

Schramberg  
ISIN: DE0005156236  
WKN: 515 623

## Information on agenda item 7 Remuneration system for members of the Supervisory Board

---

### 1. Excerpt from the Articles of Association of Schweizer Electronic AG

#### *"Section 13 Supervisory Board remuneration*

- (1) In addition to the reimbursement of his/her expenses, each member of the Supervisory Board shall receive a fixed annual remuneration of EUR 15,000 to be paid after the end of the Financial Year.
- (2) Furthermore, each member shall receive a variable remuneration of EUR 300 for each dividend of EUR 0.01 per share determined by the General Meeting exceeding a dividend of EUR 0.40 per share with full dividend entitlement distributed to the shareholders. If preferential shares are issued, the variable remuneration shall depend on the dividend per common share. The variable remuneration shall be limited to a maximum amount of EUR 18,000.
- (3) The Chairman shall receive twice the amount, the Deputy Chairman one and a half times the amount of the remunerations specified in Paragraphs 1 and 2.
- (4) Members of Supervisory Board Committees shall receive additionally a fixed annual amount of EUR 15,000 to be paid after the end of the Financial Year. The Chairman of a Committee shall receive twice the amount and the Deputy Chairman one and a half times the amount of the remuneration specified in Clause 1.
- (5) If the remuneration and the reimbursement of expenses are subject to VAT, the applicable tax amount shall be reimbursed by the Company if the individual member of the Supervisory Board can invoice this amount separately.
- (6) Each member of the Supervisory Board may request that the Company reimburse the expenses incurred for basic and advanced training measures required for his/her tasks up to an amount of EUR 2,500 per year."

### 2. Remuneration system for the members of the Supervisory Board

The remuneration of the members of the Supervisory Board of Schweizer Electronic AG is set out in Section 13 of the Articles of Association, as reproduced above. According to this, the members of the Supervisory Board 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. Section 13 of the Articles of Association has been applicable since the 2017 financial year.

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 shall 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 shall 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 Chairman of the Supervisory Board receives twice this amount, i.e. EUR 30,000.00, and the Deputy Chairman 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 higher time expenditure of the Chairman and Deputy Chairman 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 Chairman 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 training 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 makes 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 conclusively 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 shall receive pro rata remuneration. There are no commitments to dismissal compensation, pension and early retirement schemes.
- The remuneration rules apply equally to both shareholder representatives and employee representatives on the Supervisory Board.
- The remuneration and employment conditions of the employees were and are of no significance to the remuneration system of the Supervisory Board. This already stems from the fact that the Supervisory Board remuneration is granted for an activity that is fundamentally different from the activity of employees of Schweizer Electronic AG and therefore such a so-called vertical comparison with compensation of employees is ruled out.
- The remuneration system of the Supervisory Board on which remuneration is based is approved by the Annual General Meeting on the proposal of the Executive Board and the Supervisory Board. Remuneration is governed by the company's Articles of Association. At regular intervals, at least every four years, the Executive Board and Supervisory Board review whether the amount and structure of the remuneration are still in line with the market and are proportionate to the tasks of the Supervisory Board and the company's position. To this end, the Supervisory Board conducts a horizontal market comparison. In doing so, the Supervisory Board may seek advice from an external independent expert. If there is reason to change the remuneration system for the Supervisory Board, the Executive Board and Supervisory Board will submit a proposal to the Annual General Meeting to amend the Articles of Association regulation on the remuneration of the Supervisory Board.
- Any conflicts of interest in the examination of the remuneration system are counteracted by the statutory powers of attorney, since the ultimate decision-making powers over the Supervisory Board remuneration are assigned to the Annual General Meeting and a proposed resolution is submitted to the latter by both the Executive Board and the Supervisory Board, i.e. a system of mutual control is already provided for in the legal regulations. In all other respects, the general rules for conflicts of interest apply, according to which such conflicts in particular are to be disclosed and handled appropriately.