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## **Invitation to the Annual General Meeting 2020**

May 13, 2020, 10:00 a.m., Elmos Semiconductor AG, Heinrich-Hertz-Straße 1, 44227 Dortmund, Germany

# 21<sup>ST</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS

## Agenda at a glance

1. Presentation of the adopted separate financial statements and the approved consolidated financial statements as of December 31, 2019, the Management Board's combined management report for Elmos Semiconductor Aktiengesellschaft and the Group, and the report of the Supervisory Board for fiscal year 2019
2. Resolution on the appropriation of retained earnings
3. Resolution on the formal approval of the actions of the Management Board for fiscal year 2019
4. Resolution on the formal approval of the actions of the Supervisory Board for fiscal year 2019
5. Election of the auditor and group auditor for fiscal year 2020 and of the auditor for the review of the interim financial report for the first six months of fiscal year 2020
6. Conversion of Elmos Semiconductor Aktiengesellschaft into a European company (*Societas Europaea*, SE)
7. Elections to the first Supervisory Board of the SE
8. Resolution on the creation of Authorized Capital 2020, cancellation of Authorized Capital 2016, and corresponding amendments to the Articles of Association
9. Resolution on the authorization of the Management Board to issue convertible bonds, bonds with warrants and participating bonds and to exclude subscription rights as well as on the creation of conditional capital (Conditional Capital 2020), and corresponding amendments to the Articles of Association
10. Resolution on the authorization to purchase and use the Company's shares and revocation of the existing authorization

With respect to potential changes in terms of logistics please check our website regularly.

Elmos Semiconductor Aktiengesellschaft  
44227 Dortmund, Germany

The health of all attendees of this event is extremely important to us. In view of the spread of Coronavirus (Covid-19), we will take special measures at our General Meeting of Shareholders on May 13, 2020 and we will try to prevent the formation of groups of people as best we can. Therefore there will also be no catering on location this time.

Under these circumstances we would like to make a recommendation to our shareholders. We would like to ask you to consider not attending the General Meeting this year in person for the protection of everyone involved and exercising your shareholder rights without your personal attendance instead by making use of submission of written votes through a proxy nominated by the Company or by another kind of authorization. The General Meeting will probably be broadcast live on our website so that following the proceedings will be possible without attending in person (please refer to page 47).

Please check our website **[www.elmos.com](http://www.elmos.com)** regularly for news. We are asking kindly for your understanding for taking these measures.

# Special Notice

Due to the restrictions on public life for preventing the spread of Coronavirus (Covid-19), the General Meeting of Shareholders potentially cannot be held according to the current legal situation. However, this situation may change and therefore the General Meeting is convened for May 13, 2020. Please check our Company's website regularly for possible changes, in particular the postponement or the cancellation of the General Meeting of Shareholders.

## Invitation to the 21<sup>st</sup> Annual General Meeting of Shareholders of Elmos Semiconductor Aktiengesellschaft, 44227 Dortmund, Germany

Dear shareholders,

Our 21<sup>st</sup> Annual General Meeting will be held on Wednesday, May 13, 2020, 10:00 a.m., at Elmos Semiconductor AG, Heinrich-Hertz-Straße 1, 44227 Dortmund, Germany.

# Agenda

## Agenda item 1

**Presentation of the adopted separate financial statements and the approved consolidated financial statements as of December 31, 2019, the Management Board's combined management report for Elmos Semiconductor Aktiengesellschaft and the Group, and the report of the Supervisory Board for fiscal year 2019**

The aforementioned documents (including the explanatory report of the Management Board in accordance with Section 176 (1) sentence 1 AktG (Stock Corporation Act) (old version) on the disclosures required under takeover law pursuant to Section 289a (1) or rather Section 315a (1) (old version) HGB (Commercial Code)) are available on the Company's website at [www.elmos.com/english/about-elmos/investor/annual-general-meeting](http://www.elmos.com/english/about-elmos/investor/annual-general-meeting) upon the convening of the General Meeting of Shareholders. These documents will also be on display at the General Meeting for inspection by the shareholders. According to statutory provisions, no resolution is scheduled for agenda item 1 as the Supervisory Board has already approved the separate financial statements and the consolidated financial statements.

## Agenda item 2

**Resolution on the appropriation of retained earnings**

Management Board and Supervisory Board propose that the retained earnings reported for Elmos Semiconductor Aktiengesellschaft of 201,957,971.28 Euro for fiscal year 2019 be used in the amount of 10,209,947.28 Euro for the payment of a dividend of 0.52 Euro per share and that the remaining amount of 191,748,024.00 Euro be carried forward to new accounts.

The proposal for the appropriation of retained earnings takes into account treasury shares held by the Company (468,999 shares) that are not entitled to dividend. If the number of no-par shares entitled to dividend for fiscal year 2019 changes up to the date of the General Meeting of Shareholders, an accordingly adjusted proposal for the appropriation of retained earnings will be made to the General Meeting, still providing for a dividend of 0.52 Euro per no-par share entitled to dividend.

### **Agenda item 3**

#### **Resolution on the formal approval of the actions of the Management Board for fiscal year 2019**

Supervisory Board and Management Board propose that the actions of the acting members of the Management Board in fiscal year 2019 be formally approved for this period.

### **Agenda item 4**

#### **Resolution on the formal approval of the actions of the Supervisory Board for fiscal year 2019**

Management Board and Supervisory Board propose that the actions of the acting members of the Supervisory Board in fiscal year 2019 be formally approved for this period.

It is intended to have the General Meeting of Shareholders vote separately on the approval of the actions of each individual member of the Supervisory Board.

### **Agenda item 5**

#### **Election of the auditor and group auditor for fiscal year 2020 and of the auditor for the review of the interim financial report for the first six months of fiscal year 2020**

The Supervisory Board proposes that Warth & Klein Grant Thornton AG

Wirtschaftsprüfungsgesellschaft, Düsseldorf, be appointed

- a) auditor and group auditor for fiscal year 2020, as well as
- b) auditor for the review of the interim financial report for the first six months of fiscal year 2020.

### **Agenda item 6**

#### **Conversion of Elmos Semiconductor Aktiengesellschaft into a European company (Societas Europaea, SE)**

Management Board and Supervisory Board propose that the following resolution be passed; pursuant to Section 124 (3) sentence 1 AktG (Stock Corporation Act), the Supervisory Board alone submits the proposal for the appointment of the auditor for the first fiscal year of future Elmos Semiconductor SE (§ 8 of the conversion plan):

The conversion plan of March 5, 2020 (deed of notary public Dr. Thorsten Mätzig, Dortmund, no. 262/2020 of the roll of deeds) on the conversion of Elmos Semiconductor Aktiengesellschaft into a European company (Societas Europaea, SE) is approved; the Articles of Association of Elmos Semiconductor SE attached to the conversion plan as an annex is approved.

The conversion plan and the Articles of Associations of Elmos Semiconductor SE can be found below the agenda.

### **Agenda item 7**

#### **Elections to the first Supervisory Board of the SE**

The terms of all members of the Supervisory Board of Elmos Semiconductor Aktiengesellschaft expire upon the entry into force of the conversion of Elmos Semiconductor Aktiengesellschaft into a European stock corporation (Societas Europaea, SE) as proposed under agenda item 6, i.e. upon entry of the conversion into the register of companies of Elmos Semiconductor Aktiengesellschaft.

The Supervisory Board of Elmos Semiconductor SE will consist of six members; four of its members shall be appointed by the shareholders and two of its members shall be appointed as employees' representatives (Art. 40 (2), (3) SE-VO, Section 17 (1) SEAG, Section 21 (3) SEBG, agreement on the participation of employees in Elmos Semiconductor SE concluded between Elmos Semiconductor Aktiengesellschaft and the special negotiating body of Elmos Semiconductor Aktiengesellschaft dated September 30, 2019 (**Participation Agreement**), and § 7 (1) of the Articles of Association of Elmos Semiconductor SE).

The term of the first Supervisory Board of Elmos Semiconductor SE expires as of the end of the General Meeting of Shareholders to resolve the formal approval of the actions of the members of the Supervisory Board for the first fiscal year of Elmos Semiconductor SE, yet shall not exceed three years (§ 7 (2) sentence 3 of the Articles of Association of Elmos Semiconductor SE, Section 30 (3) AktG in conjunction with Art. 9 (1) lit. c) ii) SE-VO, Participation Agreement).

The two employees' representatives on the first Supervisory Board have already been appointed as part of the Participation Agreement.

