



Schweizer Electronic Aktiengesellschaft

Schramberg

ISIN: DE0005156236

WKN: 515 623

Invitation to the 32nd Annual General Meeting

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

Friday, 25 June 2021, 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.

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 and to enable the shareholders to exercise their voting rights via electronic communication and granting of power of attorney. The legal basis for this is Section 1 (1) and (2) of the Act on measures in the company, cooperative, association, foundation and home ownership law to combat the effects of the COVID-19 pandemic of 27 March 2020, as amended by the Act of 22 December 2020 ("**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/investoren-und-medien/hauptversammlung>

The effects of conducting this year's Annual General Meeting without the physical presence of shareholders or their proxies will be explained in further detail in Section VII. of this invitation.

II. Agenda and proposed resolutions on the agenda

- 1. Presentation of the prepared annual financial statements of Schweizer Electronic AG, the approved consolidated financial statements, the Group status report for Schweizer Electronic AG and the Group as of 31 December 2020, including the explanatory report of the Executive Board regarding the information pursuant to Sections 289a (1), 315a**

(1) of the German Commercial Code and the report of the Supervisory Board for the 2020 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/investoren-und-medien/hauptversammlung>

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 2020 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 2020 financial year.

4. Election of the auditor and Group auditor for the 2021 financial year and the auditor for any review of interim financial information

The Supervisory Board proposes that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, be appointed as the auditor and Group auditor for the 2021 financial year and for any review of the condensed financial statements and interim management report contained in the half-year financial report as of 30 June 2021, as well as for any review of additional financial information during the year within the meaning of Section 115 (7) Securities Trading Act (WpHG), provided that such a review is executed before the next Annual General Meeting.

The Supervisory Board's proposal is free of any undue influence by third parties. No arrangements were made that would have limited the options for selecting a particular auditor or audit firm to perform the audit.

5. Election of a member of the Supervisory Board

The term of office of Mr Michael Kowalski shall end upon conclusion of the Annual General Meeting to be held on 25 June 2021. Dr. Stefan Krauss is to be elected as a member of the Supervisory Board as successor to Mr Kowalski. Dr Krauss resigned from his position as substitute member for Mr Christoph Schweizer at the end of the Annual General Meeting on June 25, 2021.

Pursuant to Sections 96 (1) and 101 (1) of the German Stock Corporation Act in conjunction with Sections 1 (1) No. 1, 4 (1) of the German One-Third Employee Representation Act and Section 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 Stefan Krauss, resident in Schwanau-Ottenheim,
Lawyer, partner of the law firm, KRAUSS-LAW in Lahr/Black Forest,

be elected to the company's Supervisory Board with effect from the end of the Annual General Meeting to be held on 25 June 2021 until the end of the Annual General Meeting that decides on the approval of the actions of the managing directors for financial year 2025.

Dr. Krauss has no membership of any other statutory supervisory board and no membership of any comparable domestic or foreign control committee of any commercial company.

A curriculum vitae of Dr Krauss is contained in Section III. of this invitation and can be found at

<https://schweizer.ag/investoren-und-medien/hauptversammlung>

6. Resolution on the approval of the remuneration system for the members of the Executive Board

In accordance with Section 120a (1) German Stock Corporation Act (AktG), as amended on 1 January 2020, the Annual General Meeting of a listed company decides on the approval of the remuneration system for the members of the Executive Board submitted by the Supervisory Board for each significant change to the remuneration system, but at least every four years. Pursuant to the transitional provision in Section 26j (1) Clause 1 of the Introductory Act to the German Stock Corporation Act (AktG), the first resolution on the remuneration of the members of the Supervisory Board must be passed at the Annual General Meeting, following 31 December 2020.

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) German Stock Corporation Act (AktG) and takes into account the recommendations of the German Corporate Governance Code. The new system for the remuneration of members of the Schweizer Electronic AG Executive Board approved by the Supervisory Board is reproduced in this invitation in Section IV.

The Supervisory Board proposes that the remuneration system for the members of the Executive Board as reproduced in this invitation be approved.

7. Resolution on the remuneration of the members of the Supervisory Board

Pursuant to Section 113 (3) German Stock Corporation Act (AktG), as amended on 1 January 2020, the Annual General Meeting of a listed company must decide on the remuneration of the members of the Supervisory Board at least every four years, whereby a resolution confirming the remuneration is permitted. Pursuant to the transitional provision in Section 26j (1) Clause 1 of the Introductory Act to the German Stock Corporation Act (AktG), the first resolution on the remuneration of the members of the Supervisory Board must be passed at the Annual General Meeting, following 31 December 2020.

The remuneration of the members of the Supervisory Board is set out in Section 13 of the company's Articles of Association. The wording of Section 13 of the Articles of Association and the remuneration system on which the remuneration is based with the information

pursuant to Section 113 (3) Clause 3, 87a (1) Clause 2 German Stock Corporation Act (AktG) is reproduced in section V.2. of this invitation.

The Executive Board and the Supervisory Board propose that the remuneration system reproduced in V.2 of this invitation and the remuneration of the members of the Supervisory Board regulated in Section 13 of the company's Articles of Association be confirmed.

8. Resolution on the authorisation to acquire treasury shares pursuant to Section 71 (1) No. 8 German Stock Corporation Act (AktG) and their use with the possibility of excluding shareholders' subscription right

The authorisation to acquire treasury shares decided by the Annual General Meeting of Schweizer Electronic AG on 1 July 2016 expires on 30 June 2021. Against this backdrop, the company is to be authorised again to acquire treasury shares.

The Executive Board and Supervisory Board propose the following resolution:

- a) As of 1 July 2021, the company is authorised to acquire treasury shares up to a total of 10% of the share capital existing at the time the resolution was adopted or – if this value is less – the share capital existing at the time the authorisation is exercised, until 24 June 2026. At no time may more than 10% of the relevant share capital of the company be attributable to the shares acquired on the basis of this authorisation together with other shares of the company which the company had already acquired or still owns or which are assigned to it in accordance with Sections 71 et seqq. Stock Corporation Act (AktG).

The authorisation may not be used by the company for the purposes of trading in treasury shares; in addition, the determination of the purpose of the acquisition is left to the discretion of the Executive Board. The authorisation may be used in whole or in part, once or several times, including by group companies or third parties acting on behalf of the company or its group companies. The restrictive provisions of Section 71 (2) German Stock Corporation Act (AktG) must be observed.

- b) The Executive Board may choose to acquire shares via the stock market, via a public purchase offer aimed at all shareholders of the company or via a public invitation to the shareholders to submit offers to sell.
- aa) When purchasing treasury shares via the stock exchange, the purchase price per share paid by the company (excluding incidental acquisition costs) may not exceed or fall below the arithmetic average of the prices of the share in the final auction in the XETRA trade of the Frankfurt Stock Exchange (or a comparable successor system) on the last five trading days prior to the obligation to purchase by more than 10%.
- bb) If the purchase is made via a public purchase offer addressed to all shareholders or via a public invitation to the shareholders to submit sales offers, the purchase price paid per share (without incidental acquisition costs) may not exceed or fall below the arithmetic mean value of the prices of the share in the final auction in the XETRA trade of the Frankfurt Stock Exchange (or a comparable successor system) on the last five trading days before the publication of the decision on the submission of the offer or the acceptance of offers of the shareholders by no more than 10%.

The details of the respective acquisition structure are determined by the Executive Board. If, following the publication of a public purchase offer, there are price deviations from the fixed purchase price or from a price range determined in connection with a call for offers,

which may be significant for the success of the offer, the purchase price or price range can be adjusted during the offer period or until acceptance. In this case, the relevant reference period is the five trading days before the date of publication of the adjustment; the 10% limit for exceeding or falling short of this amount must be applied. The volume of the offer can be limited. Insofar as the total subscription to the offer or the sales offers exceed the fixed volume, acceptance must take place in proportion to the shares tendered or offered; the right of the shareholders to offer their shares in proportion to their shareholding quotas is excluded in this respect. The preferential acceptance of small quantities of up to 100 shares tendered per shareholder may be provided. The offer to buy or the invitation to submit sales offers may contain further conditions.

