

# 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](http://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 2022. In May 2022, they released a joint declaration of compliance in accordance with Section 161 AktG with reference to the GCGC in the version dated December 16, 2019, which was applicable at that time. Therefore, all disclosures and explanations relating to the GCGC in this report are based on the version of the GCGC dated December 16, 2019. 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](http://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.

In fiscal year 2022, Elmos had the adequacy and implementation of its compliance management system (CMS) audited by an external,

independent auditor in accordance with the “IDW Assurance Standard: Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems (IDW AsS 980).” The findings of the audit were that the implemented CMS rules in the description of the CMS are appropriate, suitable, and implemented in all material respects in accordance with the CMS principles applied. Despite this favorable assessment, Elmos still aims to further enhance its compliance efforts within the Group and to further expand compliance as an integral part of the Elmos culture. The internal audit department began its work in 2021 and performed non-ad hoc audits in fiscal year 2022. Evaluating the audit reports also helps to improve and develop the CMS. 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. In order to ensure adherence to the strict compliance principles not only within our own Company, but also throughout the supply chain, we require our suppliers and business partners to meet their social responsibilities in all their business activities, dealings, and decisions in accordance with the Elmos Supplier Code of Conduct and to rigorously comply with the respective applicable laws and all other relevant provisions in the countries in which they operate.

The Supervisory Board and audit committee are 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.

### 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 works with the Management Board to ensure timely and long-term succession planning for the Management Board. Regular discussions on this topic are held at the meetings of the Supervisory Board. The respective contractual relationships are addressed with regard to the remaining term of the appointments and the possibility of extending them, and decisions are made on new appointments.

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 in fiscal year 2022 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 has formed an audit committee. 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 its composition and drafted a competence profile

## Statement on Corporate Governance for the fiscal year 2022

for the entire Board. It includes international experience, technical and entrepreneurial expertise, strategic vision, knowledge of the Company, industry-specific know-how and diversity, as well as experience in accounting, auditing, and internal control procedures. Any conflicts of interest must be avoided.

The aforementioned objectives have been fully met in the current composition of the Supervisory Board and of the audit committee. They will also be taken into consideration in 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, 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.

Both members of the audit committee, Dr. Klaus Weyer and Dr. Dirk Hoheisel, have special expertise and experience in the application of accounting principles and internal control and risk management systems, as well as special expertise and experience in the auditing of financial statements. This also includes sustainability reporting and its auditing. Dr. Klaus Weyer has expertise in the aforementioned areas due to factors such as his many years working as a management consultant, managing director, and member of the Management Board and Supervisory Board of Elmos. Dr. Dirk Hoheisel has expertise in the aforementioned areas due to factors such as his many years as a former division president and managing director at Robert Bosch GmbH.

The qualification matrix for the Supervisory Board of Elmos Semiconductor SE:

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 and the Management Board jointly address the issue of long-term succession planning for the Management Board. To this end, discussions are conducted within the Supervisory Board as needed. No external consultancy is involved in the succession planning process.

### 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, 2022, 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, 2027. The previously defined targets of 4% for the first senior executive level and 5% for the second senior executive level were recently exceeded. The new quotas for the first and second senior executive levels are as follows: a minimum of 7.14% for the first senior executive level and a minimum of 6.67% for the second senior executive level.

The new quotas for the Supervisory Board and the Management Board are as follows: 0% for the Supervisory Board and 0% for the Management Board. When filling positions on the Management Board or nominating candidates for the Supervisory Board, Elmos Semiconductor SE always makes decisions on the basis of the best qualifications, experience, and suitability for the benefit of the Company. The current composition of the Supervisory Board and Management Board puts Elmos in a very good position. Given the Company's strong technical orientation, especially its focus on electrical engineering, semiconductors, and microtechnology, executives at Elmos have, for the most part, completed highly specialized technical degree courses. There continues to be a general shortage of junior talent in the engineering disciplines. Moreover, women are less likely to choose careers in engineering and, in particular, the relevant degree courses. As a result, there are significantly fewer highly qualified and experienced female candidates available to fill positions on the Management Board and Supervisory Board than there are male candidates.

There are no women on either the Supervisory Board or Man-

### Qualification matrix for the members of the Supervisory Board of Elmos Semiconductor SE

Competencies	Dr. Klaus Weyer Chairman Chairman of audit committee Appointed until 2027	Prof. Dr. Günter Zimmer Vice Chairman Appointed until 2027	Dr. Dirk Hoheisel Supervisory Board member Audit committee member Appointed until 2027	Dr. Volkmar Tanneberger Supervisory Board member Appointed until 2027	Thomas Lehner Supervisory Board member Employee representative Appointed until 2027	Sven-Olaf Schellenberg Supervisory Board member Employee representative Appointed until 2027
<b>Entire Supervisory Board</b>						
Industry-specific expertise	x	x	x	x	x	x
Technical expertise	x	x	x	x	x	x
Long-standing knowledge of the Company	x	x			x	x
Business expertise	x	x	x	x		
International experience	x	x	x	x		
Strategic vision	x	x	x	x	x	x
Independence	x	x	x	x		
<b>Competencies</b>					<b>Dr. Klaus Weyer</b>	<b>Dr. Dirk Hoheisel</b>
<b>Audit committee</b>					<b>Chairman</b>	<b>Vice Chairman</b>
Expertise in accounting and internal control and risk management systems					x	x
Expertise in auditing					x	x
Expertise in sustainability topics and sustainability reporting					x	x

