes of the Executive Board members can be found on the company's website at: <https://schweizer.ag/en/the-company/institutions>.

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 without restriction 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 all 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. The provisions of Section 76 (4) AktG as amended FöPoG II (German Second Leadership Positions Act) (to be applied from 12 August 2021) will be applied in the new target determination on 1 July 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 its Audit Committee (until 26 November 2021: Personnel and Finance Committee), the Supervisory Board 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 specific qualification requirements and the aforementioned

criteria, a staffing profile is developed on the basis of which the Audit Committee (until 26 November 2021: Personnel and Finance Committee) prepares a narrower selection of available (internal and external) candidates. 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 essential features of the Executive Board remuneration system are reported in detail in the remuneration report and on the company's website.

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 also in financial year 2021.

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 2021. 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.

AUDIT COMMITTEE

From 26 November 2021, the Supervisory Board has an Audit Committee, which carries out both the previous tasks of the Personnel and Finance Committee and the tasks of an Audit Committee. The committee chair regularly informs the Supervisory Board of the consultations and resolutions of the committee. The Audit Committee or the previous Personnel and Finance Committee is made up of three shareholder representatives, the Chair of the Supervisory Board Mr Christoph Schweizer, Dr Stephan Zizala and Dr Stefan Krauss (from 25 June 2021) and Mr Michael Kowalski (until 25 June 2021). Further information on the members of the Supervisory Board and the current Audit Committee, formerly the Personnel and Finance Committee, can be found in the notes to the annual financial statements and at: <https://schweizer.ag/en/the-company/institutions>.

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 significantly fulfil 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 Section 5.4.2 of the German Corporate Governance Code, i.e. a minimum of one seat on the Supervisory Board for independent shareholder representatives and at least 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 Dr Stephan Zizala and Dr Stefan Krauss. 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	Appointed until ¹⁾	Membership in statutory domestic or foreign controlling bodies of commercial enterprises (as of: 31/12/2021)
Christoph Schweizer Chair Chair of the Audit Committee ²⁾	Former Managing Director of Schweizer Verwaltungs- und Beteiligungsgesellschaft	30/08/1941	From 1999 to 2017 since 06/2019	2022	-
Dr Stephan Zizala Vice Chair Member of the Audit Committee ²⁾	Vice President & General Manager, Business-Line High Power, Automotive Infineon Technologies AG, Neubiberg	24/11/1972	2016	2024	-
Dr Stefan Krauss Lawyer Member of the Audit Committee ²⁾	Commercial lawyer/specialist lawyer for labour law	24/11/1964	06/2021	2026	-
Chris Wu	President of WUS Printed Circuit (Kunshan) Co., Ltd.	20/09/1971	2017	2024	Director, Biggering (BVI) Holdings Co., Ltd. Director, Happy Union Investment Co., Ltd.
Petra Gaiselmann ³⁾	Vice Chair of the Works Council at Schweizer Electronic AG	22/06/1971	2019	2024	-
Jürgen Kammerer ³⁾	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⁾ Until 26 November 2021, Personnel and Finance Committee

³⁾ Employee representative

The essential features of the Supervisory Board's remuneration system are reported in detail in the remuneration report and on the company's website.

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 percentage 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. Further information on determining the target figure and diversity for the composition of the Executive Board can be found in the "Executive Board" section of this declaration.

For the period from 1 July 2017, for the percentage of women on the key management level below the Executive Board, the Supervisory Board has stipulated that at least one position on this management level 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 key 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.

In the current composition, the agreed targets for the percentage of women on the Supervisory Board and Executive Board were achieved. The target percentage of women for the key management level set by the Executive Board has not been met since an employee left in April 2021. The target achievement deadline for the key management level was set until 30 June 2022 and will be taken into account in personnel decisions.

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. 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: <https://schweizer.ag/en/investors-media>. Furthermore, the Investor Relations department is 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 carried out by the affected member or persons related to them reaches a total volume of EUR 20,000 (EUR 5,000 until 2020) within one calendar year. The transactions reported to Schweizer Electronic AG during the last financial year were duly disclosed and can be viewed on the company's website at: <https://schweizer.ag/en/investors-media/corporate-governance-en/managers-transaction-1>

Schramberg, 11 April 2022

Executive Board

Supervisory Board

Nicolas-Fabian Schweizer
Chair of the Executive Board

Christoph Schweizer
Chair of the Supervisory Board

The English version is for convenience only - should there be discrepancies between the German and English version of the report, the German version shall prevail.

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