



## Schweizer Electronic Aktiengesellschaft

### Schramberg

ISIN: DE0005156236

WKN: 515 623

## Invitation to the 33rd Annual General Meeting

We would hereby like to invite our shareholders to the Annual General Meeting to be held on

**Friday, 24 June 2022, at 10 a.m.**

which will be held exclusively as a **virtual Annual General Meeting** without the possibility of the shareholders or their proxies attending in person (with the exception of the voting rights representative appointed by the Company).

### **I. VIRTUAL ANNUAL GENERAL MEETING WITHOUT THE PHYSICAL PRESENCE OF SHAREHOLDERS OR THEIR PROXIES**

Against the backdrop of the ongoing COVID-19 pandemic, the Executive Board has decided to hold the Annual General Meeting as a virtual Annual General Meeting without the physical presence of the shareholders or their proxies (with the exception of the voting rights representative appointed by the Company) and to enable the shareholders to exercise their voting rights via electronic communication or by granting a power of attorney. The legal basis for this procedure is section 1(1) and (2) of the Act on measures under the Law of Companies, Cooperative Societies, Associations, Foundations and Home Ownership to combat the effects of the COVID-19 pandemic of 27 March 2020, as amended by the Act on further expediting the residual debt relief procedure and adapting pandemic-related provisions in the Law of Companies, Cooperative Societies, Associations and Foundations as well as in the Law on Lease and Usufructuary Lease of 22 December 2020, the validity of which has been extended by the Law on the establishment of a Special Fund entitled "Recovery Assistance 2021" and on the temporary suspension of the obligation to file insolvency applications due to torrential rains and floods in July 2021 as well as on amending further laws from 10 September 2021 to 31 August 2022 (the "**COVID-19 Act**"). The entire Annual General Meeting will be broadcast in video and audio form on the password-protected online portal for the Annual General Meeting ("**Online Portal**"). The Online Portal can be found via the following link:

<https://schweizer.ag/en/investors-media/annual-shareholders-meeting>

The effects of conducting this year's Annual General Meeting without the physical presence of shareholders or their proxies (with the exception of the voting rights representative appointed by the Company) will be explained in further detail in section V. of this invitation.

## **II. AGENDA AND PROPOSED RESOLUTIONS ON THE AGENDA**

- 1. Presentation of the adopted annual financial statements of Schweizer Electronic AG, the approved consolidated financial statements, the summarised status report for Schweizer Electronic AG and the Group, each as of 31 December 2021, including the explanatory report of the Executive Board regarding the information pursuant to sections 289a, 315a of the German Commercial Code (HGB) and the report of the Supervisory Board for the 2021 financial year**

The aforementioned documentation as well as the summarised separate non-financial report for the Company and the Group are available on the Internet from the date the invitation to the Annual General Meeting is published at

<https://schweizer.ag/en/investors-media/annual-shareholders-meeting>

Upon request, this documentation will be sent to each shareholder immediately and free of charge.

The Supervisory Board has approved the annual financial statements and the consolidated financial statements. The annual financial statements are thereby adopted. A resolution of the Annual General Meeting regarding this agenda item is therefore not required.

- 2. Resolution granting discharge to the members of the Executive Board**

The Supervisory Board and the Executive Board propose that the members of the Executive Board in office be discharged for the performance of their duties in the 2021 financial year.

- 3. Resolution granting discharge to the members of the Supervisory Board**

The Supervisory Board and the Executive Board propose that the members of the Supervisory Board in office be discharged for the performance of their duties in the 2021 financial year.

- 4. Election of the auditor and Group auditor for the 2022 financial year and the auditor for any review of interim financial information**

Based on the recommendation and preference of its Audit Committee, the Supervisory Board proposes that KPMG AG, Wirtschaftsprüfungsgesellschaft, Berlin, branch office Freiburg im Breisgau, be appointed as the auditor and Group auditor for the 2022 financial year and for any review of the condensed financial statements and interim status report contained in the half-year financial report as of 30 June 2022, as well as for any review of additional financial information during the year within the meaning of section 115(7) of the German Securities Trading Act (WpHG), provided that such a review is executed before the next Annual General Meeting.

The recommendation of the Audit Committee has been preceded by a selection procedure pursuant to Article 16 of the EU Auditors Regulation (Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC). Subsequently, the Audit Committee recommended KPMG AG, Wirtschaftsprüfungsgesellschaft, Freiburg im Breisgau, and PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart, to the Supervisory Board for the advertised audit mandate, stating the reasons, and communicated a justified preference for KPMG AG, Wirtschaftsprüfungsgesellschaft, Freiburg im Breisgau.

The Audit Committee has declared that its recommendation is free from undue influence by third parties and that no restrictive clause limiting the selection within the meaning of Art. 16(6) of the EU Auditors Regulation has been imposed on it.

## 5. Election of a member of the Supervisory Board

The term of office of Mr Christoph Schweizer shall end upon the conclusion of the Annual General Meeting to be held on 24 June 2022. Dr Harald Marquardt is to be elected to succeed Mr Christoph Schweizer as a member of the Supervisory Board.

Pursuant to sections 96(1) and 101(1) AktG in conjunction with sections 1(1) No. 1, 4(1) of the German One-Third Employee Representation Act and Article 7(1) and (3) of the Articles of Association, the Supervisory Board is composed of six members, namely four shareholder representatives and two employee representatives.

The Supervisory Board proposes that

**Dr Harald Marquardt, residing in Tuttlingen,**

Chairman of the Management Board of Marquardt Management SE, Rietheim-Weilheim,

be elected to the Company's Supervisory Board with effect from the end of the Annual General Meeting to be held on 24 June 2022 until the end of the Annual General Meeting that decides on the granting of discharge for financial year 2026.

Dr Marquardt holds no membership of any other statutory Supervisory Board and no membership of any comparable domestic or foreign control committee of any commercial enterprise.

A curriculum vitae of Dr Marquardt is contained in section III. of this invitation and is available for download from

<https://schweizer.ag/en/investors-media/annual-shareholders-meeting>

## 6. Resolution on approval of the remuneration report

A new section 162 of the German Stock Corporation Act (AktG) was introduced by the Act on the Implementation of the Second Shareholder Rights Directive (ARUG II) of 12 December 2019. Accordingly, the Executive Board and Supervisory Board of listed companies must prepare an annual report on the remuneration of current and former members of the Executive Board and Supervisory Board (hereinafter referred to as the "remuneration report"). The remuneration report must be audited by the Company's auditor, who is required to prepare a corresponding note, which must be attached to the remuneration report. The remuneration report must be submitted to the Annual General Meeting in accordance with section 120a(4) AktG for resolution on its approval.

In accordance with section 26j(2) sentence 1 of the Introductory Act to the German Stock Corporation Act (EGAktG), section 162 AktG, as amended, of 1 January 2020, is to be applied for the first time for the financial year beginning after 31 December 2020. As a result, the Executive Board and Supervisory Board of Schweizer Electronic AG were required to prepare a remuneration report in accordance with section 162 AktG for the first time for the 2021 financial year. The remuneration report has been audited by the auditor elected by the Annual

General Meeting. The auditor's note on the audit of the remuneration report is attached to the remuneration report.

The remuneration report (along with the auditor's note) is contained in section IV below and is, in addition to the other documents relating to the Annual General Meeting, also available on the Company's website at

<https://schweizer.ag/en/investors-media/annual-shareholders-meeting>

to the public free of charge.

The Executive Board and Supervisory Board propose that the remuneration report for the 2021 financial year, jointly prepared and reviewed in accordance with section 162 AktG, be approved.