The Supervisory Board proposes that the following persons named under lit. a) through d) be elected as the shareholders' representatives to the first Supervisory Board of Elmos Semiconductor SE for a term until the close of the General Meeting of Shareholders to resolve the formal approval of the actions of the members of the Supervisory Board for the first fiscal year of Elmos Semiconductor SE, yet for no longer than three years:

a) **Dr. Klaus Weyer**, graduate physicist, management consultant, residing in Penzberg,

- b) **Prof. Dr. Günter Zimmer**, graduate physicist, university professor (ret.), residing in Duisburg,
- c) **Dr. Gottfried H. Dutiné**, graduate engineer, independent business consultant, residing in Kleve, and
- d) **Dr. Klaus Egger**, graduate engineer, independent business consultant, residing in Steyr-Gleink, Austria.

The election proposals reflect the objectives and principles decided by the Company's Supervisory Board for its composition. They aim for fulfilling the competency profile for the corporate body as a whole as prepared by the Supervisory Board.

In the opinion shared by the Supervisory Board's members, Dr. Klaus Weyer and Prof. Dr. Günter Zimmer are to be considered related parties due to their respective significant interests in the Company, reportable as such pursuant to No. 5.4.1 (6) to (8) of the German Corporate Governance Code of February 7, 2017 (**GCGC**). Detailed information on the shareholdings of Dr. Klaus Weyer (Weyer Beteiligungsgesellschaft mbH) and Prof. Dr. Günter Zimmer (ZOE-VVG GmbH) can be found in the Annual Report 2019 on page 47.

All of the persons nominated here are currently either Chairman, Vice Chairman or member of the Supervisory Board of Elmos Semiconductor Aktiengesellschaft and therefore have a business relationship with the Company and one of its corporate bodies, the Supervisory Board.

Apart from this, in the opinion shared by the Supervisory Board's members there are no other significant personal or business relationships between the nominated candidates on the one hand and the Company, the Company's corporate bodies, or a significant shareholder of the Company on the other hand.

Dr. Klaus Egger meets the requirements of Section 100 (5) AktG for professional expertise in the fields of financial accounting or audits. If the General Meeting of Shareholders follows the election proposal, the Supervisory Board members are certain that the future Supervisory Board as a whole will be familiar, for the purpose of Section 100 (5) clause 2 AktG, with the business sector the Company operates in.

The Chairman of the Supervisory Board has informed all nominated candidates about the required amount of time to be invested as a member of the Supervisory Board. All candidates have confirmed that they have the time required at their disposal (No. 5.4.1 (5) GCGC 2017).

It is intended to have the General Meeting of Shareholders vote separately on each candidate proposed for election to the Supervisory Board in accordance with No. 5.4.3 sentence 1 GCGC 2017.

According to No. 5.4.3 sentence 3 GCGC 2017 it shall be pointed out that Dr. Klaus Weyer is intended to be proposed as candidate for Chairman of the Supervisory Board.

More information about the candidates nominated for election to the Supervisory Board can be found below the agenda.

## **Agenda item 8**

### **Resolution on the creation of Authorized Capital 2020, cancellation of Authorized Capital 2016, and corresponding amendments to the Articles of Association**

The utilization period of the existing authorized capital expires on May 10, 2021 (§ 3 (4) of the Articles of Association of Elmos Semiconductor Aktiengesellschaft). Under item 6 of the agenda for this General Meeting

of Shareholders, Supervisory Board and Management Board propose the conversion of the Company into the legal form of an SE (Societas Europaea). Within the framework of this project, the authorized capital is intended to be renewed at the same time under cancellation of the previous authorized capital based on the resolution of the General Meeting of Shareholders of May 11, 2016 (Authorized Capital 2016).

Supervisory Board and Management Board propose that the following resolution be passed:

#### **a) Cancellation of Authorized Capital 2016**

The authorization for the increase of the Company's share capital (Authorized Capital 2016) and the exclusion of subscription rights according to § 3 (4) of the Articles of Association of Elmos Semiconductor Aktiengesellschaft resolved by the General Meeting of Shareholders of May 11, 2016 under agenda item 7 is revoked.

#### **b) Authorization**

The Management Board is authorized to increase the Company's share capital up to and including May 12, 2025, subject to the Supervisory Board's consent, by the issue of new no-par bearer shares against contributions in cash or in kind, once or more than once, up to a total amount of 10,051,756.00 Euro (Authorized Capital 2020).

If the share capital is increased against contributions in cash, the shareholders shall be granted subscription rights. The shares may be underwritten by credit institutions subject to the obligation to offer them to the shareholders for subscription. However, the Management Board is authorized to exclude the shareholders' subscription right, subject to the Supervisory Board's consent:

- > if the new shares are issued at a price that is not materially below the stock market price and if the total number of shares issued under exclusion of subscription rights according to Section 186 (3) sentence 4 AktG (Stock Corporation Act) does not exceed 10% of the share capital either at the time this authorization becomes effective or at the time it is used. To be taken into account for this 10% limit is the sale of treasury shares insofar as the transaction takes place during the term of this authorization under exclusion of subscription rights according to Section 186 (3) sentence 4 AktG. Furthermore, those shares are to be taken into account for this limit that were issued or are to be issued for servicing bonds (including participating bonds) linked to conversion or option privileges or rather conversion obligations insofar as the bonds or participating bonds have been issued during the term of this authorization under exclusion of subscription rights in analogous application of Section 186 (3) sentence 4 AktG;
- > insofar as is necessary in order to grant the creditors of bonds (including participating bonds) linked to conversion or option privileges or rather conversion obligations issued by Elmos Semiconductor SE or any of its group companies subscription rights to new shares to the extent they would be entitled to after execution of their conversion or option privileges or rather after fulfillment of their conversion obligations;
- > in case of implementing a capital increase against contributions in cash for the issue to employees and executives of Elmos Semiconductor SE, employees of affiliated companies, and freelancers;

- > for implementing a so-called scrip dividend according to which shareholders have the option to contribute their claim to dividend payment to the Company, either entirely or in part, as contribution in kind for the subscription of new shares;
- > for fractional amounts.

Moreover, the Management Board is authorized to exclude the shareholders' subscription right for capital increases against contributions in kind, subject to the Supervisory Board's consent.

The total amount of shares issued according to this authorization under exclusion of subscription rights against contributions in cash or in kind must not exceed a proportionate amount of the share capital of 2,010,351.30 Euro (10% of the current share capital); to be taken into account for this limit is the sale of treasury shares insofar as the transaction takes place during the term of this authorization under exclusion of subscription rights. Furthermore, those shares are to be taken into account for this limit that were issued or are to be issued for servicing bonds (including participating bonds) linked to conversion or option privileges or rather conversion obligations insofar as the bonds or participating bonds have been issued during the term of this authorization under exclusion of subscription rights.

Moreover, the Management Board is authorized to define all other rights attached to the shares and the terms and conditions of the issue, subject to the Supervisory Board's consent.

#### c) **Amendments to the Articles of Association**

§ 3 of the Articles of Association of Elmos Semiconductor SE is amended by a new paragraph 5 as follows:

“The Management Board is authorized to increase the Company’s share capital up to and including May 12, 2025, subject to the Supervisory Board’s consent, by the issue of new no-par bearer shares against contributions in cash or in kind, once or more than once, up to a total amount of 10,051,756.00 Euro (Authorized Capital 2020).

If the share capital is increased against contributions in cash, the shareholders shall be granted subscription rights. The shares may be underwritten by credit institutions subject to the obligation to offer them to the shareholders for subscription. However, the Management Board is authorized to exclude the shareholders’ subscription right, subject to the Supervisory Board’s consent:

- > if the new shares are issued at a price that is not materially below the stock market price and if the total number of shares issued under exclusion of subscription rights according to Section 186 (3) sentence 4 AktG (Stock Corporation Act) does not exceed 10% of the share capital either at the time this authorization becomes effective or at the time it is used. To be taken into account for this 10% limit is the sale of treasury shares insofar as the transaction takes place during the term of this authorization under exclusion of subscription rights according to Section 186 (3) sentence 4 AktG. Furthermore, those shares are to be taken into account for this limit that were issued or are to be issued for servicing bonds (including participating bonds) linked to conversion or option privileges or rather conversion obligations insofar as the bonds or participating bonds have been issued during the term of this authorization under exclusion of subscription rights in analogous application of Section 186 (3) sentence 4 AktG;

- > insofar as is necessary in order to grant the creditors of bonds (including participating bonds) linked to conversion or option privileges or rather conversion obligations issued by Elmos Semiconductor SE or any of its group companies subscription rights to new shares to the extent they would be entitled to after execution of their conversion or option privileges or rather after fulfillment of their conversion obligations;
- > in case of implementing a capital increase against contributions in cash for the issue to employees and executives of Elmos Semiconductor SE, employees of affiliated companies, and freelancers;
- > for implementing a so-called scrip dividend according to which shareholders have the option to contribute their claim to dividend payment to the Company, either entirely or in part, as contribution in kind for the subscription of new shares;
- > for fractional amounts.

Moreover, the Management Board is authorized to exclude the shareholders’ subscription right for capital increases against contributions in kind, subject to the Supervisory Board’s consent.