## Statement on Corporate Governance for the fiscal year 2022

agement Board at present. The previous year's figure of around 7% in the first senior executive level was maintained in fiscal year 2022. At 7.5%, the proportion of women in the second senior executive level exceeded the target. All data refers to the employees of Elmos Semiconductor SE in Germany as of December 31, 2022. Elmos therefore fulfills all determined quotas for the share of women at Elmos and complies with the provisions of the German Second Management Positions Act (FüPoG II).

Irrespective of the fulfillment of all statutory requirements, Elmos attaches great importance to equal opportunities and employee diversity, and promotes a corporate culture based on appreciation, equality, and mutual respect. Employees of all genders are treated equally at our company as a matter of principle. All of our employees are hired and supported on the basis of their qualifications and abilities and irrespective of their gender. We have a policy of advancing employees company-wide regardless of gender and focus on suitability, motivation, and expertise when it comes to selecting job applicants.

Elmos pursues a diversity concept based on non-discrimination to determine the composition of the Management Board and the Supervisory Board – as it does throughout the entire Company. The objective of this concept is to achieve appropriate diversity in terms of professional experience and backgrounds particularly with respect to industries, regions, 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 are unable to attend the Annual General Meeting in person have the

option to have their voting rights exercised in accordance with their instructions by proxies appointed by Elmos. Due to the COVID-19 pandemic, shareholders have only been able to attend the Annual General Meeting virtually (i.e., without being physically present) since 2020. Subject to any subsequent resolutions to the contrary by the Management Board, with the approval of the Supervisory Board, the Annual General Meeting 2023 will be held as a virtual Annual General Meeting in accordance with the new statutory provisions.

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](http://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 a proposal for the appointment of the auditor, the audit committee of the Supervisory Board again obtained a declaration of independence from the auditor for fiscal year 2022. 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. In addition, the audit committee discusses the assessment of the audit risk, the audit strategy, and the audit planning, as well as the audit findings

together with the auditor. The Chairman of the audit committee regularly discussed the progress of the audit with the auditor and reported back to the committee.

### 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 stock 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 11, 2022, 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 invitations to the 2021 and 2022 Annual General Meetings. 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 2023 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 other senior executives) 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](http://www.elmos.com).

## Declaration of compliance with the German Corporate Governance Code 2022

**Superseding the declaration of compliance of September 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 or 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 Annual General Meeting; thus the Annual 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 of 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).

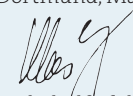
- > The determination of the remuneration of each member of the Management Board complies with current statutory requirements, most notably those under the Shareholders' Rights Directive (ARUG II). Any stricter requirements or more specific definitions are not considered expedient at present (GCGC Recommendations 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 Semiconductor 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 in case of an early termination of the employment contract can only be determined by agreement in the individual case.
- > According to GCGC Recommendation G.17, the greater time commitment of the Chairman and the Vice Chairman of the Supervisory Board as well as the chairman and the members of Supervisory Board committees are supposed to be adequately considered for the remuneration of Supervisory Board members. The remuneration of the Supervisory Board of Elmos Semiconductor SE resolved by the Annual General Meeting on May 20, 2021 considers the greater time commitment of the

Chairman and the Vice Chairman of the Supervisory Board as well as the greater time commitment due to all additional functions or rather typical committee functions the Supervisory Board usually performs in full session or in the individual case in its own committees. For their positions on the Audit Committee, the Chairman and its other members therefore receive no higher remuneration in deviation from GCGC Recommendation G.17. Apart from the Audit Committee established in fiscal year 2021, the Supervisory Board does not set up any further committees. The Supervisory Board as a whole had performed the audit and control tasks assigned to the Audit Committee in full session up to the Audit Committee's formation in fiscal year 2021. A differentiation with respect to the special function and the different time commitments was therefore not indicated in the opinion shared by Management Board and Supervisory Board as the existing remuneration already adequately rewards the commitment of the Audit Committee's Chairman and its members in particular as well as all other additional tasks. In its session on May 11, 2022, the Supervisory Board has decided to propose to the Annual General Meeting held in the year 2023 a revised remuneration policy for adoption, including a separate remuneration for the chairman and the members of committees in full compliance with GCGC Recommendation G.17.

### **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 September 2021 with the exceptions mentioned above under I.

Dortmund, May 2022



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