### **III. INFORMATION ON AGENDA ITEM 5: CURRICULUM VITAE OF DR HARALD MARQUARDT**

#### **Dr Harald Marquardt**

Chairman of the Executive Board of Marquardt Management SE

#### Personal details

Date of birth: 8 May 1961

Place of birth: Trossingen

Nationality: German

#### Education and training

- Doctorate in business administration (Dr. rer. pol.) at the University of Stuttgart
- Studies in Business Administration at Ludwig Maximilians University in Munich
- Training as a bank clerk

#### Professional career

Since 2015 Chairman of the Management Board of Marquardt GmbH, Rietheim-Weilheim and Chairman of the Management Board of Marquardt Management SE, Rietheim-Weilheim

2004–2015 CEO of the Management Board, Marquardt GmbH, Rietheim-Weilheim

1998–2003 Joint-Managing Director of Marquardt GmbH, Rietheim-Weilheim

1996–1998 Joint-Managing Director for Human Resources, Materials Management and Controlling of the foreign subsidiaries of Marquardt GmbH, Rietheim-Weilheim

1993–1996 Finance Director of Osram Ltd., UK, London

1989–1993 Controller of subsidiaries at Osram GmbH, Munich

### **IV. INFORMATION ON AGENDA ITEM 6: REMUNERATION REPORT IN ACCORDANCE WITH SECTION 162 AKTG FOR THE 2021 FINANCIAL YEAR**

The remuneration report for the 2021 financial year prepared by the Executive Board and the Supervisory Board contains the following information:

## Remuneration report 2021

In accordance with the Act Implementing the Second Shareholder Rights Directive (ARUG II), the Executive Board and Supervisory Board of Schweizer Electronic AG (SCHWEIZER) are required for the first time for the 2021 financial year to prepare a remuneration report in accordance with section 162 AktG and submit it to the Annual General Meeting for approval. The auditor has audited the remuneration report in accordance with section 162(3) sentences 1 and 2 AktG and prepared a note on the audit of the remuneration report. The audit note is enclosed with the remuneration report.

### I. Remuneration of the members of the Supervisory Board

At its meeting on 12 April 2021, the Supervisory Board of Schweizer Electronic AG approved a new remuneration system for the members of the Executive Board that meets the requirements of section 87a(1) AktG and takes into account the recommendations of the German Corporate Governance Code (GCGC). The Annual General Meeting approved the remuneration system on 25 June 2021 with a majority of 95.12% of votes cast.

There were no personnel changes in the Executive Board in the 2021 financial year. The Chairman of the Executive Board, Mr Nicolas-Fabian Schweizer, was appointed as a member of the Executive Board for a further five years by an early resolution of the Supervisory Board dated 7 July 2021 and was once again appointed chairman of the Executive Board. By means of a supplemental agreement concluded on 1 August 2021, the existing contract of service between the Company and Mr Schweizer was amended with effect from 1 January 2021.

Likewise, the existing contract of service between the Company and Mr Marc Bunz was amended with effect from 1 January 2021 by means of a supplemental agreement concluded on 1 August 2021. Mr Bunz has been appointed as a member of the Executive Board until 31 March 2023.

#### 1. Principles of the remuneration system

The remuneration system for the members of the Executive Board of Schweizer Electronic AG makes an important contribution to furthering the Company's business strategy. The structure of the remuneration system also motivates the members of the Executive Board to achieve significant strategic Group objectives – in particular, to increase the value of the Company and to strengthen its market position in the PCB industry.

When determining the remuneration of the Executive Board, the Supervisory Board is guided by the following principles:

##### **Promotion of the corporate strategy**

The remuneration of the members of the Executive Board is geared toward the long-term and sustainable development of the Company. The remuneration system as a whole makes a significant contribution to the promotion and implementation of the business strategy by defining sustainable performance criteria related to the long-term success of the Company.

The inclusion of important financial figures in the Executive Board remuneration is intended to incentivise the long-term and sustainable growth as well as the increasing profitability and viability of SCHWEIZER. In addition, performance that contributes to the strategic, technical and structural development of SCHWEIZER should also be taken into account. Variable

remuneration is predominantly based on a multi-year assessment. The long term incentive (LTI) is aimed at a continuous and sustainable increase in the Company's value, more specifically by taking into account the share price over a period of several years, and can thus make a significant contribution to a positive, long-term development of the Company.

In the context of long-term variable remuneration, non-financial target criteria that support sustainable corporate development are also agreed with the members of the Executive Board.

### **Appropriateness of remuneration**

The remuneration of the members of the Executive Board should be proportionate to their duties and performance and should take into account the complexity and economic situation of the Company. Compared to comparable companies, remuneration is in line with market conditions and at the same time competitive.

### **Linking performance and remuneration**

The remuneration of the members of the Executive Board is linked to their performance by making the variable remuneration components dependent on the achievement of certain target criteria. This means that outstanding performances are remunerated appropriately, while failure to meet the specified targets leads to a significant reduction in remuneration.

### **Harmonisation with shareholder and stakeholder interests**

The remuneration system makes a key contribution to linking the interests of the Executive Board with the interests of shareholders and other stakeholders. The major portion of the variable remuneration is linked to the performance of the Company.

### **Consistency of the remuneration system**

The remuneration system for the members of the Executive Board builds on the remuneration system for managers in the Group, sets comparable incentives and thus sets uniform targets.

## **2. Definition of the specific target total remuneration**

In accordance with the remuneration system, the Supervisory Board determines the amount of the target total remuneration for each member of the Executive Board for the coming financial year. To this end, it must be considered that the respective remuneration is proportionate to the duties and performance of the Executive Board member as well as the position of the Company, does not exceed the usual remuneration without significant cause and is geared toward long-term and sustainable development of Schweizer Electronic AG. For this purpose, both external and internal comparative observations are conducted:

### **a) Horizontal (external) comparison**

The Supervisory Board uses an external independent remuneration consultant to assess the appropriateness and customary level of the actual total remuneration of the Executive Board members compared to other companies, using a suitable comparison group (horizontal comparison). The criteria of this comparison group are: Industry, company size and internationality. The comparison group of other companies used by the Supervisory Board to assess the appropriateness of the Executive Board remuneration in financial year 2021 included, for example, Sick AG (Waldkirch), Harting Stiftung & Co. KG (Espelkamp) and Manz AG (Reutlingen). The remuneration and employment conditions of employees were not taken into account when determining the remuneration system.

### **b) Differentiation according to the respective requirement profile**

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The remuneration system allows the Supervisory Board to take the function and area of responsibility of the individual member of the Executive Board into account when calculating the total target remuneration. Function-specific differentiations are therefore permissible at the discretion of the Supervisory Board, taking into account criteria such as market practice, the experience of the respective member of the Executive Board and the Executive Board functions for which they are responsible.

**c) Maximum remuneration limits**

Variable remuneration is intended to ensure a balanced risk/opportunity profile. Therefore, if the set targets are not met, the amount of the variable remuneration paid out may fall to zero. If the targets are significantly exceeded, the amount paid out is limited to 200% of the target amount for both the short-term and long-term variable remuneration components.

In addition, in accordance with section 87a(1) sentence 2 No. 1 AktG, the Supervisory Board has set a maximum amount for the sum of all remuneration components, including ancillary benefits and pension costs (hereinafter referred to as “maximum remuneration”). The maximum remuneration for the chairperson of the Executive Board and their deputy amounts to EUR 1,400,000 and for other members of the Executive Board to EUR 1,000,000 each. These caps apply in each case to the sum of all payments resulting from the remuneration regulations for a financial year. This is the maximum possible calculated remuneration. The remuneration actually paid out is lower, as can be seen from the remuneration reports for the last financial years.

In the 2021 financial year, the maximum remuneration actually contractually agreed was EUR 1,100,000 for Mr Nicolas-Fabian Schweizer and EUR 1,000,000 for Mr Marc Bunz. The remuneration granted and owed to the two members of the Executive Board in the 2021 financial year (see the details in section a) below) was below the amounts specified, which is why the maximum remuneration was complied with in each case.

**d) Overview of components and structure of the target total remuneration**

The remuneration system basically provides for fixed, non-performance-related and variable performance-related remuneration components.