The total amount of shares issued according to this authorization under exclusion of subscription rights against contributions in cash or in kind must not exceed a proportionate amount of the share capital of 2,010,351.30 Euro (10% of the current share capital); to be taken into account for this limit is the sale of treasury shares insofar as the transaction takes place during the term of this authorization under exclusion of subscription rights. Furthermore, those shares are to be taken into account for this limit that were issued or are to be issued for



servicing bonds (including participating bonds) linked to conversion or option privileges or rather conversion obligations insofar as the bonds or participating bonds have been issued during the term of this authorization under exclusion of subscription rights.

Moreover, the Management Board is authorized to define all other rights attached to the shares and the terms and conditions of the issue, subject to the Supervisory Board's consent."

**d) Filing the amendments to the Articles of Association**

The Management Board is instructed to file the Authorized Capital 2020 with the register of companies with the proviso that it shall be entered into the register of companies only after the entry of the conversion of the Company into the legal form of an SE into the register of companies has taken place.

## **Agenda item 9**

### **Resolution on the authorization of the Management Board to issue convertible bonds, bonds with warrants and participating bonds and to exclude subscription rights as well as on the creation of conditional capital (Conditional Capital 2020), and corresponding amendments to the Articles of Association**

The authorization for the issue of convertible bonds, bonds with warrants and participating bonds, the exclusion of subscription rights, and the creation of conditional capital resolved by the general Meeting of Shareholders of May 8, 2015 under agenda item 7 (Conditional Capital 2015/II, § 3 (7) of the Articles of Association of Elmos Semiconductor Aktiengesellschaft) is valid up to and including May 7, 2020. Therefore the Management Board shall be authorized anew and in consideration of the proposal for the conversion of the Company into the legal form of

an SE (cf. agenda item 6) to issue convertible bonds, bonds with warrants and participating bonds, also against contributions or benefits in kind, for a period of five years, thus up to and including May 12, 2025, and a conditional capital (Conditional Capital 2020) shall be resolved.

Supervisory Board and Management Board propose that the following resolution be passed:

**a) Authorization for the issue of bonds with conversion privileges or option rights, participating bonds (or a combination of such instruments)**

#### ***Term of the authorization, par value***

The Management Board is authorized, subject to the Supervisory Board's consent, to issue convertible bonds, bonds with warrants or participating bonds, or a combination of these instruments (collectively called "bonds"), made out to the bearer or in the name of the holder, up to and including May 12, 2025, once or more than once, in the total par value of up to 400,000,000.00 Euro and to grant conversion privileges or option rights with warrants made out to the bearer or in the name of the holder for up to 10,000,000 no-par bearer shares in Elmos Semiconductor SE with a theoretical share in the share capital of altogether up to 10,000,000.00 Euro.

Other than in euro, the bonds may be issued in the legal currency of any OECD member state in observance of the limit of the equivalent euro amount. The bonds may also be issued by a group company of Elmos Semiconductor SE within the meaning of Section 18 AktG (Stock Corporation Act). In this case the Management Board is authorized, subject to the Supervisory Board's consent, to assume the guaranty

for the bonds on behalf of the Company and to grant the holders of convertible bonds and/or bonds with warrants option rights or conversion privileges or rather impose conversion obligations on them with respect to bearer shares in Elmos Semiconductor SE.

Bonds as well as option rights and conversion privileges may be issued with or without limited terms. Bonds may provide for fixed or variable interest. Moreover, interest may be made dependent entirely or in part on the amount of the Company's dividend as is the case with participating bonds.

Bonds may be issued against contributions in cash or contributions or benefits in kind, particularly an investment in other entities. This may also include the indirect issue of bonds by employing the services of a bank.

#### ***Option rights and/or conversion privileges***

In case of the issue of bonds with warrants, one or more warrants are attached to each bond, entitling the bearer or creditor to the purchase of shares in Elmos Semiconductor SE according to the particulars of the provisions for bonds or options determined by the Management Board. The warrants may be separable from the corresponding bonds. The provisions for bonds or options may provide that the option price can also be paid by contribution in kind, particularly the transfer of bonds (trade-in) and additional cash payment if applicable.

Insofar as such transaction results in fractional shares, it may be provided for that these may be added up to the purchase of full shares

against additional cash payment if applicable, in accordance with the underlying provisions of the options or bonds with warrants.

In case of the issue of convertible bonds, the bearers or creditors of convertible bonds are granted the right to convert their convertible bonds to shares in Elmos Semiconductor SE according to the provisions of the convertible bonds. The conversion ratio derives from the division of the par value, or the convertible bond's issue price below par value, by the conversion price determined respectively for one share in Elmos Semiconductor SE.

The theoretical share in the share capital of the shares to be subscribed for per convertible bond or by trade-in of one bond with warrants may not exceed the par value or the issue price of the bonds below face value. Sections 9 (1), 199 (2) AktG shall remain unaffected.

Respective bond or option conditions may also provide for a conversion or option obligation or the issuer's tender right to provide shares in Elmos Semiconductor SE (in any combination) at any given time, particularly at the end of the term as well.

### ***Subscription right***

Bonds shall generally be offered to the shareholders for subscription; they may also be issued to banks or entities within the meaning of Section 186 (5) sentence 1 AktG under the obligation to offer them to the shareholders for subscription. If bonds are issued by a group company of Elmos Semiconductor SE within the meaning of Section 18 AktG, the Company shall safeguard the granting of the statutory subscription right to the shareholders of Elmos Semiconductor SE accordingly.

However, the Management Board is authorized, subject to the Supervisory Board's consent, to exclude fractional amounts from the shareholders' subscription right and also to exclude the subscription right insofar as necessary to grant the holders of previously issued bonds subscription rights to the extent they would be eligible for subsequent to the exercise of their option rights or conversion privileges or in fulfillment of conversion obligations as shareholders.

The Management Board is also authorized, subject to the Supervisory Board's consent, to exclude the shareholders' subscription right for bonds issued entirely if the bonds are issued against contribution in cash and the Management Board arrives at the opinion after due examination that the issue price of the bonds is not materially below their hypothetical market value determined according to accepted methods of financial mathematics in particular. This authorization for the exclusion of the right to subscription applies for bonds to shares with a theoretical share in the share capital that altogether must not exceed 10% of the share capital either at the time this authorization becomes effective or – provided this amount is lower – at the time this authorization is used. To be included in the aforementioned 10% limit are

- > shares issued from authorized capital under exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG during the term of this authorization until the issue of the bonds without subscription rights according to Section 186 (3) sentence 4 AktG, and
- > shares purchased on the basis of an authorization granted by the General Meeting of Shareholders and sold under exclusion of subscription rights in accordance with Section 71 (1) no. 8 sentence 5 in conjunction with Section 186 (3) sentence 4 AktG until the issue of the bonds without subscription rights according to Section 186 (3) sentence 4 AktG.

The Management Board is also authorized, subject to the Supervisory Board's consent, to exclude the shareholders' subscription right if the bonds are issued against contributions or benefits in kind.

Apart from that, the total number of the shares issued under exclusion of subscription rights against contributions in cash or in kind must not exceed 10% of the share capital at the time this authorization becomes effective or – provided this amount is lower – at the time this authorization is used. To be included in this 10% limit are shares to be issued under this authorization linked to bonds issued under exclusion of subscription rights and shares issued from authorized capital under exclusion of subscription rights against contributions in kind and in accordance with Section 186 (3) sentence 4 AktG.

### ***Option or conversion price***

The conversion or option price must not be below 60% of the stock market price of the Company's share on XETRA (or a comparable successor trading system). Applicable is the unweighted average closing price of the shares of Elmos Semiconductor SE on XETRA (or a comparable successor system) on the ten trading days at the Frankfurt Stock Exchange prior to the final decision of the Management Board to issue an offer for subscription to bonds or rather the declaration of the Company's acceptance following public invitation to submit subscription offerings. In case of a subscription rights trade, the relevant period includes the days of subscription rights trading except for the last two trading days of subscription rights.

In the case of bonds/warrants with conversion or option obligations (or the issuer's tender right to provide shares), the conversion or option price may either amount at least to the above-mentioned minimum price or equal the unweighted average closing price of the share of Elmos Semiconductor SE on XETRA (or a comparable successor trading system) on the ten trading days at the Frankfurt Stock Exchange prior to or after the day of final maturity or rather the day of the conversion or option obligation even if this average price is below the above-mentioned minimum price (60%).

Apart from that, the option or conversion price may be adjusted, Section 9 (1) AktG notwithstanding, in case of economic dilution of the value of option rights or conversion privileges or rather conversion obligations in protection of their value according to the provisions of the bond or option insofar as said adjustment is not already provided for by law. Dilution protection or adjustments may particularly be

provided for by granting subscription rights, adjusting the conversion or option price, or adjusting or granting cash payment components.

