

**Rules of procedure of the Audit Committee of the
Supervisory Board of Schweizer Electronic AG
(Version 26.11.2021)**

**§ 1
Establishment**

- (1) The Audit Committee of the Supervisory Board shall consist based on the Rules of Procedure of the Supervisory Board. The regulations of the Rules of Procedure of the Supervisory Board shall be applicable unless these Rules of Procedure stipulate deviating regulations for individual cases.
- (2) The Supervisory Board shall ensure that the members of the Audit Committee are in possession of the knowledge, skills and professional experience required for the orderly fulfillment of the tasks of this Committee and that they have the necessary level of independence. At least one member of the Audit Committee must have expertise in the field of accounting and at least one further member of the Audit Committee must have expertise in the field of auditing.

**§ 2
Composition and Chairmanship**

The Audit Committee shall consist of the Chairman of the Supervisory Board as Chairman of the Committee, his deputy, and another member to be elected by the Supervisory Board.

**§ 3
Tasks of the Audit Committee**

- (1) The Audit Committee shall prepare the discussions and resolutions of the Supervisory Board with regard to the following topics:
 - a) audit and, if applicable, adoption of the annual financial statements and approval of the consolidated financial statements and submitting a corresponding recommendation.
 - b) process for selecting the auditor in accordance with statutory provisions.
 - c) the Supervisory Board's proposal to the Annual General Meeting with regard to the appointment of the auditor and the Group auditor as well as the auditor of the half year financial report provided that it shall be subject to an audit, audit review or examination by the auditor.

- d) audit of any non-financial statement or any separate non-financial report (§ 289b German Commercial Code [Handelsgesetzbuch - HGB]) and any non-financial group management statement or any separate non-financial group management report (§ 315b HGB).
 - e) approval by the Supervisory Board of the Executive Board's proposal on the appropriation of retained earnings.
 - f) Report of the Supervisory Board to the Annual General Meeting on the results of the annual financial statements, the consolidated financial statements, the management reports of the Company and the Group in accordance with § 171 German Stock Corporation Act (Aktiengesetz – AktG).
- (2) On behalf of the Supervisory Board, the Audit Committee deals with the topics outlined below as well as with all topics directly related to them:
- a) assignment of the audit review to the auditor, determination of key audit matters and the fee agreement with the auditor, including the conclusion of an information agreement and disclosure agreement in accordance with the recommendations of the German Corporate Governance Code in the respective applicable version.
 - b) supervision of the audit, in particular the independence of the auditor, the audit quality, and of the additional services rendered by the auditor; approval of all services to be rendered by the auditor, including permitted non-audit services.
 - c) review of the half year financial reports prior to their publication.
 - d) questions relating to accounting and risk management, including the supervision of the accounting process, the effectiveness of the Internal Control System, the Internal Risk Management System, the Internal Audit System and the Compliance Management System as well as discussion of material changes to the audit and accounting methods.
 - e) the approval of transactions with related parties pursuant to § 111b section 1 AktG, as well as the establishment of an internal procedure pursuant to § 111a section 2 sentence 2 AktG.
 - f) the preparation, conclusion, modification and termination of the service contracts with the members of the Executive Board and the preparation of corresponding resolutions of the Supervisory Board.
 - g) Resolutions about granting loans pursuant to § 89 AktG and § 115 AktG instead of the Supervisory Board.

§ 4

Informing the Audit Committee

- (1) For the purpose of fulfilling its tasks, the Audit Committee shall be authorized to obtain any information required from the auditor and the Executive Board and to inspect the business documents of the Company or to request their submission by the Executive Board. In individual cases, the Audit Committee may instruct one member of the Committee to solely exercise the above-mentioned rights assigned to the Audit Committee.
- (2) The Audit Committee shall be immediately informed by the auditor on all findings and incidents essential for the tasks of the Supervisory Board which are established or occur in the course of the audit, an audit review or any other examination. This shall apply in particular if the auditor comes across facts which lead to a misstatement of the Declaration of Compliance issued by the Executive Board and Supervisory Board pursuant to §161 AktG.
- (3) The Chairman of the Audit Committee shall be immediately informed about any possible reasons for exclusion or impartiality on part of the auditor which might occur in the course of the audit.

§ 5

Convocation, Resolutions

The provisions stipulated in the Rules of Procedure of the Company's Supervisory Board shall be applicable for the convocation, the taking of the minutes of the meetings, the presence of a quorum of and the passing of resolutions by the Audit Committee.

§ 6

Participation in Meetings

- (1) The Executive Board or members of the Executive Board shall participate in meetings of the Audit Committee if the Chairman of the Audit Committee so determines in individual cases.
- (2) The Chairman of the Audit Committee, in consultation with the Executive Board, may ask further employees of the Company to participate in a meeting.

§ 7

Reporting to the Supervisory Board, Compensation

- (1) The Chairman of the Audit Committee shall report regularly to the Supervisory Board on the activities of the Audit Committee.

- (2) The compensation for membership in the Audit Committee shall be governed by § 13 of the Articles of Association of the Company.

§ 8 Declarations

As far as declarations are to be made or accepted for the execution of resolutions by the Audit Committee, the Chairman of the Audit Committee or, if the Chairman is prevented from doing so, his Deputy or, if the Deputy is prevented from doing so, any member of the Committee determined by the Audit Committee shall act for the Audit Committee accordingly.

§ 9 Secrecy

For members of the Audit Committee and other persons who participate in a meeting of the Audit Committee, the secrecy regulations of the Supervisory Board's Rules of Procedure shall be applicable. The members of the Committee shall particularly observe the insider rules stipulated in the Market Abuse Regulation.

Schramberg, 26. November 2021

SCHWEIZER ELECTRONIC AG
The Supervisory Board