The fixed performance-related remuneration components comprise the annual salary, ancillary benefits and a pension commitment.

The variable remuneration components comprise a remuneration component with a Medium & Short Term Incentive (hereinafter referred to as MSTI) and a remuneration component with a long-term incentive effect and risk character (Long Term Incentive, hereinafter referred to as LTI). Prior to the beginning of each financial year, the Supervisory Board sets target criteria for the variable remuneration components with regard to the strategic objectives, the requirements of sections 87, 87a AktG and the GCGC in their respective versions, the degree of achievement of which determines the amount of the actual payment.

The annual salary contributes 35-45% to the target remuneration. While the variable short- and medium-term remuneration component contributes 10-15%, the long-term remuneration component contributes 15-20% to the target remuneration. Pension costs make up about 25-30% of the target remuneration and ancillary benefits make up about 2-5% of the target remuneration.

The following overview provides a brief description of the key remuneration components, which are explained in detail in the following sections, as well as explanations of how the remuneration furthers the long-term development of the Company and the corporate strategy:

Compensation component	Structure	Strategy reference
<b>Non-performance-related remuneration</b>		
Annual fixed salary	Fixed remuneration, paid in twelve equal monthly instalments at the end of each month.	Attracting and retaining qualified Executive Board members by providing competitive remuneration
Ancillary benefits	Company car, reimbursement of travel expenses, D&O insurance, accident insurance, employer's liability insurance association contribution, health and nursing care insurance contributions	
Pension commitment	Pension benefits in accordance with a pension commitment	
<b>Variable remuneration</b>		
Medium and short-term incentive	<ul style="list-style-type: none"> <li>• Remuneration granted annually with short and medium-term incentive effect</li> <li>• Cap: 60% of the annual fixed salary</li> <li>• Financial performance criteria: EBITDA (weighting: 60%), Free cash flow (weighting: 40%)</li> <li>• Cash payment after adoption of the annual financial statements</li> </ul>	Incentive to increase Schweizer's profitability and viability
Long-term incentive	<ul style="list-style-type: none"> <li>• Variable remuneration with long-term incentive effect and risk character, which is rolled over in annual tranches</li> </ul>	Incentives to promote Schweizer's long-term and sustainable growth

	<p>with a term of four years each (performance period)</p> <ul style="list-style-type: none"> <li>• Cap: 80% of the annual fixed salary</li> <li>• Depending on financial (ROCE) and non-financial (corporate factor) performance criteria as well as share price performance</li> <li>• Cash payment after the end of the respective performance period</li> </ul>	strategy and to create sustainable value in the interests of shareholders
<b>Other</b>		
Malus provision	Possibility of full or partial reduction of variable remuneration	Incentive to ensure sustainable business development and to avoid taking inappropriate risks
Maximum compensation	Maximum amount of all remuneration components	Limitation of the remuneration for the Executive Board to ensure the appropriateness of the Executive Board remuneration and to avoid disproportionately high costs for the Company

The Supervisory Board has fixed the following target total remuneration for the 2021 financial year:

Target remuneration 2021 in thousand EUR	Nicolas-Fabian Schweizer Chairman of the Executive Board since 9 April 2020		Marc Bunz Deputy Chairman of the Executive Board since 9 April 2020	
	2021	2020	2021	2020
Annual fixed salary	322	280	298	270
Ancillary benefits	16	28	24	22
Pension benefits <sup>1)</sup>	231	189	235	195
<b>Total fixed non-performance-related target remuneration</b>	<b>569</b>	<b>497</b>	<b>557</b>	<b>487</b>
MSTI	97	84	89	81
LTI	129	112	119	108
<b>Total variable target remuneration</b>	<b>225</b>	<b>196</b>	<b>209</b>	<b>189</b>
<b>Total target remuneration</b>	<b>794</b>	<b>693</b>	<b>766</b>	<b>676</b>

1) Contributions to external pension providers in accordance with pension commitments for the Company pension scheme.

### 3. Application of the remuneration system in financial year 2021

#### a) Annual fixed salary

The annual salary is a fixed remuneration related to the entire financial year, which is paid out in twelve equal monthly instalments at the end of each month. The annual salary is reviewed by the Supervisory Board at intervals of two years.

In financial year 2021, Mr Nicolas-Fabian Schweizer was granted an annual fixed salary of EUR 322,000 and Mr Marc Bunz EUR 298,000.

## b) Ancillary benefits

The following ancillary benefits were granted to the members of the Executive Board in financial year 2021:

- the provision of a company car, which may also be used privately,
- reimbursement of travel expenses,
- the conclusion of a D&O insurance policy with an excess in accordance with section 93(2) sentence 3 AktG. D&O insurance is group insurance for all directors and officers of the Group and is not included in the amount of benefits granted and owed.
- accident insurance,
- contributions to the employer's liability insurance association, and
- health and long-term care insurance contributions in application of section 257 of Book V of the German Social Code (SGB V) and section 61 of Book XI of the German Social Code (SGB XI).

## c) Pension benefits

Each member of the Executive Board receives pension benefits in accordance with a pension commitment.

The system of pension commitments for company pension benefits for members of the Executive Board who joined the Company up to 2017 refers to a percentage of the base salary at the start of the retirement pension upon reaching the age of 65, but not before leaving the service of Schweizer Electronic AG. The pension commitment for Mr Nicolas-Fabian Schweizer amounts to 67% of the basic salary and for Mr Marc Bunz 48%. The commitment for occupational disability and surviving dependants' benefits relate to the occurrence of the underlying event (occupational disability and death). These benefits have been outsourced to external retirement funds and are based on the company contributions contractually promised to the Executive Board members paid to the reinsured, defined benefit pension fund.

The following table lists the allocations to provident funds made by the Company for 2021 and the annual pension entitlement earned as at 31 December in the event of an expected retirement at the age of 65 for the members of the Executive Board.

### Pensions of the Executive Board members

in thousand EUR	Financial year	Allocated to provident funds	as at 31 December annual earned pension entitlement
<b>Executive Board members in office</b>			
<b>Nicolas-Fabian Schweizer</b>	2021	231	80
<b>Marc Bunz</b>	2021	235	86
<b>Total</b>	<b>2021</b>	<b>466</b>	<b>166</b>

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If a Board member leaves the Company before the age of 65, the entitlement is reduced to the entitlement earned up to the time of departure. The contributions to the provident funds are adapted accordingly upon departure from the Company.

For the benefit of the two former Executive Board members, Dr Maren Schweizer and Bernd Schweizer, the following reduced contributions will continue to be paid in 2021 to the provident funds.

in thousand EUR	Financial years	Allocated to provident funds	as at 31 December annual earned pension entitlement
<b>Former members of the Executive Board</b>			
Dr Maren Schweizer (until 2/2017)	2021	47	91
Bernd Schweizer (until 5/2015)	2021	16	38
<b>Total</b>	<b>2021</b>	<b>63</b>	<b>129</b>

#### d) Variable remuneration component (Medium & Short Term Incentive (MSTI))

##### aa) Essential features

In the employment contract, the Supervisory Board agrees on a target amount for Medium & Short Term Incentive (hereinafter "MSTI target amount") for each member of the Executive Board, which is granted if the target is 100% achieved.

In the event of 100% target achievement, the MSTI amounts to 30% of the annual salary. The maximum amount of MSTI to be paid is limited to 200% of the target amount, i.e. 60% of the annual salary.

##### bb) Financial performance criteria

The origin and amount of the MSTI depends on the achievement of certain individual and/or company- or department-related objectives. The Supervisory Board currently defines the following two key figures as financial performance criteria within the meaning of section 87a (1) sentence 2 no. 4 AktG:

- EBITDA - Earnings before interest, taxes, depreciation and amortisation
- Free cash flow - The difference between the cash flow from operating activities and the cash flow from investing activities.