Sections 9 (1), 199 (2) AktG shall remain unaffected in any case.

### ***Other provisions***

The Management Board is authorized, subject to the Supervisory Board's consent, to determine the further conditions of the bonds or warrants or rather define them in agreement with the respective issuing group company. Among other aspects, conditions may govern in particular

- > if servicing from authorized capital, by providing treasury shares, by the payment of the consideration (partly) in cash or the supply of (partly) other securities listed on the stock exchange (or a combination of these measures) may be also provided for instead of servicing from conditional capital,
- > if the conversion or option price or the conversion ratio shall be determined upon the issue of bonds or established on the basis of future stock market prices within bandwidths to be defined,
- > if and how rounding to a full conversion or option ratio shall be applied,

- > if additional cash payment or cash compensation shall be determined in case of fractional amounts,
- > how particulars for the exercise, the fulfillment of obligations or rights, time limits and the calculation of conversion or option prices shall be determined in the case of obligatory conversion or rather the fulfillment of option obligations, or tender rights.

#### **b) Creation of a new conditional capital**

The share capital is conditionally increased by up to 10,000,000.00 Euro by the issue of up to 10,000,000 new no-par bearer shares with a theoretical share in the share capital of 1.00 Euro each (Conditional Capital 2020). The conditional capital increase is intended for granting no-par bearer shares to the holders of convertible bonds or bonds with warrants (or a combination of these instruments) with conversion privileges, option rights or conversion obligations and issued by the Company or one of the Company's group companies within the meaning of Section 18 AktG up to and including May 12, 2025 based on the authorization given by the General Meeting of Shareholders of May 13, 2020 under agenda item 9. New shares are issued at the respective conversion or option price to be determined according to aforementioned authorization resolution.

The conditional capital increase shall be carried out by the issue of up to 10,000,000 no-par bearer shares only to the extent that the holders or creditors of convertible bonds or warrants from bonds with warrants issued on the basis of the authorization of the Management Board of Elmos Semiconductor SE or one of the Company's group companies within the meaning of Section 18 AktG up to and including May 12, 2025 make use of their conversion privileges or option rights

or fulfill their conversion or option obligations, or shares are provided under tender rights, unless other forms of performance are used for servicing.

The new shares are entitled to dividend as of the beginning of the fiscal year in which they come into being by the exercise of conversion privileges or option rights or by the fulfillment of conversion obligations; the Management Board may also determine, subject to the Supervisory Board's consent, that the new shares are entitled to dividend as of the beginning of the fiscal year for which the General Meeting of Shareholders has not yet decided on the appropriation of retained earnings at the time of the exercise of conversion privileges or option rights or the fulfillment of conversion obligations.

The Management Board is authorized to determine the further particulars of the implementation of the conditional capital increase, subject to the Supervisory Board's consent.

#### **c) Amendments to the Articles of Association**

§ 3 of the Articles of Association of Elmos Semiconductor SE is amended by a new paragraph 6 as follows:

"The share capital is conditionally increased by up to 10,000,000.00 Euro by the issue of up to 10,000,000 new no-par bearer shares with a theoretical share in the share capital of 1.00 Euro each (Conditional Capital 2020). The conditional capital increase shall be carried out by the issue of up to 10,000,000 no-par bearer shares only to the extent that the holders or creditors of convertible bonds or warrants from bonds with warrants issued on the basis of the authorization of the Management Board of Elmos Semiconductor SE or one of

the Company's group companies within the meaning of Section 18 AktG up to and including May 12, 2025 make use of their conversion privileges or option rights or fulfill their conversion or option obligations, or shares are provided under tender rights, unless other forms of performance are used for servicing. New shares are issued at the respective conversion or option price to be determined according to aforementioned authorization resolution.

The new shares are entitled to dividend as of the beginning of the fiscal year in which they come into being by the exercise of conversion privileges or option rights or by the fulfillment of conversion obligations; the Management Board may also determine, subject to the Supervisory Board's consent, that the new shares are entitled to dividend as of the beginning of the fiscal year for which the General Meeting of Shareholders has not yet decided on the appropriation of retained earnings at the time of the exercise of conversion privileges or option rights or the fulfillment of conversion obligations.

The Management Board is authorized to determine the further particulars of the implementation of the conditional capital increase, subject to the Supervisory Board's consent."

**d) Authorization to amend the Articles of Association**

The Supervisory Board is authorized to amend the Articles of Association of Elmos Semiconductor SE according to the respective utilization of Conditional Capital 2020. The same applies in case of non-utilization of the authorization for the issue of convertible bonds or bonds with warrants after expiry of the authorization period and in case of non-utilization or only partial utilization of Conditional Capital 2020 after expiry of the time limits for the exercise of option rights or conversion privileges or the fulfillment of conversion obligations.

**e) Filing the amendments to the Articles of Association**

The Management Board is instructed to file the Conditional Capital 2020 with the register of companies with the proviso that it shall be entered into the register of companies only after the entry of the conversion of the Company into the legal form of an SE into the register of companies has taken place.

**Agenda item 10**

**Resolution on the authorization to purchase and use the Company's shares and revocation of the existing authorization**

Under agenda item 6, Supervisory Board and Management Board propose the conversion of the Company into the legal form of an SE (*Societas Europaea*). Within the framework of this project, the authorization to purchase and use the Company's shares is intended to be renewed at the same time under revocation of the previous authorization to purchase and use the Company's shares.

Supervisory Board and Management Board propose that the following resolution be passed:

- a) The Management Board is authorized, subject to the consent of the Supervisory Board, to purchase the Company's shares of altogether up to 10% of the share capital up to and including May 12, 2025 whether or not the Company's conversion into the legal form of an SE has become effective within that period. Together with any treasury shares purchased for the same or other reasons and either held by the Company or attributable to the Company according to Sections 71a et seq. AktG (Stock Corporation Act), the volume of the Company's shares purchased on the basis of this authorization must not exceed 10% of the Company's share capital at any given time.

- b) The authorization to purchase and use the Company's shares may be exercised fully or in several installments, once or more than once, and for one or several purposes within the scope of aforementioned limitation.
- c) The purchase shall be made on the stock exchange or by means of a public purchase offer addressed to all of the Company's shareholders, or by purchasing from individual shareholders based on individual agreements; however, shares shall not be purchased from Weyer Beteiligungsgesellschaft mbH, ZOE-VVG GmbH, Jumakos Beteiligungsgesellschaft mbH, or other entities subject to reporting in accordance with Art. 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (Market Abuse Regulation or any replacement legislation) with no consideration of the exemption according to Art. 19 (8) of the Market Abuse Regulation (or any replacement legislation).
- > If shares are purchased on the stock exchange, consideration paid by the Company per share (net of ancillary purchase costs) shall neither exceed the opening price on the XETRA trading platform (or a comparable successor system) at the Frankfurt Stock Exchange as of the purchase date by 10% nor fall below that price by more than 20%.
- > If shares are purchased by means of a public purchase offer addressed to all of the Company's shareholders, the purchase price tendered or the limits of the purchase price margin per share (net of ancillary purchase costs) – adjustments during the tender period notwithstanding – shall neither exceed nor fall below the

unweighted average closing price of the Company's stock on the XETRA trading platform (or a comparable successor system) of the last three trading days at the Frankfurt Stock Exchange prior to the day of the public announcement of the purchase offer by more than 20%. If material changes of the relevant stock price occur subsequent to the public announcement, the purchase price may be adjusted. In this case it will be referred to the unweighted average closing price of the Company's stock on the XETRA trading platform (or a comparable successor system) of the last three trading days at the Frankfurt Stock Exchange prior to the day of the public announcement of the potential price adjustment. The purchase offer may provide for further conditions. The volume of the offer may be limited. If total subscription to the offer exceeds its volume, acceptance must occur in proportion to the respective number of shares offered. Privileged acceptance of low volumes of up to 100 of the Company's shares offered for purchase per shareholder of the Company may be provided for.

- > If shares are purchased from individual shareholders based on individual agreements, the purchase price per share may neither exceed nor fall below the unweighted average closing price of the Company's stock on the XETRA trading platform (or a comparable successor system) of the last three trading days at the Frankfurt Stock Exchange prior to the transaction of the respective purchase by more than 5%. The other shareholders' right to tender is excluded by analogous application of Section 186 (3) sentence 4 AktG.