- c) The Executive Board is authorised to use the treasury shares acquired on the basis of this or an earlier authorisation pursuant to Section 71 (1) No. 8 German Stock Corporation Act (AktG) for all legally permitted purposes, in particular to sell the acquired treasury shares via the stock exchange or through a public offer to all shareholders. With the consent of the Supervisory Board, the shares may also be used in other ways and thus excluding shareholders' subscription right in the following cases:
 - aa) Resale of shares in the calculated amount of up to 10% of the share capital existing at the time of the resolution or – if this value is lower – at the time of exercising the authorisation, if the sale price does not fall significantly below the stock exchange price. With regard to the question of exploiting the 10% limit, the exclusion of subscription right on the basis of other authorisations in direct or corresponding application of Section 186 (3) Clause 4 German Stock Corporation Act (AktG) must also be taken into account;
 - bb) offer and transfer of shares against benefits in kind, in particular in the context of company mergers or for the (including indirect) acquisition of companies, businesses, parts of companies, participating interests or other assets or claims to the acquisition of assets, including claims against the company or its group companies;
 - cc) offer and transfer of the shares to persons who are or were in an employment relationship with the company or an affiliated company, as well as to members of the executive bodies of affiliated companies, whereby the employment or organisational relationship must exist at the time of the offer, commitment or transfer;
 - dd) use of the shares to satisfy subscription right or conversion obligations arising from bonds issued or to be issued by the company or a company in which the company has a direct or indirect majority interest;
 - ee) use of the shares to carry out a so-called share dividend (scrip dividend) by sale against the full or partial transfer of the shareholder's dividend claim.

In addition, the Executive Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription right for fractional amounts in the event of the sale of shares via an offer to sell to all shareholders.

If, during the term of this authorisation to sell treasury shares, other authorisations to issue or sell company shares or to issue rights that enable or oblige the purchase of company shares are exercised and the subscription right is excluded, the total number of shares issued or sold to the exclusion of the subscription right may not exceed 20% of the share capital (20% limit).

- d) The Executive Board is also authorised, with the consent of the Supervisory Board, to retire all or part of the treasury shares acquired on the basis of this or an earlier authorisation pursuant to Section 71 (1) No. 8 German Stock Corporation Act (AktG), without the retiring or its implementation requiring a further resolution of the Annual General Meeting. The retiring can also take place without a reduction in capital by adjusting the pro rata amount of the other no-par-value shares in the share capital of the company. In this case, the Executive Board is authorised to adjust the number of no-par-value shares in the Articles of Association.
- e) The aforementioned authorisations may be used independently of each other, once or several times, individually or jointly, in whole or in part, including by group companies or third parties acting on behalf of the company or its group companies.

Report of the Executive Board on agenda item 8 in accordance with Section 71 (1) No. 8 (5) German Stock Corporation Act (AktG) in conjunction with Section 186 (4) Clause 2 German Stock Corporation Act (AktG)

On agenda item 8, the Executive Board has issued a written report pursuant to Section 71 (1) No. 8 (5) German Stock Corporation Act (AktG) in conjunction with Section 186 (4) Clause 2 German Stock Corporation Act (AktG), which is reproduced in Section VI.1. of this invitation, which is accessible from the date of the convening of the Annual General Meeting at the Internet address

<https://schweizer.ag/investoren-und-medien/hauptversammlung>

9. Resolution on the creation of a new authorised capital with the possibility of excluding shareholders' subscription right and a corresponding amendment to the Articles of Association

The authorised capital created by resolution of the Annual General Meeting of 1 July 2016 will expire on 30 June 2021. In order to expand the company's scope of action, a new authorised capital is to be created to the extent of the previously approved capital.

The Executive Board and the Supervisory Board propose the following resolution:

- a) As of 1 July 2021, the Executive Board is authorised until 24 June 2026, with the consent of the Supervisory Board, to increase the share capital of the company by up to a total of EUR 4,832,026.93 (in words: Four million eight hundred and thirty-two thousand and twenty-six point nine three euros) by issuing new, registered ordinary or preferred shares (no-par-value shares), once or several times, for contributions in cash and/or in kind (authorised capital). The authorisation encompasses the power to issue further preferred shares (with or without voting rights) in the case of the multiple issue of preferred shares, which have priority over or are equal to the preferred shares issued earlier, when distributing the profits or assets of the company.

The new shares are generally to be offered to shareholders for purchase; they can also be taken over by credit institutions or companies within the meaning of Section 186 (5) Clause 1 German Stock Corporation Act (AktG) with the obligation to offer them to shareholders for purchase (indirect subscription right).

However, the Executive Board is authorised, with the approval of the Supervisory Board,

- aa) to exclude the subscription right of the shareholders in the event of capital increases against cash contributions up to a pro rata amount of the share capital of a total of EUR 966,405.38 (in words: nine hundred and sixty-six thousand four hundred and five point three eight euros) (10% limit), in order to issue the new shares at an issue amount that does not fall significantly below the stock exchange price (Sections 203(1) and (2), 186(3) Clause 4 German Stock Corporation Act (AktG)); for the question of exploiting the 10% limit, the exclusion of the subscription right on the basis of other authorisations pursuant to Section 186(3) Clause 4 German Stock Corporation Act (AktG) must also be taken into account;
- bb) to exclude shareholders' subscription right in the event of capital increases against contributions in kind if the new shares are to be used as consideration in the context of company mergers or for the purpose of (including indirect) acquisition of companies, parts of companies, participations in companies or other assets or claims to the acquisition of assets, including claims against the company or its group companies;
- cc) to exclude the subscription right of the shareholders to the extent necessary to grant the holders or creditors of conversion/option rights issued or still to be issued by the company or a company in which the company holds a majority interest, directly or indirectly, or corresponding conversion/option obligations to compensate for dilutions to the extent that they are granted subscription right after exercising the conversion/option rights or after fulfilling corresponding conversion/option obligations;
- dd) to exclude shareholders' subscription right in order to issue employee shares to employees of the company or affiliated companies;
- ee) to exclude shareholders' subscription right to carry out a so-called "scrip dividend" in which shareholders are offered to contribute all or part of their dividend entitlement to the company as a contribution in kind against the granting of new shares.

If the Executive Board does not exercise the aforementioned rights to exclude subscription right, the subscription right of the shareholders can only be excluded for fractional amounts.

The Executive Board may only avail of the aforementioned authorisation to exclude the subscription right to such an extent overall that the pro rata amount of the shares issued subject to the exclusion of the subscription right does not exceed 20% of the share capital (20 percent limit), neither on the date the resolution is passed on this authorisation nor at the time of its utilisation. Insofar as use is made, during the term of the authorised capital until its use, of other authorisations to issue or to sell company shares or to issue rights that allow the purchase of company shares or make it obligatory, while the subscription right is excluded, this must be credited against the aforementioned 20%-limit.

The Executive Board is authorised, with the consent of the Supervisory Board, to define further details of capital increases from the authorised capital. The Supervisory Board is authorised to amend the version of the Articles of Association accordingly when the authorised capital is utilised.

- b) Section 4(4) of the company's Articles of Association shall be reworded as follows:

"(4) As of 1 July 2021, the Executive Board is authorised until 24 June 2026, with the consent of the Supervisory Board, to increase the share capital of the company by up to a total of EUR 4,832,026.93 (in words: four million, eight hundred and thirty-two thousand and twenty-six point nine three euros) by issuing new, registered ordinary or preferred shares (no-par-value shares), once or several times, for contributions in cash and/or in kind (authorised capital). The authorisation encompasses the power to issue further preferred shares (with or without voting rights) in the case of the multiple issue of preferred shares, which have priority over or are equal to the preferred shares issued earlier, when distributing the profits or assets of the company.

The new shares are generally to be offered to shareholders for purchase; they can also be taken over by credit institutions or companies within the meaning of Section 186 (5) Clause 1 German Stock Corporation Act (Aktg) with the obligation to offer them to shareholders for purchase (indirect subscription right).

However, the Executive Board, with the consent of the Supervisory Board, has the following authorisations:

- a) *to exclude the subscription right of the shareholders in the event of capital increases against cash contributions up to a pro rata amount of the share capital of a total of EUR 966,405.38 (in words: nine hundred and sixty-six thousand four hundred and five point three eight euros) (10% limit) in order to issue the new shares at an issue amount that does not fall significantly below the stock exchange price (Sections 203(1) and (2), 186(3) Clause 4 German Stock Corporation Act (Aktg)); for the question of exploiting the 10% limit, the exclusion of the subscription right on the basis of other authorisations pursuant to Section 186(3) Clause 4 German Stock Corporation Act (AktG) must also be taken into account;*
- b) *to exclude shareholders' subscription right in the event of capital increases against contributions in kind if the new shares are to be used as consideration in the context of company mergers or for the purpose of (including indirect) acquisition of companies, parts of companies, participations in companies or other assets or claims to the acquisition of assets, including claims against the company or its group companies;*
- c) *to exclude the subscription right of the shareholders to the extent necessary to grant the holders or creditors of conversion/option rights issued or still to be issued by the company or a company in which the company holds a majority interest, directly or indirectly, or corresponding conversion/option obligations to compensate for dilutions to the extent that they are granted subscription right after exercising the conversion/option rights or fulfilling corresponding conversion/option obligations;*
- d) *to exclude the subscription right of shareholders to issue employee shares to employees of the company or affiliated companies;*
- e) *to exclude shareholders' subscription right to carry out a so-called share dividend (scrip dividend) in which shareholders are offered to contribute all or part of their dividend entitlement to the company as a contribution in kind against the granting of new shares.*

If the Executive Board does not exercise the aforementioned rights to exclude subscription right, the subscription right of the shareholders can only be excluded for fractional amounts.