In order to calculate the MSTI, the degree of achievement of the currently defined targets – the EBITDA target of 60% and the free cash flow target of 40% – is weighted.

**cc) Achievement of financial performance criteria**

For each financial performance criterion, the target value for achieving a target of 100% corresponds to the value resulting from the planning for the respective financial year. Each year, the Supervisory Board determines the values for achieving the targets of 0% to a maximum of 200% for each financial performance criterion.

The degree of achievement of the target is determined by the target curve defined for the respective key figure. The targets and the corresponding target curves are defined in advance by the Supervisory Board.

For financial year 2021, the Supervisory Board has set a target of TEUR -2,518 (= 100% target) and a performance corridor of between TEUR -5,610 and TEUR 791 for both Executive Board members for the financial performance criterion of EBITDA. The actual EBITDA value achieved amounts to TEUR -8,580. This results in a target achievement of 0%.

For the financial performance criterion of free cash flow, the Supervisory Board has set a target of TEUR -20,308 (=100% target) and a performance corridor of between TEUR -23,400 and TEUR -16,999 for both members of the Executive Board for the 2021 financial year. The actual free cash flow value achieved amounts to TEUR -13,641. This results in a target achievement of 200% (cap).

In accordance with the weighting of the two KPIs explained above, the target achievement rate for calculating the MSTI is 80%.

In 2021, the MSTI 2021 is reported as remuneration granted and paid to Executive Board members in financial year 2022 once the annual financial statements have been adopted.

With regard to the MSTI, the following target achievement and disbursement amounts result for the members of the Executive Board:

MSTI 2021	Target amount	EBITDA		Free cash flow		Overall target achievement	Disbursement amount
	in thousand EUR	Weighting	Target achievement	Weighting	Target achievement		in thousand EUR
<b>Nicolas-Fabian Schweizer</b> Chairman of the	97	60%	0%	40%	200%	80%	77

Executive Board							
<b>Marc Bunz</b> Deputy Chairman of the Executive Board	89	60%	0%	40%	200%	80%	72

## e) Variable remuneration component (Long Term Incentive (LTI))

### aa) Essential features

The Long Term Incentive (hereinafter "LTI") is intended to promote the Executive Board's long-term commitment to the Company and its sustainable growth. It is a compensation component with a long-term incentive effect and risk element, which is rolled over in annual tranches each with a 4-year term (performance period).

The amount of the LTI is determined by the performance of the share price (start share price and end share price in the respective performance period), the target achievement of a determined key figure (currently Return on Capital Employed (ROCE)) and a corporate factor determined by the Supervisory Board. In order to respond to the respective Company's situation, the Supervisory Board may change the key figure before the start of the respective tranche.

The corporate factor takes into account the sustainable development of the Company as a whole and thus contributes to promoting SCHWEIZER'S sustainable growth strategy. With regard to the corporate factor, the Supervisory Board determines to what extent the individual targets of particular Executive Board members or targets applicable for all Executive Board members jointly are decisive.

The target amount is converted into virtual shares and paid out in cash at the end of the respective performance period, i.e. each LTI tranche, after four years.

The LTI target amount is converted into a conditional number of virtual shares for the purpose of calculating the LTI tranche. The start share price is decisive for the conversion (calculation of the start number of virtual shares). The start share price is the price value on the basis of the average of the closing price of the Company's shares in the Xetra trading system of Deutsche Börse AG on the last 60 trading days before the start of the respective performance period.

In the event of 100% target achievement, the LTI amounts to 40% of the annual salary. The maximum amount of the LTI to be paid out is limited to 200% of the target amount, i.e. 80% of the annual salary.

### bb) Achievement of financial and non-financial performance criteria

The calculation of the LTI payout amount is shown below based on the currently defined key figure ROCE. The LTI payout amount is calculated for each LTI tranche using the following formula: Start number of virtual shares x ROCE target achievement factor x corporate factor = final number of virtual shares x end share price = LTI payout amount.

The target achievement of ROCE and the corporate factor is determined at the end of each of the four-year performance periods.

ROCE targets are agreed for each year within a performance period. The target achievement value at the end of the performance period corresponds to the average of the individual target achievement values of this performance period. If the average ROCE target achievement is 100%, a 100% payout is made. The annual ROCE targets for the performance period and the corresponding target achievement curve are defined in advance by the Supervisory Board for each performance period.

The Supervisory Board decides on the level of the corporate factor (degree of target achievement), which is generally determined on the basis of non-financial criteria for each tranche. The objectives and their weighting are defined at the beginning of each performance period for their duration. The corporate factor influences the LTI level in a range between plus and minus 20%, i.e. it amounts to a factor between 0.8 and 1.2.

The end share price is measured on the basis of the average closing price of the Company's shares in the Xetra trading system of Deutsche Börse AG on the last 60 trading days before the end of the respective performance period.

Payment is made as a gross amount after the respective end of the performance period. The LTI remuneration is reported as remuneration granted at the end of the respective performance period and is paid out in the following year after the annual financial statements have been adopted. At the end of the 2021 financial year, a performance period has not yet ended; hence, no LTI tranche has been stated to have been granted as yet.

In order to compensate for the conversion of the previous contractual regulations, a transitional arrangement (LTI-TA) was also agreed for 2019, 2020 and 2021. For these three years, the performance period of the LTI-TA is one year, for each of which an intermediate ROCE target has been defined and agreed in the first 4-year tranche.

In the 2021 financial year, the intermediate ROCE target defined for the transitional arrangement (LTI-TA) was not achieved. With regard to the 2021 LTI-TA, there are thus no disbursement amounts for Executive Board members that must be disclosed as remuneration granted.

#### **4. Other provisions relevant to remuneration**

##### **a) Malus provision**

If an Executive Board member in their role as a member of the Executive Board commits a demonstrably deliberate gross violation of one of their duties of due diligence within the meaning of section 93 AktG, of an essential principle of action of the internal guidelines issued by the Company, or of any of their other duties arising from their employment contract, the Supervisory Board may, at its discretion, reduce in part or in full, to zero the variable remuneration to be granted for the financial year in which the gross violation occurred

(hereinafter “malus provision”). The remuneration system does not provide opportunities for the Company to recover variable remuneration components (“clawback”).

Any claims for damages by Schweizer Electronic AG against the Executive Board member, in particular from section 93(2) AktG, remain unaffected by the agreement of a malus provision.

In the 2021 financial year, there were no circumstances justifying the application of the malus provision. The Supervisory Board has therefore not exercised the option to reduce the variable remuneration.

## **b) Term and termination options**

When appointing members of the Executive Board and during the term of the Executive Board contracts, the Supervisory Board complies with the statutory provisions of section 84 AktG and the recommendations of the GCGC. In the event of an initial appointment to the Executive Board, the term of the appointment and the term of the employment contract are generally three years. In the event of re-appointments or in the event of an extension of the term of office, the maximum duration of the employment contract is five years.

The employment contracts do not provide for an ordinary termination option; the mutual right to extraordinary termination of the employment contract for good cause remains unaffected. In the event of a member of the Executive Board becoming permanently incapable of work during the term of the employment contract, the employment contract shall cease at the end of the third month after determining the permanent incapacity for work.

Payments to a member of the Executive Board in the event of premature termination of his or her Executive Board duties without good cause, including ancillary benefits, do not exceed the value of two years' remuneration but do not remunerate more than the remaining term of the employment relationship (severance pay cap). If the employment contract is terminated for good cause for which the Executive Board member is responsible, no payments shall be made to the Executive Board member. The total remuneration of the past financial year and, if applicable, the estimated total remuneration for the current financial year form the basis for the calculation of the severance payment cap.

A post-contractual non-competition clause is agreed with each member of the Executive Board for a period of 24 months. Appropriate compensation (compensation for non-competition) amounting to 55% of their final average contractual compensation is granted for this period.