- d) The Management Board is authorized to use the Company's shares purchased on the basis of aforementioned authorization or a preceding authorization for the following purposes:
  - aa) Shares may be sold by the Management Board to third parties, subject to the Supervisory Board's consent, against payment in cash if the selling price is not materially below the stock market price and if the number of shares sold does not exceed 10% of the share capital at the time the shares are thus utilized. To be taken into account for this 10% limit are shares, bonds with option rights, conversion privileges or conversion obligations as well as comparable financial instruments, issued or sold during the term of this authorization with exclusion of the shareholders' subscription right in direct or analogous application of Section 186 (3) sentence 4 AktG.
  - bb) Shares may be sold by the Management Board, subject to the Supervisory Board's consent, against contribution in kind, particularly in order to offer them to third parties within the scope of business combinations or acquisitions of companies, business operations, investments or other assets.
  - cc) Shares may be used by the Management Board, subject to the Supervisory Board's consent, for servicing convertible bonds, bonds with warrants or participating bonds (or a combination of these instruments) linked respectively to conversion privileges, option rights or conversion obligations, issued by the Company or one of its group companies within the meaning of Section 18 AktG in the future.
- dd) Shares may be used by the Management Board or by the Supervisory Board insofar as the Management Board is concerned in connection with share-based remuneration plans or employee share programs of the Company or one of its affiliates, or even unconnected to share-based remuneration plans or employee share programs, and issued to persons who are or were in an employment relationship with the Company or one of its affiliates as well as to members of a corporate body of the Company or one of its affiliates. To above-mentioned persons or corporate body members, shares may in particular be offered for purchase, promised and assigned, against payment or without payment.
- ee) Shares may be promised and assigned by the Supervisory Board to members of the Company's Management Board as share-based remuneration components in observance of the requirement for the appropriateness of remuneration (Section 87 (1) AktG). The particulars of share-based remuneration of Management Board members are determined by the Supervisory Board within the framework of the respectively applicable individual contract.
- ff) Shares may be assigned to members of the Supervisory Board as part of their compensation.
- gg) Shares may be retired by the Management Board, subject to the Supervisory Board's consent, without any further resolution to be passed by the General Meeting of Shareholders on the retirement or its execution. They may also be retired, subject to the Supervisory Board's consent, in a simplified procedure



without capital reduction by adjusting the theoretical share in the Company's share capital of each of the remaining no-par shares. The retirement of shares may be limited to a part of the shares purchased. If the retirement is carried out by way of the simplified procedure, the Management Board is authorized to adjust the number of no-par shares in the Articles of Association.

- e) The shareholders' subscription right to these shares of the Company is excluded to the extent that these shares are used according to authorizations described in lit. d) aa) through ff).
- f) The authorization to purchase and use the Company's shares based on the resolution passed by the General Meeting of Shareholders of May 16, 2018 and limited until May 15, 2023 is revoked as of the date the new authorization becomes effective.

## Information on agenda item 6 regarding the conversion of Elmos Semiconductor Aktiengesellschaft into a European company (Societas Europaea, SE)

The **CONVERSION PLAN** and the **ARTICLES OF ASSOCIATION** of Elmos Semiconductor SE read as follows:

### CONVERSION PLAN

for the conversion  
of Elmos Semiconductor Aktiengesellschaft, Dortmund,  
into the legal form of a Societas Europaea (SE)

#### Preamble

**Elmos Semiconductor Aktiengesellschaft (Elmos Semiconductor AG or the Company)** is a stock corporation under German law with its registered office and headquarters in Dortmund, Germany. The Company is registered under HRB 13698 in the register of companies at the District Court (Amtsgericht) of Dortmund. Its business address is Heinrich-Hertz-Str. 1, 44227 Dortmund, Germany. The Company's business is the development, manufacture and distribution of microelectronic components and system parts as well as technological devices with similar functions. Semiconductors manufactured by the Company are used predominantly for automotive applications.

The share capital of Elmos Semiconductor AG as of today amounts to EUR 20,103,513.00 and is divided into the same number of no-par shares, each with a theoretical share of EUR 1.00 in the share capital of Elmos Semiconductor AG. According to § 3 (1) sentence 2 of the Articles of Association of Elmos Semiconductor AG, the shares are bearer shares. Pursuant to Art. 2 (4) in conjunction with Art. 37 of Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European company (SE) (SE Regulation, **SE-VO**), the Company is intended to be converted into a European company (*Societas Europaea*, **SE**). Other legislation applicable to this conversion includes in particular

the German Act on the Implementation of Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European company (SE) of December 22, 2004 (SE Implementation Act, **SEAG**) and the Act on the Participation of Employees in a European company of December 22, 2004 (SE Employee Participation Act, **SEBG**).

The Company is intended to keep its registered office and headquarters in Germany.

The conversion into a European company serves the Company's positioning as an international and European corporation. At the same time, it supports the Company's perception by customers, suppliers and other stakeholders as a modern, forward-looking and dynamic corporation.

The Management Board of Elmos Semiconductor AG has therefore prepared the following conversion plan:

#### § 1

#### **Conversion of Elmos Semiconductor Aktiengesellschaft into Elmos Semiconductor SE**

- 1.1 Elmos Semiconductor AG is being converted into the legal form of an SE pursuant to Art. 2 (4) in conjunction with Art. 37 SE-VO.
- 1.2 As Elmos Semiconductor AG has had a subsidiary for many years that is subject to the national law of another member state of the European Union (**EU**), the requirements for a conversion of Elmos Semiconductor AG into Elmos Semiconductor SE pursuant to Art. 2 (4) SE-VO are fulfilled. Since its formation in the year 1997, Elmos Services B.V. based in Nijmegen, The Netherlands, registered under no. 12037305 in the register of companies, has been a direct and wholly-owned subsidiary of Elmos Semiconductor AG.
- 1.3 The conversion of Elmos Semiconductor AG into an SE results neither in the dissolution of Elmos Semiconductor AG nor the formation of a new legal

person. An asset transfer does not take place as the legal entity's identity is being maintained. The Company continues to exist in the legal form of Elmos Semiconductor SE. The shareholders' interest in the Company remains unchanged as well because the legal entity's identity is being maintained.

- 1.4 Just like Elmos Semiconductor AG, Elmos Semiconductor SE will have a dual board structure consisting of a Management Board (management body for the purpose of Art. 38 lit. b) var. 1 SE-VO) and a Supervisory Board (supervisory body for the purpose of Art. 38 lit. b) var. 1 SE-VO).

#### § 2

#### **Effective date of conversion**

The conversion will come into effect as of its entry in the register of companies of Elmos Semiconductor SE (**conversion date**).

#### § 3

#### **Company name, registered office, share capital, and Articles of Association of Elmos Semiconductor SE**

- 3.1 The company name of the SE is "Elmos Semiconductor SE".
- 3.2 Elmos Semiconductor SE has its registered office in Dortmund, Germany; this is also the location of the Company's headquarters.
- 3.3 The entire share capital of Elmos Semiconductor AG in its amount as of the conversion date (amount at present: EUR 20,103,513.00) and as divided into no-par bearer shares as of that date (number at present: 20,103,513) becomes the share capital of Elmos Semiconductor SE. The persons and entities that are shareholders of Elmos Semiconductor AG as of the conversion date become shareholders of Elmos Semiconductor SE to the same extent and with the same number of no-par shares in the share capital of Elmos Semiconductor SE as is their respective interest in the share capital of Elmos Semiconductor AG immediately prior to the

conversion date. The theoretical share of each no-par share in the share capital (at present: EUR 1.00) remains as is immediately prior to the conversion date.

- 3.4 Elmos Semiconductor SE shall have the Articles of Association (**Articles**) as attached as an annex, constituting an integral part of this conversion plan.

In the Articles of Elmos Semiconductor SE, the amount of the share capital with its division into no-par shares of Elmos Semiconductor SE (§ 3 (1) of the Articles of Elmos Semiconductor SE) as of the conversion date equals the amount of the share capital with its division into no-par shares of Elmos Semiconductor AG (§ 3 (1) of the Articles of Elmos Semiconductor AG); amount and division immediately prior to the conversion date are decisive.

- 3.5 The authorizations of the Management Board to increase the share capital of the Company up to and including May 10, 2021, subject to the Supervisory Board's consent, by the issue of new no-par bearer shares against contribution in cash or in kind, once or more than once, by up to EUR 9,900,000 altogether (Authorized Capital 2016, § 3 (4) of the Articles of Elmos Semiconductor AG) shall not remain in place. The General Meeting of Shareholders will decide on a new authorization on May 13, 2020 under agenda item 8 instead. Neither shall the conditional capital implemented under § 3 (6) to (8) of the Articles of Elmos Semiconductor AG (Conditional Capital 2010/I, Conditional Capital 2015/I and Conditional Capital 2015/II) remain in place; in their stead, the General Meeting of Shareholders will decide on a new authorization on May 13, 2020 under agenda item 9.
- 3.6 The General Meeting of Shareholders to be held on May 13, 2020, scheduled to decide on the approval of the conversion of Elmos Semiconductor AG into an SE under agenda item 6, will receive the proposal under agenda item 10 to revoke the authorization of the Management Board to purchase the Company's shares resolved by the General Meeting of Shareholders on May 16, 2018 under agenda

item 6 and to give the Management Board a new authorization to purchase and use the Company's shares pursuant to Section 71 (1) no. 8 Stock Corporation Act (**AktG**) with the option to exclude subscription rights and tender rights if applicable. If the General Meeting of Shareholders effectively gives such authorization to the Management Board on May 13, 2020, it shall continue to apply to the Management Board of Elmos Semiconductor SE after the conversion of Elmos Semiconductor AG into an SE has become effective. If the General Meeting of Shareholders to be held on May 13, 2020 does not effectively give such authorization to the Management Board as proposed, the existing authorization to purchase the Company's shares resolved by the General Meeting of Shareholders on May 16, 2018 shall continue to be in effect up to and including May 15, 2023 and will thus apply to the Management Board of Elmos Semiconductor SE as well, provided the conversion of Elmos Semiconductor AG into an SE has become effective by that date.