The Executive Board may only avail of the aforementioned authorisation to exclude the subscription right to such an extent overall that the pro rata amount of the shares issued subject to the exclusion of the subscription right does not exceed 20% of the share capital (20 percent limit), neither on the date the resolution is passed on this authorisation nor at the time of its utilisation. Insofar as use is made, during the term of the authorised capital until its use, of other authorisations to issue or to sell company shares or to issue rights that allow the purchase of company shares or make it obligatory, while the subscription right is excluded, this must be credited against the aforementioned 20%-limit.

The Executive Board is authorised, with the consent of the Supervisory Board, to define further details of capital increases from the authorised capital. The Supervisory Board is authorised to amend the version of the Articles of Association accordingly when the authorised capital is utilised."

Report of the Executive Board on agenda item 9 in accordance with Section 203(2) Clause 2 German Stock Corporation Act (AktG) in conjunction with Section 186(4) Clause 2 German Stock Corporation Act (AktG)

On agenda item 9, the Executive Board has issued a written report in accordance with Section 203 (2) Clause 2 of the German Stock Corporation Act (AktG) in conjunction with Section 186(4) Clause 2 of the German Stock Corporation Act (AktG), which is reproduced in Section VI.2. of this invitation, and is accessible from the date of the convening of the Annual General Meeting via the Internet address

<https://schweizer.ag/investoren-und-medien/hauptversammlung>

10. Resolution on the creation of an authorisation to issue convertible bonds, warrant bonds, participation rights, participation bonds or combinations of these instruments and to exclude subscription right, the cancellation of existing and the creation of new conditional capital and a corresponding amendment to the Articles of Association

The authorisation created by resolution of the Annual General Meeting of 1 July 2016 to issue convertible bonds, warrant bonds, participation rights, participation bonds or combinations of these instruments and to exclude the subscription right which the company has not exercised expires on 30 June 2021. In order to continue opening up attractive financing alternatives for the company, a new authorisation should be decided and conditional capital created.

The Executive Board and the Supervisory Board therefore propose a resolution:

a) Creation of an authorisation to issue convertible bonds, warrant bonds, participation rights, participation bonds or combinations of these instruments and to exclude subscription right

As of 1 July, 2021, the Executive Board is authorised, subject to the consent of the Supervisory Board, until 24 June 2026, to issue bearer or registered convertible bonds,

warrant bonds, participation rights, participation bonds or combinations of these instruments (together referred to as "bonds") with or without a restriction on maturity in a total nominal amount of up to EUR 35,000,000.00 and to grant the bearers and/or creditors of convertible or warrant bonds conversion or option rights to new, registered no-par-value shares of the company with a pro rata amount of the share capital of up to EUR 4,832,026.93 overall. The issue can also be made against contributions in kind.

The bonds may be issued in euros or, in their equivalent value, in another legal currency, such as that of an OECD country. They may also be issued by direct or indirect group companies, insofar as the borrowing serves the interests of the Group financing. In such a case, the Executive Board is authorised, with the consent of the Supervisory Board, to assume responsibility for the guarantee of the bonds and to issue further declarations and perform actions necessary for successful issue and – insofar as the bonds grant conversion or option rights to no-par-value shares – to grant the holders such conversion or option rights.

The bonds may be issued once or several times, in whole or in part, and may also be issued simultaneously in different tranches. All sub-bonds of a tranche issued in each case are to be assigned equal rights and obligations.

In the event of the issue of convertible bonds, holders are entitled to convert their sub-bonds into registered no-par-value shares of the company in accordance with the terms and conditions of the convertible bond. The share exchange ratio results from dividing the nominal amount or an issue price of a sub-bond below the nominal amount by the fixed conversion price for a no-par-value share. The exchange ratio may be rounded up or down to full figures and an additional cash payment may be specified. Furthermore, it may be stipulated that fractional shares be combined and/or balanced in cash. The pro rata amount of the share capital of the no-par-value shares to be issued upon conversion may not exceed the nominal amount of the convertible bonds.

In the case of the issue of warrant bonds, each sub-bond shall be accompanied by one or more warrants which entitle the holder to receive no-par-value shares in accordance with the terms and conditions of the option ("**option right**"). The option terms may provide that the option price may also be met by the transfer of sub-bonds and, where applicable, an additional cash payment. In this case, the pro rata amount of the share capital which is attributable to the shares to be purchased per sub-bond may not exceed the nominal amount of the sub-bond. The conversion ratio may be rounded to a full-number option ratio in accordance with the terms of the options or bonds, if applicable in return for additional payment. Furthermore, it may be stipulated that fractional shares be combined and/or balanced in cash.

The terms and conditions of bonds which grant or determine a conversion right, a conversion obligation and/or an option right may from time to time stipulate that, in the event of conversion or exercise of the option, company treasury shares may also be granted. Furthermore, it can be provided that the company does not grant no-par-value shares to the persons entitled to conversion or options and to the persons obliged to convert, but rather pays the equivalent value in cash or that a combination of fulfilment in no-par-value shares and a cash payment takes place.

The bond conditions may also provide for a conversion obligation at the end of the term (or at any other time) or the right of the company to grant bearers or creditors no-par-value shares of the company in lieu of payment of the amount of money due, in whole or in part, on the maturity date of the bond associated with option rights or conversion rights or obligations ("**right to tender**").

The conversion/option price to be determined in each case must not fall below 80% of the price of the company's share in XETRA trading on the Frankfurt Stock Exchange (or a comparable successor system). For this, the average closing price on the ten trading days before the date of resolution by the Executive Board on the issue of the respective bonds is relevant. In the case of subscription right trading, the days of subscription right trading are relevant, with the exception of the last two trading days of subscription right trading. In the case of bonds with a conversion/option obligation or an issuer's right to tender for the delivery of shares, the conversion/option price may, in accordance with the conversion/option conditions, be at least either the above minimum price or the average volume-weighted price of the share of the company on at least three trading days in XETRA trading on the Frankfurt Stock Exchange (or a comparable successor system) immediately prior to the calculation of the conversion/option price, even if this average price is below the above-mentioned minimum price (80%). Section 9 (1) German Stock Corporation Act (AktG) and Section 199 (2) German Stock Corporation Act (AktG) shall remain unaffected.

The conversion price or option price per no-par-value share shall be reduced following a more detailed definition of the conversion/option conditions if the company increases the share capital or sells treasury shares or issues further conversion or warrant bonds during the conversion or option period and the holders of existing option rights or conversion rights or obligations for this are not granted a subscription right to the extent that they would be entitled to after exercising the conversion or option right or after fulfilling the conversion obligation. The reduction of the conversion or option price can also be effected by a cash payment when exercising the conversion or option right or when fulfilling a conversion obligation. In addition, the terms and conditions of the bonds associated with option rights or conversion rights or obligations may provide for an adjustment of the option rights or conversion rights or obligations in the event of a capital reduction or other extraordinary measures or events associated with an economic dilution of the value of the option rights or conversion rights or obligations. The amount by which the conversion or option price per no-par-value share is reduced ("**reduction amount**") must equal the value of the subscription right per no-par-value share resulting from the capital increase carried out during the conversion or option period or, in the case of the issue of further conversion or warrant bonds during the conversion or option period, the value of the subscription right per conversion or option right. If the reduction amount cannot be calculated clearly, the Executive Board and Supervisory Board must obtain an expert opinion from an internationally recognised investment bank. The reduction amount determined by the investment bank is binding for the determination of the conversion or option price.

The shareholders generally have a subscription right. The bonds may also be taken over by one or more credit institutions or companies within the meaning of Section 186 (5) Clause 1 German Stock Corporation Act (AktG) with the obligation to offer them to shareholders for purchase. However, the Executive Board is authorised, with the consent of the Supervisory Board, to exclude the subscription right,

- provided that the bonds are issued in cash and the issue price does not fall significantly below the theoretical market value of the bonds determined according to recognised financial mathematical methods. However, this authorisation to exclude subscription right shall only apply mutatis mutandis of Section 186(3) clause 4 German Stock Corporation Act (AktG) to the extent that the no-par-value shares issued or to be issued in order to serve the conversion or option rights do not exceed a total of 10% of the share capital, either at the time of taking effect or, if this value is lower, at the time this authorisation is exercised. Shares issued

or sold during the term of this authorisation up to the time of their utilisation in direct or corresponding application of Section 186 (3) Clause 4 German Stock Corporation Act (AktG) shall be offset against this limitation. In addition, shares that are issued or to be granted on the basis of a bond issued during the term of this authorisation on the basis of the utilisation of another authorisation to the exclusion of the subscription right in accordance with this provision must be credited;

- if the bonds are issued against contributions in kind or services, in particular in the context of company mergers or for the (including indirect) acquisition of companies, businesses, parts of companies, participations or other assets or claims to the acquisition of assets, including claims against the company or its group companies;
- in order to be able to grant a subscription right to holders of conversion or option rights to no-par-value shares or creditors of convertible bonds with conversion obligations to the extent that they would be entitled to after exercising their conversion or option rights or after fulfilling the conversion obligations;
- insofar as this is necessary for fractional amounts resulting from the subscription ratio;
- insofar as participation rights or participation bonds are issued without a conversion right, option right or conversion or option obligation, if these participation rights or participation bonds are similar to obligations, i.e. do not create any membership rights in the company, do not grant any participation in the liquidation proceeds and the amount of interest is not calculated on the basis of the amount of the annual net profit, the balance sheet profit or the dividend. In this case, the interest rate and the issue amount of the participation rights or participation bonds must also correspond to the market conditions for comparable borrowings at the time of issue.