In the event of a change of control, the Executive Board member has the right to resign from their Executive Board position and terminate the employment contract with three months' notice. The Company is also entitled to this right of termination. If the office and the employment contract end due to a change of control, the member of the Executive Board is entitled to compensation and a severance payment. The Executive Board member is entitled to compensation in the amount of 100% of their average annual remuneration (gross), consisting of annual salary, MSTI and LTI, earned over the last three financial years prior to the departure for the remaining term of their employment contract. The compensation payments amount to a maximum of the value of two annual salaries. In addition, the Executive Board member shall receive a severance payment of one year's remuneration. Combined compensation and severance benefits are limited to a maximum of three times the annual remuneration of the Executive Board member.

There was no change to the Executive Board in financial year 2021, which is why no benefits were granted or owed in the event that a member of the Executive Board leaves the Company.

## 5. No third-party services

In the 2021 financial year, no Executive Board member was promised or granted remuneration by third parties with regard to their activity as Executive Board member.

## 6. Remuneration granted and owed in financial year 2021

### a) Current Executive Board members

The following table details the remuneration granted and owed to the Executive Board members in office in the 2021 financial year in accordance with section 162(1) sentence 1 AktG. Accordingly, the table contains all amounts actually received by the members of the Executive Board in the 2021 financial year (in fact) (remuneration paid) as well as all remuneration components due but not yet received (remuneration owed).

Remuneration granted and owed in thousand EUR	Nicolas-Fabian Schweizer Chairman of the Executive Board since 9 April 2020				Marc Bunz Deputy Chairman of the Executive Board since 9 April 2020			
	2021	In % of total remuneration	2020	In % of total remuneration	2021	In % of total remuneration	2020	In % of total remuneration
Annual fixed salary <sup>1)</sup>	322	78%	259	67%	298	76%	250	68%
Ancillary benefits	16	4%	28	7%	24	6%	22	6%
Other remuneration <sup>2)</sup>	-	0%	98	25%	-	0%	95	26%
<b>Total fixed non-performance-related remuneration</b>	<b>338</b>	<b>81%</b>	<b>385</b>	<b>100%</b>	<b>322</b>	<b>82%</b>	<b>367</b>	<b>100%</b>
MSTI	77	19%	0	0%	72	18%	0	0%
LTI-TA 2021	0	0%			0	0%		
LTI-TA 2020			0	0%			0	0%
<b>Total variable remuneration</b>	<b>77</b>	<b>19%</b>	<b>0</b>	<b>0%</b>	<b>72</b>	<b>18%</b>	<b>0</b>	<b>0%</b>
<b>Total remuneration</b>	<b>415</b>	<b>100%</b>	<b>385</b>	<b>100%</b>	<b>394</b>	<b>100%</b>	<b>367</b>	<b>100%</b>

<sup>1)</sup> In 2020: voluntary waiver of 30% of the contractually agreed remuneration from April to June.

<sup>2)</sup> In 2020: turnaround bonus not dependent on the development of financial key figures.

### b) Former members of the Executive Board

As part of a court settlement, a severance agreement was concluded with former member of the Executive Board Dr Maren Schweizer at the Rottweil Regional Court, from which Dr Schweizer was granted a total amount of EUR 81,632.65 in financial year 2021 as severance pay, payable in monthly instalments of EUR 16,326.53 gross. The amount set aside for the total obligation is TEUR 2,875.

In addition, pension payments of TEUR 281 were granted to former members of the Executive Board in the 2021 financial year. Against the background of a voluntary waiver by some former

members of the Executive Board, the total amount in the 2020 financial year was TEUR 262. In accordance with section 162(5) AktG, the personal details of former members of the Executive Board may not be disclosed if they left the Executive Board before 31 December 2011.

## II. Remuneration of the members of the Supervisory Board

The remuneration of the members of the Supervisory Board is set out in Article 13 of the Company's Articles of Association. The Annual General Meeting confirmed the remuneration of the members of the Supervisory Board provided for in Article 13 of the Company's Articles of Association and the remuneration system underlying the remuneration with the information pursuant to sections 113(3) sentence 3, 87a(1) sentence 2 AktG on 25 June 2021 with a majority of 95.07% of votes cast.

Supervisory Board members receive a fixed remuneration for their work, the amount of which depends on the duties assumed by the Supervisory Board and its committees. In addition, the members of the Supervisory Board receive performance-related remuneration based on the amount of the dividend.

The system for the remuneration of the members of the Supervisory Board, which forms the basis of the regulations of the Articles of Association, is based on the legal requirements and takes into account the recommendations of the German Corporate Governance Code:

- In addition to a fixed remuneration, the system for the remuneration of the members of the Supervisory Board provides for performance-related remuneration, which is based on the dividend distributed to the shareholders for the respective financial year. In addition, the members of the Supervisory Board receive reimbursement of expenses for training and further education measures up to an amount of EUR 2,500.00 per year. In addition, the members of the Supervisory Board receive reimbursement of their expenses and any value added tax to be paid on the remuneration. No attendance fee is granted.
- The Supervisory Board remuneration consists of the following components: Members of the Supervisory Board receive a fixed remuneration of EUR 15,000.00 for each financial year, the chairperson of the Supervisory Board receives twice this amount, i.e. EUR 30,000.00, and the deputy chairperson receives one and a half times this amount, i.e. EUR 22,500.00. In accordance with recommendation G.17 of the German Corporate Governance Code, the greater time required of the chairperson and deputy chairperson of the Supervisory Board is taken into account in the remuneration. The same applies to chairing and membership of committees. For membership of a committee of the Supervisory Board, members of the Supervisory Board receive an additional remuneration of EUR 15,000.00 per financial year and per committee membership. The chairperson of a committee receives twice this amount, i.e. EUR 30,000.00, as additional remuneration, while the deputy chairman receives one and a half times this amount, i.e. EUR 22,500.00.
- In addition, the members of the Supervisory Board receive variable remuneration. The only criterion for the granting and amount of variable remuneration is the amount of the dividend distributed to the shareholders for the respective financial year. The members of the Supervisory Board receive a performance-related remuneration of EUR 300.00 for each EUR 0.01 profit share decided by the Annual General Meeting, which is distributed to the shareholders in addition to a profit share of EUR 0.40 per share with full profit entitlement. If preferred shares are issued, the performance-related remuneration is based on the profit share per ordinary share. The variable remuneration is limited to a maximum amount of

EUR 18,000.00. The regulation on performance-related remuneration deviates from recommendation G.18 Clause 2 of the German Corporate Governance Code. The Executive Board and the Supervisory Board believe 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. Dividend payments are also a key performance indicator for the shareholders. The orientation of the performance-related remuneration of the members of the Supervisory Board to this performance indicator contributes to the long-term promotion of the Company's success.

- The upper limit for the remuneration of the members of the Supervisory Board is the sum of the fixed remuneration, the amount of which depends in detail on the tasks assumed by the Supervisory Board and its committees, the maximum amount of performance-related remuneration and the maximum amount for the reimbursement of expenses for training and further education measures. Conversely, there is no quantified maximum remuneration figure for the members of the Supervisory Board.
- The amount and structure of the Supervisory Board remuneration is in line with the market and enables the Company to continue to be able to recruit qualified candidates for the Supervisory Board in the future. This is a prerequisite for the best possible exercise of the advisory and monitoring activities by the Supervisory Board, which in turn make a significant contribution to the promotion of the business strategy and the long-term development of the Company.
- The fixed remuneration is due for payment at the end of the respective financial year. The performance-related remuneration is due at the time of a corresponding resolution of the Annual General Meeting on the appropriation of the balance sheet profit. There are no deferral periods for the payment of remuneration components.
- The remuneration of the members of the Supervisory Board is finally regulated in the Articles of Association; there are no ancillary or supplementary agreements. Remuneration is linked to the duration of the appointment as a member of the Supervisory Board. If members of the Supervisory Board resign from the Supervisory Board or one of its committees during the course of a financial year, they receive pro rata remuneration. There are no commitments to dismissal compensation, pension and early retirement schemes.