- 3.7 Shareholders who object to the conversion will receive no offer of cash compensation as such compensation is not provided for by law.

## § 4

### Management Board

Notwithstanding the decision-making authority of the Supervisory Board of Elmos Semiconductor SE under stock corporation law, it can be assumed that the acting members of the Management Board of Elmos Semiconductor AG will be appointed members of the Management Board of Elmos Semiconductor SE. The current members of the Management Board of Elmos Semiconductor AG are Dr. Anton Mindl (Chairman of the Management Board), Dr. Arne Schneider, Guido Meyer and Dr. Jan Dienstuhl.

## § 5

### Supervisory Board

- 5.1 According to § 7 of the Articles of Elmos Semiconductor SE, Elmos Semiconductor SE will have a Supervisory Board consisting of six members like the previous

Supervisory Board of Elmos Semiconductor AG. Two of the six members will generally be elected by ballot of all employees in accordance with the Elmos Participation Agreement (as defined under § 6.5).

- 5.2 The terms of the shareholders' representatives and the employees' representatives on the Supervisory Board of Elmos Semiconductor AG expire as the conversion becomes effective, i.e. upon entry of the conversion into the register of companies of Elmos Semiconductor SE.

The four shareholders' representatives will be elected to the Supervisory Board of Elmos Semiconductor SE by the Company's General Meeting of Shareholders on May 13, 2020.

The two employees' representatives will be appointed to the first and the second Supervisory Board based on the Elmos Participation Agreement (as defined under § 6.5).

## § 6

### **Information on the process of concluding an agreement on the participation of employees in Elmos Semiconductor SE**

- 6.1 In order to safeguard the acquired rights of the employees of Elmos Semiconductor AG to participate in corporate decision-making with respect to the conversion into an SE, a process shall be initiated regarding the participation of employees with the objective of concluding a corresponding agreement.

The process for the participation of employees is determined by the general principle of the protection of the employees' acquired rights. The scope of the participation of employees in the SE is defined by Section 2 (8) SEBG, which essentially follows Art. 2 lit. h) of Council Directive 2001/86/EC of October 8, 2001 supplementing the Statute of a European company with regard to the involvement of employees.

Involvement, or participation, of employees is accordingly the umbrella term for any process – particularly information, consultation, and co-determination – that enables employee representatives to exert influence on decision-making within a company. In this context, information means the information of the SE works council or other employee representative bodies by the SE management body about matters concerning the SE itself or one of its subsidiaries, or one of its business locations in another member state, or issues exceeding the authority of the relevant corporate bodies at the level of the individual member state. In addition to receiving the opinion of employee representatives on issues relevant to corporate decisions, consultation means an exchange of views between employee representatives and company management and consulting with a view to reaching an agreement; company management, however, remains free in its decision-making. Co-determination means that employees exert influence on SE matters; pursuant to Section 2 (12) SEBG it either refers to the right to appoint or elect members to the Supervisory Board or to the right to propose members for election or reject the proposals made by others.

- 6.2 The initiation of a process for the participation of employees must comply with the provisions of the SEBG. Accordingly, the management of the company involved shall inform the employees or rather the respective employee representation about the intended conversion and call on them to form a special negotiating body (SNB).

Pursuant to Section 4 (3) SEBG, information of the employees or employee representative bodies shall comprise in particular (i) the identity and structure of the company, the subsidiaries and business locations involved, including their respective distribution to the member states, (ii) the employee representative bodies set up in these entities and business locations, (iii) the number of employees working at each of these entities and business locations and the total number of employees per member state calculated on that basis, and (iv) the number of employees with co-determination rights in the corporate bodies of these entities.

The Management Board of Elmos Semiconductor AG has informed the employee representative bodies or rather the employees in Germany and in the Netherlands in writing about the intended conversion of Elmos Semiconductor AG into the legal form of an SE and called on them to set up an SNB. With a letter of request and information dated April 11, 2019, the works council of Elmos Semiconductor AG, the respective works councils of MAZ Brandenburg GmbH, GED Electronic Design GmbH, and DMOS GmbH, and the employees of Mechaless Systems GmbH and Elmos Services B.V. were informed. The last letter of request and information was received on April 15, 2019. The Elmos Group's senior executives were informed by the Management Board of Elmos Semiconductor AG about the intended conversion.

### 6.3 The formation and composition of the SNB generally follow German law (Sections 4 to 7 SEBG).

- (a) The distribution of seats in the SNB to the individual EU member states and EEA contracting states (European Economic Area) in which the Elmos Group has employees is governed by Section 5 (1) SEBG also for the case of an SE formation by conversion with the SE's registered office in Germany. The distribution of seats is made according to the following general rules:

Each EU member state and each EEA contracting state in which entities of the Elmos Group have employees is generally allotted at least one seat in the SNB. The number of seats allotted to any EU member state or EEA contracting state is increased by one with respect to each 10% threshold if the number of employees working in that EU member state or EEA contracting state exceeds the threshold of 10%, 20%, 30% and so forth of all the Elmos Group's employees in the EU or rather the EEA. The effective date for the distribution of SNB seats is generally the day the relevant information has been received by the employees or rather the respective employee representation (cf. Section 4 (4) SEBG).

The numbers of the Elmos Group's employees in the EU member states and the EEA contracting states as of March 31, 2019 resulted in the following distribution of seats.

Member state	Number of employees	Share in %	Seats in the SNB
Germany	1,292	> 90	10
The Netherlands	5	< 10	1

- (b) In Germany, the election or rather the appointment of SNB members as well as the formation of the SNB are generally the responsibility of the employees and their representative bodies or rather the relevant unions. National law applies. Therefore different procedures may generally be applied such as the ballot of all employees, appointment by the unions, or, as the German law stipulates, an election held by an electoral body (cf. Section 8 SEBG).

The electoral body to be set up in Germany is composed of members of the group works council if applicable. If there is no group works council, the electoral body consists of members of the general works council or, if there is none, of the members of the works council. Entities and business locations without a works council are represented by the works council representatives as well (Section 8 (2) sentence 2 SEBG).

In this case, the electoral body was composed of members of the works councils in place at the Elmos Group's German entities.

Three of the ten SNB members from Germany would generally have been up for election on proposal by a union, provided a union is represented in the entities of the Elmos Group. However, no union proposals were submitted.

As the SNB had more than six domestic members, one of them had to be a senior executive. Because Elmos Semiconductor AG has no representative body for senior executives, pursuant to Section 8 (1) sentence 6 SEBG the senior executives were called on to submit election proposals to the electoral body themselves, to be signed by one twentieth, or 50, of the senior executives. Women and men should be elected according to their ratio within that employee group.

The electoral body has elected the following persons to the SNB by secret and direct ballot:

SNB member	Substitute member
Dr. Jonas Klaiber-Lodewigs (Elmos Semiconductor AG)	Martina Droste (Elmos Semiconductor AG)
Sven-Olaf Schellenberg (Elmos Semiconductor AG)	Andrea Frohne (Elmos Semiconductor AG)
Markus Panick-Schneetker (Elmos Semiconductor AG)	Heiko Rahn (Elmos Semiconductor AG)
Jan Barten (Elmos Semiconductor AG)	Michael Seifert (Elmos Semiconductor AG)
Stefan Marcic (Elmos Semiconductor AG)	Diana de Medio (Elmos Semiconductor AG)
Dirk Hinsken <sup>1</sup> (Elmos Semiconductor AG)	Daniela Schmitz-Häbler (Elmos Semiconductor AG)
Robert Wolfram (GED Electronic Design GmbH)	Juliane Jung (GED Electronic Design GmbH)
Olaf Hänisch (MAZ Brandenburg GmbH)	Rüdiger Arnold (MAZ Brandenburg GmbH)
Jörg Krupar (DMOS GmbH)	Tilo Grohmann (DMOS GmbH)
Dr. Malte Schipper (Elmos Semiconductor AG)	Dr. Ralf Montino (Elmos Semiconductor AG)

<sup>1</sup> Meanwhile deceased

- (c) The SNB member to represent the Netherlands has been elected directly by the employees in the Netherlands as there is no employee representation on location. For SNB membership allotted to the Dutch employees, Devrim Dalar (Elmos Services B.V.) has been appointed.
- (d) The names of all SNB members, their addresses, and the companies and business locations they work for have been made known immediately, or were known, to the Management Board of Elmos Semiconductor AG. The Management Board in turn forwarded this information to the respective local management teams and employee representation bodies.