Any issue of bonds for which the subscription right is excluded may only take place subject to this authorisation, if the calculated share of the share capital attributable to the sum of new shares to be issued on the basis of such a bond does not exceed 20% of the share capital, neither on the effective date nor, if this value is less, at the time the available authorisation is exercised. Shares that are (i) issued or sold during the term of this authorisation on the basis of another authorisation to the exclusion of subscription right, or (ii) issued on the basis of convertible or warrant bonds during the term of this authorisation on the basis of the utilisation of another authorisation, to the exclusion of subscription right are credited against this limit.

The Executive Board is authorised, with the consent of the Supervisory Board, to determine further details of the issue and issue of the bonds, in particular interest rate, type of interest, issue price, term and denomination, conversion or option price and period, or to determine these in agreement with the bodies of the Group company issuing the bond.

(b) Removal of existing and creation of new conditional capital

The conditional capital decided by the Annual General Meeting on 1 July 2016 under agenda item 9 will be cancelled.

The share capital of the company shall be conditionally increased by up to EUR 4,832,026.93 through the issue of up to 1,890,000 new, registered no-par-value shares. The conditional capital increase shall be used to grant no-par-value shares to the holders or creditors of convertible or warrant bonds, participation rights or participation bonds or combinations of these instruments, which, in accordance with the above authorisation under subparagraph a), shall be issued by the company or by a Group company by 24 June 2026.

The no-par-value shares are issued in accordance with the conversion or option price under subparagraph a) to be determined in each case. The conditional capital increase is only to be carried out to the extent that conversion rights or option rights are exercised or holders or creditors of bonds obliged to convert fulfil their obligation to convert or insofar as the company exercises a right of option to grant no-par-value shares in whole or in part instead of paying the amount of money due and insofar as treasury shares or other forms of fulfilment are not used for servicing.

The no-par-value shares participate in profits from the start of the business year in which they come into being through the exercise of conversion or option rights, through the fulfilment of conversion obligations or through the exercise of the right to tender.

The Executive Board is authorised to determine the further details of the implementation of the conditional capital increase.

c) Amendment to the Articles of Association

Section 4(5) of the Articles of Association shall be reworded as follows:

"The share capital of the company is conditionally increased by up to EUR 4,832,026.93 through the issue of up to 1,890,000 new, registered no-par-value shares (conditional capital). The conditional capital increase is only carried out to the extent that the holders or creditors of conversion or option rights or those parties subject to a conversion obligation arising from bonds, which the company or a Group company issued on the basis of the authorisation resolution of the Annual General Meeting of 25 July 2021 through to 24 June 2026, utilise their conversion or option rights or those bearers/creditors of issued bonds subject to a conversion obligation fulfil their obligation to convert or if the company exercises an option to grant, in whole or in part, no-par-value shares in the company instead of the payment of the due monetary amount and insofar as no treasury shares or other forms of fulfilment are used to service these rights. The issue of the new shares shall take place at the conversion or option price to be determined in accordance with the aforementioned authorisation decision in the terms of the bond/option conditions. The new shares participate in profits from the start of the business year in which they come into being through the exercise of conversion or option rights, through the fulfilment of conversion obligations or through the exercise of the right to tender. The Executive Board is authorised, with the consent of the Supervisory Board, to define the further details of the implementation of the conditional capital increase."

d) Authorisation to amend the Articles of Association

The Supervisory Board is authorised to amend the versions of Section 4 (1) and (5) of the Articles of Association in accordance with the scope of the capital increase from the contingent capital. The same applies in the case of non-utilisation of the

authorisation to issue bonds after the end of the authorisation period and in the case of non-utilisation of the conditional capital after expiry of the periods for exercising conversion or option rights or for the fulfilment of conversion obligations.

e) Report of the Executive Board on agenda item 10 in accordance with Section 221(4) Clause 2 German Stock Corporation Act (AktG) in conjunction with Section 186(4) Clause 2 German Stock Corporation Act (AktG)

On agenda item 10, the Executive Board has issued a written report in accordance with Section 221(4) Clause 2 German Stock Corporation Act (AktG) in conjunction with Section 186(4) Clause 2 German Stock Corporation Act (AktG), which is reproduced in Section VII.3. of this invitation, which is accessible from the date of the convening of the Annual General Meeting at the Internet address

<https://schweizer.ag/investoren-und-medien/hauptversammlung>

III. Information on agenda item 5: CV of Dr Stefan Krauss

Dr Stefan Krauss

Lawyer, partner of the law firm, KRAUSS-LAW

Personal details

Date of birth: 24/11/1964
Place of birth: Oberndorf am Neckar
Nationality: German

Training

Study of law with additional training in economics
Doctorate of law
Training as specialist lawyer in labour law

Professional career

2009-present	Founder and partner of the law firm KRAUSS-LAW in Lahr/Black Forest
1999-2009	Managing Director at Südwestmetall, Verband der Metall- und Elektroindustrie Baden-Württemberg e.V. and at Unternehmensverband Südwest e.V., Freiburg
1995-1999	In-house lawyer at Südwestmetall, Verband der 18 Metall- und Elektroindustrie Baden-Württemberg e.V. and at Unternehmensverband Südwest e.V., Freiburg
1995-present	Doctorate/admission to the bar
1994-1995	Assistant at the Institute for Health Economics and Social Law at the University of Bayreuth, research assistant to the chair of Prof. Dr. h.c. Wolfgang Gitter

1992-1994 Legal clerkship at the Bamberg Higher Regional Court

1984-1986 Military service in the Federal Air Force

IV. Information on agenda item 6: Remuneration system for members of the Executive Board

1. Remuneration system for the members of the Executive Board of Schweizer Electronic AG

A. Principles of the remuneration system

The remuneration system for the members of the Executive Board of Schweizer Electronic AG (SCHWEIZER) makes an important contribution to promoting 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, it should also consider services that contribute to the strategic, technical and structural development of SCHWEIZER. 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 largest proportion 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.

B. Procedures for defining, implementing and reviewing the remuneration system

The Supervisory Board defines the system of Executive Board remuneration in accordance with the legal requirements in Sections 87 (1), 87a (1) and (2) of the German Stock Corporation Act (Aktiengesetz). The Supervisory Board is supported by its Personnel and Finance Committee. Taking into account the guidelines presented under section A. and the recommendations of the German Corporate Governance Code ("GCGC") in its currently applicable version, it develops recommendations on the system of Executive Board remuneration, which is discussed in detail by the Supervisory Board in the course of its resolution. Both the Personnel and Finance Committee and the Supervisory Board may, if necessary, involve external consultants whose mandates are based on their independence from the Executive Board and the company. The current regulations of the German Stock Corporation Act (AktG) and the German Corporate Governance Code (GCGC) as well as the rules of procedure of the Supervisory Board regarding the handling of conflicts of interest in the Supervisory Board are also observed in the procedure for defining, implementing and reviewing the remuneration system. In accordance with the rules of procedure of the Supervisory Board, each member of the Supervisory Board shall disclose conflicts of interest to the Supervisory Board. The Supervisory Board decides on the handling of an existing conflict of interest on a case-by-case basis. In particular, a member of the Supervisory Board who is affected by a conflict of interest may not attend a meeting or individual deliberations and resolutions of the Supervisory Board.

The remuneration system adopted by the Supervisory Board will be submitted to the Annual General Meeting for approval. If the Annual General Meeting does not approve the remuneration system that has been put to the vote in each case, a revised remuneration system will be submitted for resolution at the latest in the subsequent Annual General Meeting in accordance with Section 120a (3) of the German Stock Corporation Act (AktG).

The Personnel and Finance Committee prepares the regular review by the Supervisory Board of the system for remuneration of members of the Executive Board. If necessary, it recommends changes to the system to the Supervisory Board. In the event of any significant change to the remuneration system, but at least every four years, the remuneration system is submitted to the Annual General Meeting for approval in accordance with Section 120a (1) sentence 1 of the German Stock Corporation Act (AktG).

