

STATEMENT ON CORPORATE GOVERNANCE

IN ACCORDANCE WITH SECTIONS 289f AND 315d HGB, INCLUDING
CORPORATE GOVERNANCE REPORT

In the following chapter, the Management Board – also on behalf of the Supervisory Board – reports on corporate governance at Elmos pursuant to Principle 22 of the German Corporate Governance Code (GCGC). Previous statements on corporate governance can be accessed at www.elmos.com.

Implementation of the German Corporate Governance Code (GCGC)

For the Supervisory Board and Management Board of Elmos, corporate governance means the implementation of responsible and sustainable business management with the appropriate transparency across all areas of the Group. The Supervisory Board and Management Board again concerned themselves with the provisions of the GCGC in fiscal year 2021. They released a joint declaration of compliance in accordance with Section 161 AktG in May 2021 and September 2021. Apart from the deviations reported therein, all recommendations of the GCGC have been complied with. All previously released declarations of compliance have been made available at www.elmos.com.

Compliance

One of the essential tasks of the Management Board as a whole, and of the members of the Management Board within their individual areas of responsibility, is the control and monitoring of compliance within the Group. Elmos has a compliance management system (CMS) in place to ensure compliance with applicable laws and statutes as well as all internal rules and guidelines. Responsibility for decisions regarding rules and measures lies with the compliance officer and the compliance committee. In addition to the compliance officer, the heads of Finance, Human Resources, Legal Affairs, Investor Relations, and Corporate Development regularly take part in

the quarterly meetings. The compliance officer investigates potential breaches of compliance and cases of suspicion. He reports directly to the Chief Executive Officer and regularly informs the Management Board as a whole about the compliance activities within the Elmos Group. Elmos has had an internal audit function since 2021. Internal auditors who are qualified for the selected audit scope and are not members of the department to be audited perform non-ad hoc audits within the identified areas in accordance with an annual audit plan. The audit reports are used to improve the CMS. Elmos also engages external consultants as needed to review the CMS.

The Supervisory Board is informed at least once a year about the CMS, the findings of internal audits, and the measures taken. As part of the efforts to continuously improve the CMS, annual key issues are defined.

The Elmos Code of Conduct provides orientation for employees with regard to their actions and conduct. All of the rules and principles applying at the Company are defined in the Code of Conduct, which is updated regularly and enforced through Group-wide training. Employees also receive training on specific compliance-related topics, such as money-laundering prevention.

Working methods of the Management Board and the Supervisory Board

The Supervisory Board and Management Board share the commitment to the Group's responsible corporate governance. Their highest goal is to safeguard the Company's existence and to increase the shareholder value. The Management Board has three members. The individual members of the Management Board are responsible for their respective key areas; together, they assume responsibility for the entire management in accordance with the applicable law, the Articles of Incorporation, the Board's rules of procedure, and the resolutions of the Annual General Meeting.

The Management Board represents the Company externally. The Management Board is responsible for the management of the Group, the definition and monitoring of the Group's strategic orientation and corporate targets, and the Group's financing. The Management Board usually meets in full once a week. The Management Board gives regular, extensive, and timely reports to

the Supervisory Board on developments and events of relevance to the Company. The Supervisory Board supervises the Management Board, appoints its members, and advises them with respect to the Company's management.

The Supervisory Board and the Management Board work closely together based on mutual trust. The Management Board involves the Supervisory Board in essential decisions. The rules of procedure of the two Boards define this cooperation, among other issues. A detailed summary of the Supervisory Board's work can be found in the Supervisory Board report. The Chairman gives a report to the shareholders on the Supervisory Board's work over the past fiscal year at each Annual General Meeting.

The Supervisory Board of Elmos Semiconductor SE has six members. Pursuant to the SE's Participation Agreement, it consists of four shareholder representatives and two employee representatives. The representatives of the shareholders are elected by the Annual General Meeting; the employee representatives are elected by the staff. The current Supervisory Board of the SE was elected by the Annual General Meeting on May 20, 2021, or appointed by way of the SE's Participation Agreement. The Supervisory Board formed an audit committee in fiscal year 2021. The formation of an audit committee was mandatory for Elmos Semiconductor SE starting January 1, 2022. The auditor regularly participates in the audit committee's meetings. More information about the activities and composition of the audit committee can be found in the Supervisory Board report.

The Supervisory Board has defined the goals and principles with respect to the Board's composition and drafted a competence profile. It includes international experience, technical and entrepreneurial expertise, strategic vision, knowledge of the Company, industry-specific know-how, and experience with accounting and internal control processes. Likewise, diversity should be taken into account and conflicts of interest avoided. The goals are realized with the present composition of the Supervisory Board and will also be considered for future nominations. The Supervisory Board members Dr. Klaus Weyer and Prof. Dr. Günter Zimmer can be seen as independent despite their many years of service. Their work on the Supervisory Board is characterized by extensive knowledge of the Company's business. Thanks to their long-standing experience and their impartial,

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objective powers of judgment, they make a significant contribution to the Supervisory Board's successful work. Their many years of service to the Supervisory Board is merely an indicator of a potential lack of independence. An overall assessment required by the formal, typical indicators is necessary to judge the independence of Board members.