6.4 After all SNB members had been named, the Management Board of Elmos Semiconductor AG invited the elected SNB members on May 2, 2019, i.e. within ten weeks after the information for the purpose of Section 4 (2) and (3) SEBG (cf. Sections 12 (1), 11 (1) SEBG), to the inaugural session of the SNB and informed the local management teams about this. The inaugural session of the SNB was held forthwith on May 2, 2019 at the offices of Elmos Semiconductor AG, Heinrich-Hertz-Str. 1, Dortmund. Upon the inaugural SNB session, the process of SNB formation was completed and negotiations began, to be completed within a statutory period of up to six months, notwithstanding the option of a unanimous extension of that time limit.

The objective of negotiations was the conclusion of a participation agreement. The subject of negotiations was the employees' participation on the Supervisory Board of Elmos Semiconductor SE and the determination of a process for the information and consultation of employees. The latter can be implemented either by the formation of an SE works council or another process devised by the negotiating parties for safeguarding the information and consultation of the employees of Elmos Semiconductor SE.

- 6.5 The conclusion of a participation agreement between the company's management and the SNB is subject to an SNB resolution. The resolution is adopted by the majority of its members which must represent the majority of represented employees as well. Any resolution that results in diminishing participation rights cannot be effectively adopted (cf. Section 15 (5) SEBG). The same applies for resolutions not to engage in or to break off negotiations (cf. Section 16 (3) SEBG).

On September 30, 2019 the SNB resolved the conclusion of the agreement on the participation of employees in Elmos Semiconductor SE (**Elmos Participation Agreement**) with the required majority of votes. The Elmos Participation Agreement was signed by Elmos Semiconductor AG and the SNB on September 30, 2019 as well. The completion of the negotiation process is a prerequisite for the entry of the SE into the register of companies and thus for the effectiveness of the conversion into an SE (Art. 12 (2) SE-VO). The Elmos Participation Agreement will come into force upon the entry of the change of the legal form of Elmos Semiconductor AG into Elmos Semiconductor SE in the register of companies.

- 6.6 As an SE works council, the Elmos Participation Agreement provides for the formation of the Elmos SE Committee as the addressee of the information and consultation obligations of Elmos Semiconductor SE under the SEBG (**Elmos SE Committee**).

The Participation Agreement also stipulates that further negotiations on the participation of employees in the SE will be entered into with respect to any structural changes to the SE.

- 6.7 As the Elmos Group's parent, Elmos Semiconductor AG currently has a Supervisory Board with six members, composed to two thirds of

shareholders' representatives and to one third of employees' representatives in accordance with the German One-Third Participation Act (**DrittelbG**). With respect to the two employees' representatives on the Supervisory Board of Elmos Semiconductor AG, at present only employees of the Group's companies who work at German locations have the right to vote and to stand as candidates pursuant to the DrittelbG, according to prevailing legal opinion supported by case law. The provisions of the DrittelbG for the representation of employees on the Supervisory Board of Elmos Semiconductor AG will be superseded by the set of rules of the SEBG (for other effects of the conversion on employees and their representation, please refer to § 7, below). The terms of the employees' representatives and the shareholders' representatives on the Supervisory Board of Elmos Semiconductor AG will expire as the conversion of Elmos Semiconductor AG into an SE becomes effective.

- 6.8 Accordingly, the Elmos Participation Agreement also includes the agreement on the employees' co-determination on the Supervisory Board of Elmos Semiconductor SE, the number of employees' representatives as members of the Supervisory Board, the proceedings for the determination of employees' representatives, and their rights. Any diminishment of the rights of the employees to co-determination as previously existing in Elmos Semiconductor AG was inadmissible (cf. Sections 15 (5), 16 (3), 21 (6), 35 (1) SEBG). This means that the rights to be implemented for Elmos Semiconductor SE could not fall short of the existing rights of the employees in Elmos Semiconductor AG based on one-third co-determination.

According to the Elmos Participation Agreement, Thomas Lehner and Sven-Olaf Schellenberg are initially appointed until the close of the General Meeting of Shareholders to decide on the formal approval of the actions of the members of the Supervisory Board for the first fiscal year of Elmos Semiconductor SE, yet for no longer than three years, and then until the close

of the General Meeting of Shareholders to decide on the formal approval of the actions of the members of the Supervisory Board for the fifth fiscal year after the beginning of the term, yet for no longer than six years.

The shareholders' representatives to be appointed to the first Supervisory Board of Elmos Semiconductor SE will be proposed to the General Meeting of Shareholders on May 13, 2020 for election.

The Articles of Association shall determine the number of the members of the Supervisory Board or the rules according to which the number is determined (Art. 40 (3) sentence 1 SE-VO, Section 17 (1) SEAG). Accordingly, the Supervisory Board will consist of six members. Compliant with the rule of one-third participation to be applied, the Articles of Elmos Semiconductor SE stipulate that two members of the Supervisory Board shall be appointed in accordance with the Elmos Participation Agreement.

- 6.9 The necessary costs incurred by the formation and in the operation of the SNB are paid by Elmos Semiconductor AG and, after the conversion, by Elmos Semiconductor SE. The obligation to bear the costs comprises personnel and material costs incurred in connection with SNB activity, including negotiations. In particular, adequate rooms, equipment and materials (e.g. phones, fax machine, relevant literature), interpreters and office staff shall be provided for the meetings and the SNB members' necessary costs of travel and lodging shall be paid.

## § 7

### **Other effects of the conversion on employees and their representative bodies**

- 7.1 Apart from the above, the conversion has the following effects on the employees and their representative bodies:

- (a) The rights and obligations of the employees under existing employment agreements remain unaffected. This also applies for the involved entity itself; Section 613a Civil Code (BGB) is not applicable to the conversion as there is no transfer of business due to the identity of the legal entity.
- (b) Works agreements and other provisions with respect to collective labor law remain unaffected for the Elmos Group's employees in accordance with the respective agreements.
- (c) For the Elmos Group's employees, the conversion of Elmos Semiconductor AG into an SE also has no effect on the employee representative bodies in place at Elmos Semiconductor AG and the other entities of the Elmos Group, with the exception of the procedure described above under § 6 for the participation of employees and the changes described in this context under § 6. Furthermore, the conversion of Elmos Semiconductor AG into Elmos Semiconductor SE does not affect the rule of co-determination law for the group companies based in Germany.

As described above under § 6.7, the conversion into an SE makes another legal foundation applicable for ruling co-determination on the Company's Supervisory Board. Pursuant to the provisions of the German One-Third Participation Act (DrittelbG), the Supervisory Board of Elmos Semiconductor AG consists to one third of employees' representatives. Upon the conversion, Elmos Semiconductor SE will no more be subject to employee co-determination under the DrittelbG.

Co-determination will rather follow principally the Elmos Participation Agreement. Had no participation agreement been



concluded, co-determination would follow the non-binding standard provisions under the SEBG. However, regardless of whether a participation agreement has been concluded with the SNB or the statutory standard provisions apply, co-determination rights with respect to the Supervisory Board's proportionate composition of shareholders' representatives and employees' representatives cannot be diminished. According to the Articles of Elmos Semiconductor SE, an unchanged ratio of one third of the members of the Supervisory Board shall be employees' representatives. In this regard, the Articles of Elmos Semiconductor SE provide under § 7 (1) that the Supervisory Board of Elmos Semiconductor SE shall be composed of four shareholders' representatives and two employees' representatives.

- 7.2 Finally, no measures are intended or planned due to the conversion that might have an effect on the situation of the employees.

## § 8

### Auditor

Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, shall be appointed auditor and group auditor for the first fiscal year of Elmos Semiconductor SE. The first fiscal year of Elmos Semiconductor SE is the calendar year during which the conversion of Elmos Semiconductor AG into Elmos Semiconductor SE is entered into the register of companies of Elmos Semiconductor SE.

## § 9

### No further rights or special benefits

- 9.1 Persons as defined by Section 194 (1) no. 5 UmwG and/or Art. 20 (1) sentence 2 lit. f) SE-VO shall not be granted any rights, and special arrangements for such persons are not provided for.

- 9.2 Persons as defined by Art. 20 (1) sentence 2 lit. g) SE-VO shall not be granted any special benefits within the course of the conversion.