The following table shows the remuneration granted and owed to the members of the Supervisory Board in financial year 2021:

in thousand EUR	Fixed remuneration	in % <sup>1)</sup>	remuneration Committee	in %	Variable remuneration	in %	Total remuneration
<b>Christoph Schweizer</b>	<b>30</b>	<b>50%</b>	<b>30</b>	<b>50%</b>	<b>0</b>	<b>0</b>	<b>60</b>
(2020)	30	50%	30	50%	0	0	60
<b>Dr Stephan Zizala</b>	<b>23</b>	<b>50%</b>	<b>23</b>	<b>50%</b>	<b>0</b>	<b>0</b>	<b>45</b>
(2020)	23	50%	23	50%	0	0	45
<b>Michael Kowalski<sup>2)</sup></b>	<b>8</b>	<b>50%</b>	<b>8</b>	<b>50%</b>	<b>0</b>	<b>0</b>	<b>15</b>
(2020)	15	50%	15	50%	0	0	30
<b>Dr Stefan Krauss<sup>3)</sup></b>	<b>8</b>	<b>50%</b>	<b>8</b>	<b>50%</b>	<b>0</b>	<b>0</b>	<b>15</b>
<b>Chris Wu</b>	<b>15</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>15</b>

TRANSLATION FOR CONVENIENCE ONLY. This is a non-binding translation of the Invitation to the 33<sup>rd</sup> Annual General Meeting published in the German Federal Gazette on 13 May 2022

(2020)	15	100%	-	-	0	0	15
<b>Petra Gaiselmann</b>	<b>15</b>	<b>100%</b>	-	-	<b>0</b>	<b>0</b>	<b>15</b>
(2020)	15	100%	-	-	0	0	15
<b>Jürgen Kammerer</b>	<b>15</b>	<b>100%</b>	-	-	<b>0</b>	<b>0</b>	<b>15</b>
(2020)	15	100%	-	-	0	0	15
<b>Total for 2021</b>	<b>113</b>	<b>63%</b>	<b>68</b>	<b>37%</b>	<b>0</b>	<b>0</b>	<b>180</b>
(Total for 2020)	113	63%	68	37%	0	0	180

<sup>1)</sup> Share of total remuneration

<sup>2)</sup> Supervisory Board member until 25 June 2021

<sup>3)</sup> Supervisory Board member since 25 June 2021

### III. Comparative presentation of earnings performance and annual remuneration

In accordance with section 162(1) sentence 2 no. 2 AktG, the following table shows SCHWEIZER'S earnings performance, the annual change in remuneration of the members of the Executive Board and the Supervisory Board as well as the annual change in the average remuneration of employees on a full-time basis over the last five financial years.

In addition to the net income/loss for the year under commercial law of Schweizer Electronic AG, the earnings trend is shown using the EBITDA KPI for the Group. As a key performance indicator, the Group EBITDA is also part of the financial objectives of the MSTI and thus has a significant influence on the amount of remuneration paid to the members of the Executive Board.

For the members of the Executive Board and the Supervisory Board, their remuneration granted and owed in the respective financial year within the meaning of section 162(1) sentence 1 AktG is outlined.

For the presentation of the average remuneration of employees, SCHWEIZER'S workforce in Germany (including trainees) is used, which included an average of 517 employees (full-time) in the 2021 financial year. In comparison, the SCHWEIZER Group had around 1,100 employees and trainees worldwide as of 31 December 2021. The average remuneration of employees includes personnel expenses for wages and salaries, for fringe benefits, for employer contributions to social security and for any short-term variable remuneration components attributable to the financial year. Thus, consistent with the remuneration reported for the Executive Board and the Supervisory Board, employee remuneration also complies in principle with the remuneration components granted and owed as defined in section 162(1) sentence 1 AktG.

The following table shows the values in a manner that allows comparison:

Financial year	2017	2018	Change in %	2019	Change in %	2020	Change in %	2021	Change in %
<b>Earnings performance</b> (in million EUR)									
EBITDA <sup>1)</sup>	8.4	9.2	+10%	0.1	-99%	-9.5	n/a	-8.5	+11%

Net income/loss for the year in accordance with HGB <sup>2)</sup>	5.1	3.1	-39%	-2.8	-190%	-9.1	n/a	+2.8	n/a
<b>Average remuneration of employees:</b> (in thousand EUR)									
Employees in Germany	57	58	+2%	53 <sup>3)</sup>	-9% <sup>3)</sup>	60 <sup>4)</sup>	+12% <sup>4)</sup>	63 <sup>5)</sup>	+7% <sup>5)</sup>
<b>Executive Board remuneration<sup>6)</sup></b> (in thousand EUR)									
<b>Nicolas-Fabian Schweizer</b> Chairman of the Executive Board since 9 April 2020	617	443	-28%	563	+27%	385 <sup>7)</sup>	-32% <sup>7)</sup>	415	+8%
<b>Marc Bunz</b> Deputy Chairman of the Executive Board since 9 April 2020	637	421	-34%	535	+27%	367 <sup>7)</sup>	-31% <sup>7)</sup>	394	+7%
<b>Supervisory Board remuneration</b> (in thousand EUR)									
<b>Christoph Schweizer</b> Deputy Chairman of the Supervisory Board and of the Personnel and Finance Committee until 7 July 2017. Chairman of the Supervisory Board and of the Personnel and Finance Committee since 28 June 2019	23	-	-	30	-	60	+100%	60	0%
<b>Dr Stephan Zizala</b> Deputy Chairman of the Supervisory Board and of the Personnel and Finance Committee since 7 July 2017	30	45	+50%	45	0%	45	0%	45	0%
<b>Dr Stefan Krauss</b> Member of the Supervisory Board and of the Personnel and Finance Committee since 25 June 2021	-	-	-	-	-	-	-	15	-
<b>Michael Kowalski</b> Chairman of the Supervisory Board and of the Personnel and Finance Committee until 28 June 2019.	60	60	0%	45	-25%	30	-33%	15	-50%

TRANSLATION FOR CONVENIENCE ONLY. This is a non-binding translation of the Invitation to the 33<sup>rd</sup> Annual General Meeting published in the German Federal Gazette on 13 May 2022

Member of the Supervisory Board and of the Personnel and Finance Committee from 28 June 2019 until 25 June 2021									
<b>Chris Wu</b> Member of the Supervisory Board since 7 July 2017	8	15	+100%	15	0%	15	0%	15	0%
<b>Petra Gaiselmann</b> Member of the Supervisory Board since 28 June 2019	-	-	-	8	-	15	+100%	15	0%
<b>Jürgen Kammerer</b> Member of the Supervisory Board since 28 June 2019	-	-	-	8	-	15	+100%	15	0%

- 1) Group EBITDA is a key performance criterion for determining the MSTI.  
2) The indicator net income for the year of Schweizer Electronic AG (German Commercial Code, HGB) is not relevant for the variable remuneration of the members of the Executive Board.  
3) Excluding short-time allowance (period of partial short-time work: March to July 2019).  
4) Excluding short-time allowance (period of partial short-time work: April to December 2020) | Voluntary waiver of fixed remuneration and special payments from some of the employees taken into account.  
5) Excluding short-time allowance (period of partial short-time work: January to February 2021).  
6) Fixed and variable remuneration components.  
7) Voluntary waiver of 30% of the contractually agreed fixed remuneration from April - June 2020

Schramberg, 11 April 2022

Schweizer Electronic AG

For the Executive Board

Nicolas-Fabian Schweizer      Marc Bunz

For the Supervisory Board

Christoph Schweizer

**Note from the independent auditor on the audit of the remuneration report pursuant to section 162(3) of the German Stock Corporation Act (AktG) (IDW PS 870)**

To SCHWEIZER ELECTRONIC AG

**Audit opinion**

We have formally examined the remuneration report of SCHWEIZER ELECTRONIC AG, Schramberg, for the financial year from 1 January to 31 December 2021 to determine whether the information pursuant to section 162(1) and (2) of the German Stock Corporation Act (AktG) was provided in the remuneration report. In accordance with section 162(3) AktG, we have not audited the content of the remuneration report.