C. 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:

C.1 Horizontal (external) comparison

The Supervisory Board uses an external independent remuneration consultant to assess the appropriateness and practicality 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 remuneration and employment conditions of employees were not taken into account when determining the remuneration system.

C.2 Differentiation according to the respective requirement profile

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.3 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 of the German Stock Corporation Act (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 Executive Board Chair and their deputy amounts to EUR 1,400 thousand and for other members of the Executive Board to EUR 1,000 thousand. 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.

C.4 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 of the German Stock Corporation Act (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% and the long-term remuneration component 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.

D. Remuneration components in detail

D.1 Annual 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.

D.2 Ancillary benefits

Each member of the Executive Board is entitled to at least the following ancillary benefits:

- 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 of the German Stock Corporation Act (AktG)
- accident insurance
- contributions to the employer's liability insurance association
- health and long-term care insurance contributions in application of Section 257 SGB V and Section 61 SGB XI.

D.3 Pensions

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. These benefits are outsourced to external pension fund institutions.

The system of pension commitments for new Executive Board members was modified in 2018. Newly appointed and future Executive Board members receive a defined contribution plan within the meaning of the German Occupational Pensions Act. Contractually agreed contributions are paid to reinsured provident funds in the amount of a percentage of the base salary.

D.4 Variable remuneration component (Medium & Short Term Incentive (MSTI))

D.4.1 Main 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.

D.4.2 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 of the German Stock Corporation Act (AktG):

- EBITDA - Earnings before interest, taxes, depreciation and amortization
- 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.

There are currently no non-financial performance criteria for the award of the MSTI.

D.4.3 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.

A subsequent change of the target values and the comparison parameters is excluded - subject to the regulation in point E.3.

The MSTI is payable after the annual financial statements have been adopted.

D.5 Variable remuneration component (Long Term Incentive (LTI))

D.5.1 Main 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 individual targets of the individual members of the Executive Board or targets applicable for all members of the Executive Board are decisive.

The target amount is converted into virtual shares and paid out 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 LTI to be paid out is limited to 200% of the target amount, i.e. 80% of the annual salary.

D.5.2 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.

D.5.3 Early termination of employment

If the employment contract ends before the end of the respective performance period, the respective LTI tranches remain pro-rata at that time and will be remunerated pro-rata temporis. No claim to payment of an LTI, including payment of a pro-rata LTI, shall exist if (i) the Company terminates the employment contract prematurely with good cause or (ii) cancels the appointment of the Executive Board member due to gross breaches of duty for good cause or (iii) the Executive Board member resigns from office or terminates the employment contract without significant reason or without a change of control.

D.6 Remuneration report

In the remuneration report for the past financial year, the Supervisory Board reports on the performance criteria defined for this financial year and the respective achievement of targets.

E. Other regulations relevant to remuneration

E.1 Malus regulation

If an Executive Board member in their role as a member of the Executive Board demonstrably commits a gross violation of one of their duties of due diligence within the meaning of Section 93 of the German Stock Corporation Act (AktG), against an essential principle of action of the internal guidelines issued by the company, 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 regulation"). The remuneration system does not provide opportunities for the company to recover variable remuneration components (so-called clawback).

Any claims for damages by Schweizer Electronic AG against the Executive Board member, in particular from Section 93 (2) of the German Stock Corporation Act (AktG), remain unaffected by the agreement of a Malus regulation.

E.2 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 of the German Stock Corporation Act (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 his or her final average contractual compensation is granted for this period. Any severance payment must be offset against the compensation for non-competition.

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 ends 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.

E.3 Dealing with extraordinary events and developments

In exceptional cases and on the proposal of the Personnel and Finance Committee, the Supervisory Board may temporarily deviate from the components of the Executive Board remuneration system if this is appropriate and necessary to maintain the incentive effect of the remuneration of the Executive Board member in the interest of the long-term well-being of the company, if the remuneration of the Executive Board member continues to be geared towards sustainable and long-term development of the company and the financial performance of the company is not overburdened. Exceptional developments may include, for example, exceptional and far-reaching changes in the economic situation (for example, due to a severe economic crisis), which render obsolete the initial target criteria and/or financial incentives of the remuneration

system, insofar as these or their specific effects were not foreseeable. Generally unfavourable market developments are not explicitly considered to be extraordinary developments.

In the event of extraordinary developments on the part of the company (e.g. change in legal form or capital measures, acquisition and/or sale of companies, realisation of hidden reserves or change of control) that have a significant influence on the achievability of the target values of MSTI and/or LTI, the Supervisory Board is entitled to adjust the contractual conditions and parameters.

A deviation or addition to the remuneration components is only possible by a corresponding Supervisory Board resolution on the prior proposal of the Personnel and Finance Committee, which determines the exceptional circumstances and the need for a deviation or addition.

V. Information on agenda item 7: Remuneration of the 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.

VI. Reports by the Executive Board on agenda items 8 to 10

1. Report of the Executive Board on agenda item 8 in accordance with Section 71 (1) No. 8 (5) German Stock Corporation Act (AktG) in conjunction with Section 186 (4) Clause 2 German Stock Corporation Act (AktG)

Schweizer Electronic AG is to be authorised at this year's Annual General Meeting for five years to acquire treasury shares in the amount of up to 10% of the share capital in accordance with Section 71 (1) No. 8 German Stock Corporation Act (AktG). Treasury shares may be acquired via the stock market, via a public purchase offer aimed at all shareholders of the company or via a public invitation to the shareholders to submit offers to sell.

Insofar as the number of shares offered to tender or offered for purchase exceeds the total volume intended by the company for acquisition, acceptance must take place under exclusion of the right to tender of the shareholders instead of the proportion of the participation quotas according to the proportion of the shares tendered or offered per shareholder. The option to prioritise small quantities of up to 100 shares to be vested per shareholder serves to simplify the allocation procedure.

The authorisation also includes the use of the acquired treasury shares, which is described in more detail below, in particular insofar as it is associated with an exclusion of the subscription right of the shareholders.

- The Executive Board proposes under item 8 subparagraph c) aa) to exclude the subscription right of the shareholders in corresponding application of Section 186 (3) Clause 4 German Stock Corporation Act (AktG) for new shares in the calculated amount of up to 10% of the share capital, whereby the 10% limit in total, i.e. when combined with any other authorisations pursuant to Section 186 (3) Clause 4 German Stock Corporation Act (AktG), may not be exceeded. The option to exclude subscription right, which was introduced with the authorisation, serves the interest of the company by making it possible to sell its treasury shares to institutional investors, for example. In addition, this will also allow the acquisition of new shareholder groups at home and abroad. The possibility of exclusion of subscription right enables the administration to make use of the possibilities offered by the respective stock exchange constitution without time-consuming and cost-intensive processing of subscription right, in particular for faster and more cost-effective placement. In determining the final selling price, taking into account current market conditions, the Executive Board will endeavour to keep any reduction to the stock exchange price as low as possible. This protects the shareholders from an inadmissible dilution of their shareholdings. In principle, shareholders have the option of maintaining their shareholding by purchasing shares via the stock exchange under comparable conditions.
- The points listed under item 8 subparagraph c) bb) Requested authorisation to exclude subscription right enables the Executive Board to have access to the company's treasury shares for the short-term (including indirect) acquisition of companies, businesses, parts of the company, participations in companies or other assets or claims to the acquisition of assets, including receivables against the company or its group companies, without drawing on the stock exchange. Schweizer Electronic AG continues to be in fierce competition with other companies, both nationally and internationally, and must therefore be able to act quickly and flexibly at all times in the interests of its shareholders, which includes being able to acquire companies or holdings in them in order to improve the competitive situation. When acquiring companies or holdings in them, it is not uncommon for high consideration to be paid. These considerations can often no longer be provided in cash without jeopardising the liquidity of the company. The consideration is therefore often granted in shares of the acquiring company. The authorisation proposed here is intended to give the company the necessary flexibility to take advantage of the opportunities offered to acquire

companies or shareholdings in them quickly and flexibly, in particular by granting its own no-par-value shares.