Pursuant to D.13 of the GCGC, the Supervisory Board regularly performs a self-assessment. With the help of questionnaires, it evaluates its efficiency once a year. In accordance with No. B.2 of the GCGC, the Supervisory Board is also in charge of planning its succession. To this end, discussions are conducted within the Supervisory Board as needed.

Implementation of equal participation and diversity

In accordance with applicable statutory provisions, the Supervisory Board and Management Board defined minimum quotas as of June 30, 2017, for the representation of women on the Supervisory Board and Management Board, as well as for the first and second senior executive levels. The targets must be met by June 30, 2022. These quotas are as follows: 0% or more for the Supervisory Board and Management Board, 4% or more for the first senior executive level, and 5% or more for the second senior executive level. There are no women on either the Supervisory Board or Management Board at present. In fiscal year 2021, the previous year's proportion of women at the first management level of 7% was essentially maintained and the proportion of women at the second management level increased from 6% to 7%. All data refers to the employees of Elmos Semiconductor SE in Germany as of December 31, 2021. Elmos therefore fulfills all determined quotas for the share of women at Elmos and complies with the statutory provisions to date. The requirements under Germany's Second Management Position Act (Zweites Führungspositionen-Gesetz – FüPoG II) will be met by setting new targets in June 2022. Details on this matter will be available in the next Annual Report.

Elmos pursues a diversity concept based on non-discrimination to determine the composition of the Management Board and the Supervisory Board. The objective of this concept is to achieve appropriate diversity in terms of professional experience and backgrounds (particularly with respect to industries, regions,

Declaration of compliance with the German Corporate Governance Code 2021

Superseding the declaration of compliance of May 2021, Management Board and Supervisory Board of Elmos Semiconductor SE declare in accordance with Section 161 AktG (German Stock Corporation Act):

I. Statements with respect to the future

Elmos Semiconductor SE will comply with the recommendations of the "Government Commission German Corporate Governance Code" (in short: GCGC) in its latest version of December 16, 2019 (released in the official section of the Federal Gazette on March 20, 2020) as of now, subject to the following exceptions:

- > No age limits will be defined for members of the Management Board and for members of the Supervisory Board (GCGC Recommendations B.5 and C.2). The Supervisory Board decides on the suitability of the members of the Management Board. Appointing the members of the Supervisory Board is the responsibility of the General Meeting of Shareholders; thus the General Meeting also decides on the Supervisory Board's age structure.
- > The rules of procedure of the Supervisory Board are not made public on the Company's website (GCGC Recommendation D.1) as the procedural arrangement determined therein is considered irrelevant to an assessment of the Company.
- > The Chairman of the Supervisory Board is also the Chairman of the Audit Committee (GCGC Recommendation D.4 sentence 2). The Supervisory Board is convinced that the workload of committee chairmanship is not too high and can be managed by the Chairman of the Supervisory Board. The Supervisory Board does also not see the risk of a too close relationship with the Management Board and the Supervisory Board Chairman's lack of attention on these grounds in seeing to his additional obligations as Chairman of the Audit Committee. The Chairman of the Supervisory Board is perfectly suited to chairing the Audit Committee as well. It is in the Company's interest not to follow this recommendation (GCGC Recommendation D.4 sentence 2).
- > The determination of the remuneration of each member of the Management Board complies with current statutory requirements, most notably those under the Shareholders' Rights Directive (ARUG II). Any stricter requirements or more specific definitions are not considered expedient at present (GCGC Recommendations G.1 and G.2).
- > The Supervisory Board determines the remuneration of the members of the Management Board at its reasonable discretion. No benchmarking surveys to be prepared especially for Elmos Semi-

conductor SE will be commissioned (GCGC Recommendation G.3). Employee remuneration will not be analyzed specifically for the sole purpose of determining Management Board remuneration (GCGC Recommendation G.4). The Supervisory Board utilizes remuneration surveys and benchmarks of other companies instead as well as taking into consideration the existing employee remuneration level and typical changes in remuneration over time. With respect to analyses going beyond that scope, the Supervisory Board does not recognize a corresponding benefit of the increased effort.

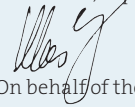
- > Management Board employment contracts do not provide for caps on severance payments in case of premature termination of Management Board membership (GCGC Recommendation G.13). The Supervisory Board holds the view that the appropriate amount of a severance payment can only be determined by an agreement to be concluded in the individual case.