In our opinion, the information pursuant to section 162(1) and (2) AktG has been provided in all material respects in the attached remuneration report. Our audit opinion does not extend to the content of the remuneration report.

### **Basis for the audit opinion**

We conducted our audit of the remuneration report pursuant to section 162(3) AktG, taking into account the IDW auditing standard: The remuneration report was audited pursuant to section 162(3) AktG (IDW PS 870). Our responsibility under this regulation and this standard is further described in the “Responsibility of the auditor” section of our note. As an auditing firm, we applied the requirements of the IDW quality assurance standard: Requirements for quality control in audit firms (IDW QS 1). We have complied with the professional duties in accordance with the German Public Auditors’ Ordinance and the professional statutes for auditors/sworn accountants, including the requirements for independence.

### **Responsibility of the Executive Board and the Supervisory Board**

The Executive Board and the Supervisory Board are responsible for preparing the remuneration report, including the related information, which complies with the requirements of section 162 AktG. In addition, they are responsible for the internal controls that they have determined to be necessary to permit the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

### **Responsibility of the auditor**

Our objective is to obtain reasonable certainty whether the information pursuant to section 162(1) and (2) AktG has been provided in all material respects in the remuneration report and to issue an audit opinion in a note on this.

We planned and performed our audit in such a way that we were able to determine the formal completeness of the remuneration report by comparing the information provided in the remuneration report with the information required in accordance with section 162(1) and (2) AktG. In accordance with section 162(3) AktG, we have not audited the accuracy of the content of the information, the completeness of the content of the individual disclosures or the appropriate presentation of the remuneration report.

Freiburg im Breisgau, 14 April 2022

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft [Audit firm]

Nietzer	Busser
Auditor	Auditor

## V. ADDITIONAL DETAILS AND INFORMATION REGARDING THE ANNUAL GENERAL MEETING

### 1. Prerequisites for attendance of the virtual Annual General Meeting and exercising voting rights

In accordance with section 1(2) of the COVID-19 Act, the Annual General Meeting will be held exclusively as a virtual Annual General Meeting without the physical presence of shareholders or their proxies (with the exception of the voting rights representative appointed by the Company) in the presence, among others, of a notary responsible for the minutes at the Company's premises at Einsteinstrasse 10, 78713 Schramberg, Germany. **Shareholders or shareholder representatives will therefore not attend the Annual General Meeting in person** (with the exception of the voting rights representative appointed by the Company). Shareholders can exercise their voting rights by electronic means as well as by issuing proxies. The entire Annual General Meeting will be broadcast in video and audio on the online portal.

All shareholders who are entered in the Company's share register and have registered for the Annual General Meeting by no later than **midnight (24:00) on Friday, 17 June 2022**, will be entitled to participate in the Annual General Meeting and to exercise their voting rights.

In relation to the Company, rights and obligations arising from shares pursuant to section 67(2) sentence 1 AktG only exist for and against the person entered in the share register. Accordingly, the number of shares entered in the share register on the day of the Annual General Meeting will be decisive for exercising attendance and voting rights. For technical reasons, however, no amendments to the share register will be implemented in the period from **midnight (0:00) on 18 June 2022** until the end of the Annual General Meeting. The registration status of the share register on the day of the Annual General Meeting will therefore correspond to the status as at the end of the closing date for registration. The technical record date is therefore **17 June 2022, midnight (24:00)**.

Registration for the Annual General Meeting does not constitute a restriction on the sale, disposal or retention of the shares. Shareholders may therefore continue to freely retain or dispose of their shares even after having registered for the Annual General Meeting. Even in the event of the complete or partial sale of the shareholding after registration for the Annual General Meeting, only the information contained in the share register on the day of the Annual General Meeting will be decisive for the right to attend the Annual General Meeting and to exercise voting rights. Since, in relation to the Company, rights and obligations arising from shares only exist for and against those registered in the share register on the day of the Annual General Meeting, purchasers of shares whose transfer applications are received by the Company after the Technical Record Date cannot exercise rights from these shares unless they are authorised to do so by the seller. Purchasers of shares in the Company who have not yet been entered in the share register will therefore be requested to submit transfer applications as soon as possible.

Registration for the Annual General Meeting must be submitted to the Company in text form at the following address

SCHWEIZER ELECTRONIC AG  
c/o Computershare Operations Center  
80249 Munich, Germany

or email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

To enable shareholders to exercise their voting rights via the online portal at

<https://schweizer.ag/en/investors-media/annual-shareholders-meeting>

timely registration is required. Shareholders will receive the access data required to use the online portal together with the registration documents by post. The online portal can also be accessed at

<https://schweizer.ag/en/investors-media/annual-shareholders-meeting>

## **2. Exercising voting rights by proxy or by postal vote**

### **a) Exercise of voting rights by proxy**

Shareholders may also have their voting rights exercised by a duly appointed proxy. Even if voting rights are exercised by proxy, registration for the Annual General Meeting by the deadline is still required.

The Company also offers its shareholders the option to appoint a voting rights representative appointed by the Company, who shall be bound to the shareholder's instructions. Registration for the Annual General Meeting must still be made according to the proper procedures in this case. The voting rights representative appointed by the Company shall only exercise the voting right on the basis of the instructions provided by the shareholder. Without specific instructions from the shareholder, the voting rights representative appointed by the Company shall not be authorised to exercise voting rights. Nor shall the voting rights representative appointed by the Company accept requests to submit objections against Annual General Meeting resolutions or to ask questions or make proposals.

The issuing of proxies and instructions, their revocation and proof of the proxy provided to the Company must be in writing. A form for issuing a proxy (proxy form), and additional information shall be provided to shareholders who have registered by the deadline, after registration. Furthermore, a form which can be used when granting a proxy can also be accessed on the Internet at

<https://schweizer.ag/en/investors-media/annual-shareholders-meeting>

and will also be sent to each shareholder immediately and free of charge upon request. The request must be addressed to:

SCHWEIZER ELECTRONIC AG  
c/o Computershare Operations Center  
80249 Munich, Germany

or email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

If an intermediary (e.g. a bank), a shareholders' association, a proxy advisor or equivalent legal entity in accordance with section 135 AktG is to be appointed as proxy, in derogation to the aforementioned principle, no text form requirement applies, either in accordance with the law or in accordance with the Company's Articles of Association. However, we wish to point out that in these cases the legal entities to be appointed as proxy may possibly require a special form of power of attorney, as they are obliged to verifiably record the power of attorney in accordance with section 135 AktG. Shareholders who wish to appoint as proxy an

intermediary (e.g. a bank), a shareholders' association, a proxy advisor or an equivalent legal entity in accordance with section 135 AktG should therefore consult with them regarding a possible formal requirement for the power of attorney.

Proxies, verifications of power of attorney as well as the issue or amendment of instructions to the voting rights representative appointed by the Company must be received by the Company no later than by **midnight (24:00) on Thursday, 23 June 2022**, at the following address:

SCHWEIZER ELECTRONIC AG  
c/o Computershare Operations Center  
80249 Munich, Germany

or email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Shareholders can also grant proxies to third parties and to the voting rights representative appointed by the Company via the website indicated in section V.1. above, using the online portal. Proxies, verifications of powers of attorney as well as instructions to the voting rights representative appointed by the Company may be transmitted, amended or revoked via the online portal, even after midnight (24:00) on 23 June 2022, until voting begins at the virtual Annual General Meeting.

If the shareholder authorises more than one person, then the Company may, in accordance with section 134(3) sentence 2 AktG and in accordance with Article 15(5) sentence 2 of the Articles of Association, reject one or more of those persons.