- The points listed under item 8 subparagraph c) cc) Requested authorisation to exclude subscription right enables the Executive Board to also use its treasury shares for the purpose of offering them for acquisition and transferring them to persons who are or were in an employment relationship with the company or a company affiliated with it, as well as to members of the executive bodies of companies affiliated with the company. The involvement of employees and managers in the company and its development is desired by the legislator and is therefore facilitated in several ways. The issue of shares to employees of Schweizer Electronic AG or companies affiliated with the company as well as to members of executive bodies of companies affiliated with the company should strengthen the identification of the persons named with the company. They should be tied to the company and also participate as shareholders in its long-term development. In the interests of the company and its shareholders, this is intended to strengthen the understanding and willingness to assume greater, above all economic co-responsibility. The issue of shares also enables arrangements with a long-term incentive effect, which can take into account not only positive but also negative developments. It is intended to provide an incentive to ensure a lasting increase in value for the company. The objectives of identification with the company, the commitment to the company and the assumption of corporate co-responsibility presented are in the interest of the company. The transfer of existing or newly repurchased treasury shares instead of the utilisation of any capital also available may be an economically viable alternative, as it avoids the expense associated with a capital increase and the approval of new shares as well as the otherwise occurring dilution effect. The exclusion of subscription right required for this use is therefore generally in the interest of the company and its shareholders.
- The treasury shares may also be redeemed in accordance with agenda item 8 subparagraph c) dd) under exclusion of the subscription right of the shareholders for the service of subscription right or in fulfilment of conversion obligations from bonds issued or to be issued by the company or an associated company. This does not create an independent or extended authority to issue bonds. In this respect, the proposed resolution merely serves the purpose of allowing the company to fulfil obligations arising from bonds that were or will be established on the basis of other authorisations of the Annual General Meeting, with its treasury shares, thereby increasing the flexibility of the company. Insofar as the company makes use of this option, it is not necessary to issue new shares from a conditional or authorised capital intended for this purpose in order to service the bonds.
- Finally, the shares acquired are to be valued in accordance with agenda item 8 subparagraph c) ee) can be used by the company in the event of a so-called share dividend (scrip dividend) being carried out, under exclusion of the subscription right of the shareholders. In the case of share dividends, shareholders are offered the option of investing their dividend entitlement (in whole or in part) in kind in the company in order to purchase new shares in the company in return. The execution of a share dividend using treasury shares will generally take place as a real rights issue while respecting the shareholders' rights and the principle of equal treatment (Section 53a German Stock Corporation Act (AktG)). In individual cases, however, depending on the capital market situation, it may be preferable to arrange the execution of a share dividend using treasury shares in such a way that, while the Executive Board offers treasury shares to all shareholders who are entitled to dividends in compliance with the general principle of equal treatment (Section 53a German Stock Corporation Act (AktG)), it formally excludes the subscription right of the shareholders as a whole. The execution of the share dividend with formal exclusion of the subscription right makes it possible to execute the share dividend on more flexible terms, in particular without being bound by the minimum subscription

period and by the legally stipulated date for the notification of the issue amount. In view of the fact that all shareholders are offered their treasury shares and excess dividend portions are settled by payment of the cash dividend, the exclusion of subscription right stated under item 8 subparagraph c) ee) is justified and appropriate. When deciding on the type of share purchase or a combination of different types of share purchase to finance such measures, the Executive Board will be solely driven by the interests of the company and the shareholders.

- Finally, the Executive Board is authorised, with the consent of the Supervisory Board, to exclude shareholders' subscription right for fractional amounts in the event of the sale of shares via an offer to sell to all shareholders in order to facilitate the liquidation.

If, during the term of this authorisation to sell treasury shares, other authorisations to issue or sell company shares or to issue rights that enable or oblige the purchase of company shares are exercised and the subscription right is excluded, the total number of shares issued or sold to the exclusion of the subscription right may not exceed 20% of the share capital. In this way, the shareholders are additionally hedged against dilution of their existing holding.

In any case, the Executive Board will carefully examine whether the use of the authorisation to issue new shares and, if applicable, to exclude the subscription right is in the interests of the company and its shareholders.

2. Report of the Executive Board on agenda item 9 in accordance with Section 203(2) Clause 2 German Stock Corporation Act (AktG) in conjunction with Section 186(4) Clause 2 German Stock Corporation Act (AktG)

In order to expand the company's scope of action, the Executive Board is to be authorised, with the consent of the Supervisory Board, to increase the company's share capital by up to EUR 4,832,026.93 in total in return for cash or non-cash contributions from authorised capital by 24 June 2026.

The newly created shares are generally to be offered to shareholders to purchase. However, in the following cases, the Executive Board should be authorised to exclude the subscription right of shareholders:

- The Executive Board proposes under item 9 subparagraph a) aa) to exclude the subscription right of the shareholders in the case of cash capital increases in accordance with Section 186 (3) Clause 4 German Stock Corporation Act (AktG) for shares in the calculated amount of up to 10% of the share capital, whereby the 10% limit overall, i.e. also when combined with any other authorisations leading to a direct or indirect application of Section 186 (3) Clause 4 German Stock Corporation Act (AktG), may not be exceeded. The option to exclude subscription right, which was introduced with the authorisation, enables the administration to take advantage of favourable stock market situations in the short term and to achieve a higher inflow of funds by quickly placing young shares without time-consuming and cost-intensive settlement of subscription right. The requested exclusion of subscription right serves the interest of the company in issuing shares to institutional investors, for example. As a result, acquisition of new, additional shareholder groups at home and abroad is possible. When the authorisation is used, the Executive Board shall determine the issue amount per new no-par-value share in such a way that the reduction to the stock exchange price is not expected to be more than 3%, but in any case not more than 5%, of the then current stock exchange price of the no-par-value share of the company. This requirement protects the shareholders from an inadmissible dilution of their shareholdings.

- The information given under item 9 subparagraph a) bb) Requested authorisation to exclude subscription right enables the Executive Board to have shares in the company available at short notice within the framework of company mergers or for the purpose of (including indirect) acquisition of companies, parts of companies, participations in companies or other assets or claims to the acquisition of assets, including receivables against the company or its group companies. Schweizer Electronic AG is in fierce competition with other companies both nationally and internationally and must be able to act quickly and flexibly in the interests of its shareholders at all times. This also includes the option to acquire companies or holdings in them or other assets to improve the competitive situation. The acquisition of companies or holdings is usually done by means of consideration in cash. In certain cases, however, providers are also interested in consideration in the form of shares (share exchange). Buyers who can offer a share exchange thus have a competitive advantage when acquiring companies or holdings. It is also conceivable that the consideration for such an acquisition can only be provided in part in cash in order not to jeopardise the liquidity of the company. The consideration is therefore often granted in comparable transactions in shares of the acquiring company. The authorisation proposed here is intended to give Schweizer Electronic AG the necessary flexibility to take advantage of the opportunities offered to acquire companies or shareholdings in them quickly and flexibly.
- In addition, the subscription right under agenda item 9 subparagraph a) cc) can be excluded with the consent of the Supervisory Board in order to grant subscription right to the holders or creditors of conversion/option rights to shares in the company or corresponding conversion/option obligations to compensate for dilutions to the extent to which they are entitled after exercising these rights or fulfilling these obligations. This makes it possible to grant a standard form of dilution protection to the creditors of such instruments. They are thus placed as if they were already shareholders. The granting of a subscription right for the holders of conversion or option rights is an alternative to the adjustment of the conversion or option price, which would otherwise have to be made. In order to provide the bonds with such a dilution protection, the subscription right of the shareholders to these shares must be excluded.
- Under agenda item 9 subparagraph a) dd), the authorisation provides the option to exclude subscription right, insofar as the shares are employee shares are issued to employees of Schweizer Electronic AG or affiliated companies within the meaning of Sections 15 et seqq. of the German Stock Corporation Act (German Stock Corporation Act (AktG)) at preferential conditions. The issue of employee shares to employees is an important tool for employee retention and motivation. At the same time, the assumption of shared responsibility is encouraged.
- Finally, according to agenda item 9 subparagraph a) ee), the Executive Board shall be authorised to exclude the subscription right of the shareholders to carry out a so-called share dividend (scrip dividend). In the case of share dividends, shareholders are offered the option of investing their dividend entitlement (in whole or in part) in kind in the company in order to purchase new shares in the company in return. The execution of a share dividend will generally take place as a real rights issue while respecting the shareholders' rights and the principle of equal treatment (Section 53a German Stock Corporation Act (AktG)). In individual cases, however, depending on the capital market situation, it may be preferable to arrange the implementation of a share dividend in such a way that, while the Executive Board offers all shareholders entitled to dividends new shares from the authorised capital in compliance with the general principle of equal treatment (Section 53a German Stock Corporation Act (AktG)), in order to claim their dividend claim, it formally excludes the subscription right of the shareholders as a whole. The execution of the share dividend with formal exclusion of the subscription right makes

it possible to execute the share dividend on more flexible terms, in particular without being bound by the minimum subscription period and by the legally stipulated date for the notification of the issue amount. In view of the fact that all shareholders are offered the new shares and excess dividend portions are settled by payment of the cash dividend, the exclusion of subscription right provided for under agenda item 9 subparagraph a) ee) appears justified and appropriate. When deciding on the type of share purchase or a combination of different types of share purchase to finance such measures, the Executive Board will be solely driven by the interests of the company and the shareholders.