II. Statements with respect to the past

The recommendations of the GCGC in its current version of December 16, 2019 (announcement in the official section of the Federal Gazette on March 20, 2020) have been complied with since the release of the declaration of compliance in May 2021 with the exceptions mentioned above under I. and the following additional exceptions:

- > The Company holds the view that at least one member of the Supervisory Board shall be independent. The Company regards any stricter requirements as not appropriate (GCGC Recommendation C.7).
- > The Company holds the view that the Chairman of the Supervisory Board does not have to be independent as defined by the GCGC (GCGC Recommendation C.10). Supervisory Board membership of many years or significant share ownership e.g. are not general obstacles to performing the duties of the Chairman of the Supervisory Board.

Dortmund, September 2021


On behalf of the
Supervisory Board
Dr. Klaus Weyer
Chairman of the Supervisory Board


On behalf of the
Management Board
Dr. Arne Schneider
Chief Executive Officer

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and company affiliation), educational backgrounds, and personal character traits. These aspects were taken into account to determine the current composition of these bodies. As a matter of principle, a person's suitability for a task is the deciding factor for employment with the Company, irrespective of their gender, cultural background, nationality, religious affiliation, worldview, disability, age, or sexual orientation.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

Shareholders make use of their rights at the Annual General Meeting. They receive the agenda, information regarding participation, and, upon request, the Annual Report in good time. The relevant documents relating to the upcoming and past Annual General Meetings, as well as further information on participation in and voting at the Annual General Meeting, are available on our website – also in English – and can also be requested from the Company. Shareholders who cannot attend the Annual General Meeting in person have the option to assign their voting rights to proxies nominated by Elmos. Due to the COVID-19 pandemic, shareholders were only able to attend the Annual General Meeting virtually in 2021, as in 2020. Subject to any subsequent resolutions providing otherwise by the Supervisory Board, and in view of the latest and expected development of the pandemic, preparations are being made for a virtual Annual General Meeting once again in 2022 so as to ensure a high degree of certainty regarding the ability to hold the event.

Dates of importance to the shareholders are published annually in a financial calendar. All quarterly statements, interim reports, and Annual Reports can be found at www.elmos.com. The Management Board regularly provides information on the current development of the Company to analysts and investors within the framework of road shows, conferences, and other events. The investor relations team is also available for any questions the shareholders may have.

RISKS

Responsible risk management contributes to the success of sound corporate governance. The Management Board regularly provides the Supervisory Board with information about risks. Information about the risk management system and internal control system can

be found in the combined management report under “Opportunities and risks.”

AUDIT

Before submitting the proposal for the appointment of the auditor, the Supervisory Board again obtained a declaration of independence from the auditor for fiscal year 2021. This declaration furnished no doubts about auditor independence. Compliant with No. D.9 GCGC, the Supervisory Board arranged for the auditor to give account without delay of material findings and incidents to occur during the performance of the audit. Compliant with No. D.10 GCGC, the Supervisory Board also required that the auditor inform the Supervisory Board or make note in the audit report if the auditor detects deviations from the declaration of compliance as issued by the Management Board and the Supervisory Board. No inconsistencies of this kind were established. Pursuant to No. D.11 of the GCGC, the Supervisory Board regularly performs a quality review of the audit.

SHARE-BASED PAYMENT PROGRAMS

Elmos has created share-based payment programs for executives and Management Board members. The share price is a central criterion for our shareholders when it comes to investing in the Company. The linking of certain remuneration components to the share price is therefore an incentive for beneficiaries. More information on this topic can be found in the notes to the consolidated financial statements.

REMUNERATION SYSTEM/REMUNERATION REPORT

The current remuneration system for the members of the Management Board pursuant to Section 87a (1) and (2) sentence 1 AktG, which was approved by the Annual General Meeting on May 20, 2021, and the remuneration system for the members of the Supervisory Board, which was adopted by the Annual General Meeting by resolution on May 20, 2021, pursuant to Section 113 (3) AktG, can be found on the Company's website at <https://www.elmos.com/english/about-elmos/investor/corporate-governance.html> and in the invitation to the 2021 Annual General Meeting. The remuneration report pursuant to Section 162 AktG, including the auditor's opinion, will be made public on the website of Elmos Semiconductor SE

(<https://www.elmos.com/english/about-elmos/investor/corporate-governance.html>) upon adoption of the corresponding resolution by the 2022 Annual General Meeting.

MANAGERS' TRANSACTIONS

Persons who hold executive positions with an issuer of stock (for Elmos, the members of the Management Board and Supervisory Board) and persons associated with them are obligated by law to disclose transactions involving the Company's stock or debt instruments or financial instruments linked to the Company's stock or debt instruments pursuant to Art. 19 (1) MAR (Market Abuse Regulation). Reportable securities transactions, known as “managers' transactions,” are announced immediately upon notification Europe-wide and released at www.elmos.com.