An intermediary may only exercise the voting right for shares which they do not own, although entered in the share register as a holder of such, based on an authorisation from the shareholder.

b) Voting submission by postal vote

Shareholders may also exercise their voting right by postal vote. Timely registration is also required in the event of a postal vote. Authorised intermediaries (e.g. banks), shareholders' associations, proxy advisors or equivalent authorised legal entities in accordance with section 135 AktG may also vote by postal vote.

Postal votes must be sent to the Company by no later than **midnight (24:00) on Thursday, 23 June 2022**, to the following address:

SCHWEIZER ELECTRONIC AG  
c/o Computershare Operations Center  
80249 Munich, Germany

or email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Shareholders may also cast, amend or revoke postal votes via the website indicated in section V.1. above, using the online portal. Postal votes can be submitted, amended or revoked via the online portal, including after midnight (24:00) on 23 June 2022, until voting at the virtual Annual General Meeting begins.

c) Further information on exercising voting rights

Should voting rights be exercised in a timely manner in several ways (letter, email, electronically via the online portal or in accordance with section 67c(1) and (2) sentence 3 AktG in conjunction with Art. 2(1) and (3) and Article 9(4) of the Implementing Regulation (EU) 2018/1212) by postal vote or if a power of attorney and, if applicable, instructions are issued, these will be taken into account in the following order regardless of the time of receipt: 1. electronically via the online portal, 2. in accordance with section 67c(1) and (2) sentence 3 AktG in conjunction with Art. 2(1) and (3) and Article 9(4) of Implementing Regulation (EU) 2018/1212, 3. by email and 4. by letter.

If several postal votes or powers of attorney and instructions are received by the due date via the same transmission route, the last declaration received shall be binding.

In principle, a later vote shall not be deemed to be a revocation of an earlier vote.

The most recent, timely revocation of a declaration is binding.

If declarations with more than one form of exercising voting rights are received via the same route, the following shall apply: postal votes take precedence over a power of attorney granted or, if applicable, instructions issued to the voting rights representative appointed by the Company and the latter take precedence over a power of attorney granted and instructions issued to an intermediary, a shareholders' association, a proxy advisor in accordance with section 134a AktG and a person treated as such in accordance with section 135(8) AktG.

If an intermediary, a shareholders' association, a proxy advisor in accordance with section 134a AktG and a person treated as such in accordance with section 135(8) AktG are not prepared to represent the Company, the voting rights representative appointed by the Company shall have power of authorisation in accordance with the instructions.

### **3. Shareholders' rights in accordance with sections 122(2), 126(1), 127 AktG and the right to ask questions via electronic communication**

#### **a) Motions for additions to the Agenda in accordance with section 122(2) AktG**

Shareholders whose shares jointly amount to one-twentieth of the share capital (i.e. 189,000 shares) or the pro-rata amount of EUR 500,000.00 can request that items be placed on the agenda and published pursuant to section 122(2) AktG. Each new item must be accompanied by reasons or a draft resolution. The request must be addressed to the Executive Board in writing and received by the Company no later than **midnight (24:00) on Tuesday, 24 May 2022**. Please send such requests to the following address:

Schweizer Electronic AG  
Executive Board  
Einsteinstrasse 10  
78713 Schramberg, Germany

We shall publish any additional items received in accordance with section 124(1) AktG by the deadline as long as they satisfy the legal requirements.

#### **b) Motions and nominations from shareholders**

In accordance with section 126(1) AktG, shareholders are entitled to submit counter-motions to proposals made by the Executive Board and Supervisory Board regarding a specific agenda item. In accordance with section 127 AktG, shareholders are also entitled to submit nominations for the election of members of the Supervisory Board or for auditors.

The Company shall make counter-motions as defined by section 126(1) AktG, including the name of the shareholder and any comments by the administrator, available immediately upon receipt on the Company's website at

<https://schweizer.ag/en/investors-media/annual-shareholders-meeting>

if the counter-motion, together with reasons, is received by the Company no later than **midnight (24:00) on Thursday, 9 June 2022**, at the following address:

Schweizer Electronic AG  
Annual General Meeting  
Einsteinstrasse 10  
78713 Schramberg, Germany

or email: [ir@schweizer.ag](mailto:ir@schweizer.ag)

Counter-motions which are otherwise addressed will not be considered.

The Company is entitled to not publish a counter-motion and reasons under the prerequisites specified in section 126(2) AktG if, for instance, the Executive Board would by reason of such communication become criminally liable or if the counter-motion would result in a resolution of the Annual General Meeting which would be illegal or would violate the Articles of Association. The reasons for a counter-motion need not be made available if they exceed 5,000 characters in total.

The above provisions shall apply mutatis mutandis to nominations from shareholders in accordance with section 127 AktG. However, shareholders need not provide reasons for nominations and these need not be published, except in the cases specified in section 126(2) AktG, even if the nomination does not contain the details mentioned in section 127 sentence 3 in conjunction with sections 124(3) sentence 4, 125(1) sentence 5 AktG.

Counter-motions and nominations from shareholders, which are to be made available in accordance with section 126 AktG or section 127 AktG, shall be deemed to have been submitted to the Annual General Meeting if the shareholder making the application or submitting the nomination is duly legitimised and registered for the Annual General Meeting.

c) Right of shareholders to ask questions by using electronic communication channels

Shareholders will be given the right to ask questions by means of electronic communication in accordance with section 1(2) sentence 1 No. 3 and sentence 2 of the COVID-19 Act. The Executive Board has stipulated that there will be no right for shareholders to ask questions at the virtual Annual General Meeting itself. Questions from shareholders should rather be submitted by no later than **midnight (24:00) on Wednesday, 22 June 2022, only via email to: [ir@schweizer.ag](mailto:ir@schweizer.ag)**. Questions received later will not be taken into account. A right to submit questions only exists for shareholders who are duly registered. The Executive Board shall decide at its own discretion how it answers questions.

d) Objections to resolutions passed by the Annual General Meeting

Shareholders who have exercised their voting rights by postal vote or by proxy shall be granted the opportunity to object to a resolution of the Annual General Meeting in accordance with section 1(2) sentence 1 No. 4 of the COVID-19 Act. Declarations to this effect must be sent to the Company at the

email address: [ir@schweizer.ag](mailto:ir@schweizer.ag)

and can be submitted from the start of the virtual Annual General Meeting until its closure by the chairperson of the meeting. The declaration must also include a verification of shareholder status by indicating either the name, date of birth and address of the shareholder or the shareholder number.

#### **4. Information on the Company's website in accordance with section 124a AktG**

The information pursuant to section 124a AktG regarding the Annual General Meeting can be found on the Company's website at

<https://schweizer.ag/en/investors-media/annual-shareholders-meeting>

#### **5. Total number of shares and voting rights at the time the Annual General Meeting is convened**

At the time the Annual General Meeting is convened, the share capital of Schweizer Electronic AG in the amount of EUR 9,664,053.86 is divided into 3,780,000 no-par value registered shares, each of which grants one vote. The total number of voting rights therefore amounts to 3,780,000. At the time the Annual General Meeting is convened, the Company holds 9,287 treasury shares, which do not confer it any voting rights.

#### **6. Data protection information**

Your personal data will be processed for the purposes of maintaining the share register as prescribed by the German Stock Corporation Act, for communication with you as a shareholder as well as for implementing the virtual Annual General Meeting. Furthermore, your data will be utilised for related purposes and to fulfil other legal obligations (such as verification or retention obligations). Additional information regarding data protection can be found at <https://www.schweizer.ag/contacts/data-protection-statement/for-shareholders.html>. Schweizer Electronic AG will also send this information to you as a printed copy on request.

**Schramberg, May 2022**

**Schweizer Electronic AG with registered office in Schramberg, Germany**

***The Executive Board***