- The information given under agenda item 9 subparagraph a) third-last paragraph requested authorisation to exclude the subscription right for fractional amounts enables the capital increase in a smooth subscription ratio. This facilitates the processing of the shareholders' subscription right. The new shares excluded from the shareholders' subscription right as free fractions will either be sold on the stock exchange or otherwise utilised in the best way possible for the company. Since any exclusion of the subscription right here is limited to fractional amounts, any potential dilution effect is low.

The Executive Board may only avail of its granted authorisation to exclude the subscription right to such an extent overall that the pro rata amount of the shares issued subject to the exclusion of the subscription right does not exceed 20% of the share capital, neither on the date the resolution is passed on this authorisation nor at the time of its utilisation. This limits the total amount of shares issued without subscription right from the authorised capital. Insofar as use is made, during the term of the authorised capital until its use, of other authorisations to issue or to sell company shares or to issue rights that allow the purchase of company shares or make it obligatory, while the subscription right is excluded, this must be credited against the aforementioned 20% limit. In this way, the shareholders are additionally hedged against dilution of their existing holding.

In any case, the Executive Board will carefully examine whether the use of the authorisation to issue new shares and, if applicable, to exclude the subscription right is in the interests of the company and its shareholders. It will report to the Annual General Meeting on any use of the authorisation.

3. Report of the Executive Board on agenda item 10 in accordance with Section 221(4) Clause 2 German Stock Corporation Act (AktG) in conjunction with Section 186(4) Clause 2 German Stock Corporation Act (AktG)

By authorising the Executive Board to issue convertible bonds, warrant bonds, participation rights, profit-making bonds or combinations of these instruments, further attractive financing alternatives are to be opened up to the company.

In addition to the traditional forms of borrowing and equity capital, the issuing of bonds and the possibility of issuing bonds without a term limitation also offer the company the opportunity to use attractive financing alternatives on the capital market, depending on the market situation. In particular, the authorisation to issue profit-dependent or profit-oriented instruments such as participation rights and profit bonds expands Schweizer Electronic AG's existing possibilities to strengthen its financial resources by issuing so-called hybrid financing instruments and in doing so, to ensure the conditions for future business development. The so-called hybrid financing instruments are now making more use of innovative forms of financing, which also provide for an indefinite term. Against this backdrop, a rigid fixation on instruments with a limited duration does not seem appropriate. For this reason, the proposal is made to the Annual General Meeting to create an authorisation to issue convertible bonds, warrant bonds, participation rights, participation bonds or combinations of these instruments,

even without a term limitation and, where applicable, against contributions in kind. The proposed authorisation should enable adaptation to current legal and market practice as well as further flexibilisation. In total, bonds with a total nominal value of up to EUR 35,000,000.00 can be issued and conversion or option rights to new, registered no-par-value shares of the company with a pro-rata amount of the share capital of up to EUR 4,832,026.93 can be granted to holders or creditors of convertible or warrant bonds.

The issue of bonds in the above-mentioned sense enables the borrowing of debt capital, which, depending on the structure of the bond conditions, can be qualified both for rating purposes and for balance sheet purposes as equity or as equity-like, with attractive conditions. The potential classification as equity benefits the capital base of the company and thus enables it to take advantage of attractive financing opportunities and the inflow of capital with low current interest rates. The further envisaged possibility of establishing conversion obligations in addition to the granting of conversion or option rights, as well as the possible combination of convertible bonds, warrant bonds, participation rights and participation bonds expand the scope for structuring these financing instruments. The authorisation also gives the company the necessary flexibility to place the bonds itself or through direct or indirect group companies. In addition to euros, bonds may also be issued in other currencies, such as the legal currency of an OECD country, with or without a maturity limit.

In order to increase flexibility, the bond conditions may provide that the company shall not grant shares in the company to a person entitled to conversion or options, but shall pay the equivalent in cash, in whole or in part.

The conversion or option price to be determined in each case may not fall below 80% of the share price of the company in XETRA trading on the Frankfurt Stock Exchange (or a comparable successor system), even in the case of a variable exchange ratio or a variable conversion or option price. For this purpose, the average closing price on the ten trading days prior to the date of resolution by the Executive Board shall be decisive for the issue of the respective bonds, unless subscription right trading takes place, in which case the days of subscription right trading shall be relevant, with the exception of the last two trading days of subscription right trading. Insofar as bonds are subject to a conversion/option obligation or the company has a right to tender for the delivery of shares, the conversion/option price may be at least either the above-mentioned minimum price or the average volume-weighted price of the share of the company on at least three trading days in XETRA trading on the Frankfurt Stock Exchange (or a comparable successor system) immediately before the calculation of the conversion/option price (in accordance with the respective conditions). This also applies if this average price is below the above-mentioned minimum price (80%).

The conversion/option price must therefore not fall below a minimum issue amount, the calculation of which must be based on the stock exchange price of the Schweizer Electronic AG share in relation to the time of issue of the bonds or the stock exchange price in relation to the time of determining the conversion/option price.

The conversion/option price is reduced in certain cases in accordance with the conversion/option conditions if, for example, there are changes in the capital of the company or further bonds are issued during the term of the bonds. In other cases, the conversion/option conditions may result in an adjustment of the option rights or conversion rights or obligations.

In principle, shareholders are to be granted a subscription right. In order to facilitate processing, it should also be possible to exercise the option of issuing the bonds to credit institutions or companies within the meaning of Section 186 (5) Clause 1 German Stock Corporation Act (AktG) with the obligation to offer them to shareholders for purchase.

However, the Executive Board is authorised, with the consent of the Supervisory Board, to exclude shareholders' subscription right in certain cases.

- In accordance with Section 221(4) Clause 2 German Stock Corporation Act (AktG), the provision of Section 186(3) Clause 4 German Stock Corporation Act (AktG) shall apply mutatis mutandis to the exclusion of subscription right when issuing convertible/warrant bonds. Therefore, insofar as convertible or warrant bonds are issued against cash contributions, the Executive Board, with the consent of the Supervisory Board, is to be authorised to exclude the subscription right in the corresponding application of Section 186 (3) Clause 4 German Stock Corporation Act (AktG) to the extent that the issue of shares is limited to up to 10% of the company's share capital due to conversion or option rights or conversion obligations. The issue of new shares shall be credited against this restriction of 10% of the share capital with cash, insofar as it takes place after this authorisation comes into effect, taking advantage of an authorisation to issue new shares from authorised capital in accordance with Section 186 (3) Clause 4 German Stock Corporation Act (AktG) and excluding the subscription right. The sale of treasury shares must also be taken into account if the shares are sold after this authorisation comes into effect in accordance with Section 186 (3) Clause 4 German Stock Corporation Act (AktG) to the exclusion of the subscription right. These credits ensure that no convertible or warrant bonds are issued if, as a result, the subscription right of the shareholders in direct or indirect application of Section 186 (3) Clause 4 German Stock Corporation Act (AktG) would be excluded for more than 10% of the share capital. This further limitation is in the interests of the shareholders in maintaining their participation share. In the event of a subscription right exclusion when issuing convertible or warrant bonds, the corresponding validity of Section 186 (3) Clause 4 German Stock Corporation Act (AktG) does not require a determination of the issue price of the bonds significantly below the market value. This takes into account the need to protect shareholders from dilution of their shareholdings. Due to the determination of the issue price of the bonds provided for in the authorisation, the value of a subscription right would no longer be a significant figure. In order to ensure this requirement for the issue of bonds, the issue price must not fall significantly below the theoretical market value of the convertible or option bond determined according to recognised financial mathematical methods. In this case, the shareholders are protected against dilution of their shareholdings and they do not suffer any economic disadvantage due to the exclusion of subscription right. Shareholders wishing to maintain their share in the share capital of the company may do so by purchasing shares through the market.

The aforementioned option of excluding subscription right gives the company the flexibility to take advantage of favourable capital market situations in the short term and enables it to use a low interest rate level or a favourable demand situation flexibly and in the short term for an issue. Achieving the best possible issue result depends largely on the ability to react to market developments in the short term. Favourable conditions that are as close to the market as possible are generally only guaranteed if the company is not bound for an excessively long offer period by the conditions. In the case of issues with subscription right, the subscription price (and thus the conditions of this bond for warrant bonds and convertible bonds) must be published in accordance with Section 186 (2) German Stock Corporation Act (AktG), but no later than three days before the end of the subscription period. Even within this short period, there is still a market risk, which would lead to considerable safety margins in the definition of bond conditions and would have a negative effect on the issue result for the company. In addition, the lead time associated with the subscription right is omitted, which is beneficial both in terms of the costs of borrowing and in terms of the placement risk.

- Furthermore, the subscription right can also be excluded if the bonds are issued in return for a contribution or benefits in kind. Among other things, this should enable the Executive Board to use the bonds as an acquisition currency in order to be able, in appropriate individual cases, in the context of company mergers or for the (also indirect) acquisition of companies, businesses, parts of companies, Investments or other assets or claims on the acquisition of assets, including claims against the company or its group companies, to acquire such contributions in kind or benefits in kind against the transfer of such financing instruments. As a supplement to the authorised capital, this creates the scope to take advantage of opportunities to acquire companies or shareholdings in a way that protects liquidity. Such a procedure may also be appropriate from the point of view of an optimal financing structure, depending on the circumstances of the individual case. The authorisation provided enables the Executive Board to react quickly and flexibly to advantageous offers or other opportunities that arise and to exploit opportunities for company expansion by acquiring companies or company shares against the issue of bonds in the interest of the company and its shareholders. In each individual case, the Executive Board will carefully examine whether it should make use of the authorisation to issue the bonds, excluding subscription right, if opportunities for the acquisition of assets, in particular companies or company participations, become more concrete. It shall only exclude the subscription right of the shareholders if this is in the well-founded interest of the company.
- Furthermore, the Executive Board should be given the opportunity, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in order to grant subscription right to the holders or creditors of conversion or option rights or also of convertible bonds with conversion obligations, to the extent that they would be entitled to after exercising the conversion or option rights or after fulfilling the conversion obligations. This prevents the option or conversion price for the holders from being reduced for existing conversion rights or options or conversion obligations when utilising the authorisation, or the need to make a cash compensation payment to the holders of the aforementioned rights or obligations in order to protect them from dilution to the extent provided for in the option or conversion conditions there.
- The option to make fractional amounts exempt to subscription right makes sense and is in line with the market in order to be able to establish a practical subscription ratio. Exclusion of the subscription right in these cases facilitates the processing of the issue. The free fractions excluded from the shareholders' subscription right are utilised either by sale on the stock exchange or otherwise in the best way possible for the company.
- Insofar as participation rights or participation bonds are to be issued without conversion rights, option rights or conversion obligations, the Executive Board is finally authorised to exclude the subscription right of the shareholders as a whole with the approval of the Supervisory Board, If these rights of participation or participation bonds are furnished in a manner similar to those of obligations, i.e. do not create membership rights in the company, do not grant a participation in the liquidation proceeds and the amount of the interest is not calculated on the basis of the amount of the annual surplus, the balance sheet profit or the dividend. In addition, it is necessary that the interest and the issue amount of the participation rights or participation bonds correspond to the current market conditions for comparable borrowings at the time of issue. If the aforementioned conditions are met, the exclusion of the subscription right does not result in any disadvantages for the shareholders, as the participation rights or participation bonds do not create any membership rights and also do not grant any share in the liquidation proceeds or in the profit of the company. It can be provided that the interest rate depends on the existence of an annual net profit, a balance sheet profit or a dividend. On the other hand, it would be inadmissible to have a provision that a higher net profit, a higher

balance sheet profit or a higher dividend would lead to a higher interest rate. Therefore, the issue of the participation rights or participation bonds does not change or dilute the voting right or the participation of the shareholders in the company and its profits. In addition, as a result of the market-appropriate issue conditions, which are mandatory for this case of exclusion of subscription right, there is no significant value for subscription right.

According to the authorisation, the sum of the shares issued under the exclusion of the subscription right may not exceed 20% of the share capital, neither at the time of the effective date nor – if this value is lower – at the time of the exercise of this authorisation. Shares that are (i) issued or sold during the term of this authorisation on the basis of another authorisation to the exclusion of subscription right, or (ii) issued on the basis of convertible or warrant bonds during the term of this authorisation on the basis of the utilisation of another authorisation, to the exclusion of subscription right are credited against this limit. Since, according to the above authorisation, the possibility of excluding the subscription right is already very limited, this additional restriction, in addition to the legal restrictions, keeps the impairment of shareholders within narrow limits.

The provided conditional capital is used to fulfil the conversion or option rights or conversion obligations or service rights associated with the convertible or option bonds, unless treasury shares or other forms of fulfilment are used for this purpose.

VII. 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 proxy 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. **Shareholders or shareholder representatives will therefore not attend the Annual General Meeting in person** (with the exception of the voting proxy 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, 18 June 2021**, will be entitled to participate at 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) Clause 1 German Stock Corporation Act (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 **0.00 on 19 June 2021** 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 **18 June 2021, 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 rights and obligations in relation to the company consist of shares only for and against those registered in the share register on the day of the Annual General Meeting, purchasers of shares whose exchange requests are received by the company according to 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 fax: +49 89 30903-74675

or email: anmeldestelle@computershare.de

.

In order for shareholders to exercise their voting rights via the online portal at <https://schweizer.ag/investoren-und-medien/hauptversammlung>, 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/investoren-und-medien/hauptversammlung>

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 proxy designated 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 proxy 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 proxy appointed by the company shall not be authorised to exercise voting rights. Nor shall the voting proxy 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/investors-und-medien/hauptversammlung> 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 fax: +49 89 30903-74675

or email: anmeldestelle@computershare.de

If an intermediary (e.g. a bank), a shareholders' association, a voting proxy or a legal entity equivalent to this in accordance with Section 135 AktG is to be appointed as proxy, there is – in derogation to the aforementioned principle – no text form requirement, 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 German Stock Corporation Act (AktG). Shareholders who wish to appoint as proxy an intermediary (e.g. a credit institution), a shareholders' association, a voting right consultant or another legal entity treated as such under Section 135 German Stock Corporation Act (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 sent to the company no later than **midnight (24:00) on Thursday 24 June 2021** at the following address:

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

or fax: +49 89 30903-74675

or email: anmeldestelle@computershare.de

Shareholders can also grant proxies to third parties and to the voting proxy appointed by the company via the website specified under VII.1., using the online portal. Proxies, powers of attorney as well as issuing of instructions to the voting proxy appointed by the company may be transmitted, amended or revoked via the online portal, also after midnight (24:00) on 24 June 2021, 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) Clause² German Stock Corporation Act (AktG) and in accordance with Article 15 (5) Clause 2 of the Articles of Association, reject one or more of those persons.

An intermediary may only exercise the voting right for shares which he does not own, although entered in the share register as a holder of such, on the basis of 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. credit institutions), shareholders' associations, voting rights advisors or authorised legal entities treated as such in accordance with Section 135 of the German Stock Corporation Act (AktG) may also vote by postal vote.

Postal votes must be sent to the company by no later **than midnight (24:00) on Thursday 24 June 2021** at the following address:

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

or fax: +49 89 30903-74675

or email: anmeldestelle@computershare.de

Shareholders may also cast, amend or revoke postal votes via the website set out in VII.1 above using the online portal. Postal votes can be submitted, amended or revoked via the online portal, including after midnight (24:00) on 24 June 2021, until voting at the virtual Annual General Meeting begins.

3. Shareholders' rights in accordance with Sections 122 (2), 126 (1), 127 German Stock Corporation Act (AktG) and the right to ask questions via electronic communication

a) Motions for additions to the Agenda in accordance with Section 122 (2) German Stock Corporation Act (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) German Stock Corporation Act (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 25 May 2021**. Please send such requests to the following address:

Schweizer Electronic AG
Vorstand
Einsteinstrasse 10
78713 Schramberg, Germany

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

b) Motions and nominations from shareholders

In accordance with Section 126 (1) German Stock Corporation Act (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 German Stock Corporation Act (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) German Stock Corporation Act (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/investoren-und-medien/hauptversammlung>

if the counter-motion, together with the grounds, is received by the company no later than **midnight (24:00) on Thursday 10 June 2021** at the following address:

Schweizer Electronic AG
Hauptversammlung
Einsteinstrasse 10
78713 Schramberg, Germany

or fax: +49 7422 512 397

or email: ir@schweizer.ag

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

The company is entitled to not publish a counter-motion and grounds under the prerequisites specified in Section 126 (2) German Stock Corporation Act (AktG) if e.g. 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. 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 German Stock Corporation Act (AktG). However, shareholders need not provide grounds for nominations and these need not be published, except in the cases specified in Section 126 (2) German Stock Corporation Act (AktG), even if the nomination does not contain the details mentioned in Section 127 Clause 3 in conjunction with Sections 124 (3) Clause 4, 125 (1) Clause 5 German Stock Corporation Act (AktG).

Counter-motions and nominations from shareholders, which are to be made available in accordance with Section 126 German Stock Corporation Act (AktG) or Section 127 German Stock Corporation Act (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) Clause 1 No. 3 and Clause 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 June 23, 2021, only via email to: 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) Clause 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

and can be made from the start of the virtual Annual General Meeting until its closure by the Chairman 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 German Stock Corporation Act (AktG)

The information pursuant to Section 124a AktG on the Annual General Meeting can be found on the company's website at

<https://schweizer.ag/investoren-und-medien/hauptversammlung>

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://schweizer.ag/datenschutz/datenschutzerklaerung-fuer-aktionaere>. Schweizer Electronic AG will also send this information to you as a printed copy on request.

Schramberg, May 2021

Schweizer Electronic AG with registered office in Schramberg, Germany

The Executive Board