However, it shall be pointed out that the previous employees' representatives on the Supervisory Board, Thomas Lehner and Sven-Olaf Schellenberg, are initially appointed until the close of the General Meeting of Shareholders to decide on the formal approval of the actions of the members of the Supervisory Board for the first fiscal year of Elmos Semiconductor SE, yet for no longer than three years, and then until the close of the General Meeting of Shareholders to decide on the formal approval of the actions of the members of the Supervisory Board for the fifth fiscal year after the beginning of the term, yet for no longer than six years (cf. § 6.8).

Furthermore, the previous shareholders' representatives on the Supervisory Board of Elmos Semiconductor AG are intended to be proposed for election as members of the Supervisory Board of Elmos Semiconductor SE until the close of the General Meeting of Shareholders to decide on the formal approval of the actions of the members of the Supervisory Board for the first fiscal year of Elmos Semiconductor SE, yet for no longer than three years, to the Supervisory Board of Elmos Semiconductor SE.

## § 10

### Conversion expenses

The Company bears the costs of the conversion up to an amount of EUR 700,000.00.

Dortmund, March 5, 2020

Elmos Semiconductor AG  
The Management Board

## ARTICLES OF ASSOCIATION

of Elmos Semiconductor SE  
Heinrich-Hertz-Str. 1, 44227 Dortmund

### I. GENERAL PROVISIONS

#### § 1

##### **Business name, registered office**

- 1.1 The business name of the Company is  
**Elmos Semiconductor SE**
- 1.2 The Company has its registered office in Dortmund, Germany.

#### § 2

##### **Nature of business**

- 2.1 The Company's business is the development, manufacture and distribution of microelectronic components, system parts, systems and software as well as technological devices with similar functions. The Company may conduct any business transactions and take any measures connected to the nature of its business or deemed appropriate to serve it directly or indirectly.
- 2.2 The Company may establish, acquire or hold an interest in other companies, consolidate such entities under a single management, limit itself to a holding's management or transfer the holding or the holding's management to a third party on behalf of the Company, dispose of its holdings, and conclude corporate agreements and establish branch offices. The Company may also transfer its business in whole or in part to direct or indirect subsidiaries and limit itself to the management of a group of companies as described in paragraph 1.

### II. SHARE CAPITAL AND SHARES

#### § 3

##### **Share capital**

- 3.1 The Company's share capital amounts to EUR 20,103,513 (twenty million one hundred and three thousand five hundred and thirteen euros). It is divided into 20,103,513 (twenty million one hundred and three thousand five hundred and thirteen) no-par bearer shares, each with a theoretical share in the share capital of EUR 1.00. Form and content of the share certificates shall be determined by the Management Board.
- 3.2 The Company's share capital has been provided in the amount of EUR 20,103,513 by way of the conversion of Elmos Semiconductor Aktiengesellschaft into a European company (*Societas Europaea, SE*).
- 3.3 In case of a capital increase, profit sharing of new shares may be determined differently than stipulated under Section 60 AktG (German Stock Corporation Act).
- 3.4 Shares shall be issued only in the form of global certificates. These are deposited with a securities depository bank for the purpose of Section 1 (3) DepotG. The shareholders' rights to securitization of respective shareholdings is excluded.

### III. MANAGEMENT BOARD

#### § 4

##### **Composition, appointment and employment**

- 4.1 The Management Board (management body) of the Company consists of two or more members.
- 4.2 The Supervisory Board is responsible for the appointment and removal of members of the Management Board as well as for concluding their contracts of employment. The Supervisory Board determines the number of members of the

Management Board. The Supervisory Board may nominate a Chairman and a Vice Chairman of the Management Board. A spokesperson of the Management Board or deputy members of the Management Board may be appointed as well.

- 4.3 Management Board members are appointed for a term of no more than six years. Management Board members may be reappointed.

## § 5

### Rules of procedure and resolutions

- 5.1 By unanimous resolution of its members, the Management Board may set up rules of procedure unless the Supervisory Board establishes rules of procedure for the Management Board. If the Supervisory Board does not establish rules of procedure for the Management Board, the Management Board shall inform the Supervisory Board of issuance, essential amendments to and suspension of its rules of procedure no later than at the next Supervisory Board meeting after adopting such a resolution.
- 5.2 The Management Board has a quorum if either all of its members participate in passing a resolution in person or by means of electronic media, or if all of its members have been invited to participate and half or more of its members participate in passing a resolution in person or by means of electronic media.
- 5.3 Resolutions of the Management Board are adopted by the simple majority of the votes cast. If a Chairman of the Management Board has been appointed, he has the casting vote in case of a tied vote. If the Chairman of the Management Board does not participate in passing the resolution, that resolution proposal is deemed rejected in case of a tied vote. The Chairman of the Management Board has the right to veto a Management Board resolution. If the Chairman of the Management Board opts to veto a resolution, that resolution is deemed not adopted. The vote of the Vice Chairman is not a casting vote even if the Chairman of the Management Board does not participate in passing the resolution; the Vice Chairman does not have veto power, either.

## § 6

### Representation

- 6.1 The Company is legally represented by two members of the Management Board or one member of the Management Board and one authorized officer ("Prokurist").
- 6.2 Generally speaking, the Company is represented by members of the Management Board, authorized officers or other authorized signatories as determined in particular by the Management Board.

## IV. SUPERVISORY BOARD

## § 7

### Composition and term

- 7.1 The Supervisory Board (supervisory body) consists of six members, four of which are elected by the shareholders and two are elected as employees' representatives by ballot of all employees in accordance with the agreement on the participation of employees in Elmos Semiconductor SE (Participation Agreement) concluded pursuant to the German Act on the Participation of Employees in a European Company (SE Employee Participation Act, SEBG) in their respective current versions.
- 7.2 Unless stipulated otherwise by the General Meeting of Shareholders for shareholders' representatives or by the Elmos SE committee for employees' representatives, the term for elected Supervisory Board members expires as of the end of the General Meeting of Shareholders to resolve the formal approval of the actions of the members of the Supervisory Board for the fifth fiscal year after the term has begun, yet shall not exceed six years. The fiscal year in which the term begins is not included. Notwithstanding this general provision, the term of the first Supervisory Board of Elmos Semiconductor SE expires as of the end of the General Meeting of Shareholders to resolve the formal approval of the actions of the members of the Supervisory Board for the first fiscal year of Elmos

Semiconductor SE, yet shall not exceed three years. Supervisory Board members may be reappointed.

- 7.3 If a Supervisory Board member is elected to replace a member who has left the board before the term has expired, the new member is elected for the remainder of that term.
- 7.4 Substitute members may be elected alongside proper members of the Supervisory Board. A substitute member joins the Supervisory Board for the remainder of the term if the Supervisory Board member he has been elected to substitute leaves the board before the term has expired.
- 7.5 Any member of the Supervisory Board and any substitute member may step down from his position, with or without good cause, by written notice addressed to the Chairman of the Supervisory Board or the Management Board.

## § 8

### Chairman and Vice Chairman

- 8.1 In its inaugural meeting, not subject to a convening notice and to be held immediately after the end of the General Meeting of Shareholders that has elected the Supervisory Board, the Supervisory Board shall appoint one of its members Chairman and another member Vice Chairman. Both Chairman and Vice Chairman must be shareholders' representatives. In the absence of the Supervisory Board's Chairman, the Vice Chairman shall have the Chairman's rights and obligations. The terms of the appointment equal the terms of Supervisory Board membership.
- 8.2 Chairman and Vice Chairman of the Supervisory Board may step down from their respective positions, with or without good cause, by written notice addressed to all members of the Supervisory Board or the Management Board. They shall remain members of the Supervisory Board.

## § 9

### Convening notice and resolutions

- 9.1 The Chairman of the Supervisory Board convenes the meetings of the Supervisory Board and chairs them.
- 9.2 Meetings of the Supervisory Board are generally attended by its members in person. The Supervisory Board may provide in its rules of procedure for the option that meetings of the Supervisory Board can also be held by means of video conferencing or conference calls or that individual members of the Supervisory Board may attend by video conferencing or conference call connection without the members' option to veto a corresponding directive.
- 9.3 Resolutions of the Supervisory Board are generally passed at Supervisory Board meetings. By directive of the Chairman of the Supervisory Board, resolutions may also be passed outside of meetings in writing, by telephone, by e-mail, by fax message or another suitable means of electronic communication, or by a combination of aforementioned means. There is no right to veto the directive of the Chairman of the Supervisory Board on the form of passing a resolution.
- 9.4 The Supervisory Board has a quorum if all its members participate in passing the resolution or if all its members have been properly invited and three or more members participate. A member participates in passing a resolution even if he abstains from voting. Absent members of the Supervisory Board may participate in passing Supervisory Board resolutions by having other members of the Supervisory Board submit their written votes. Submitting written votes equals submitting votes by fax message provided the original fax message bears the signature of the Supervisory Board member thus casting his vote.
- 9.5 Resolutions of the Supervisory Board are adopted by the simple majority of the votes cast; the Chairman of the Supervisory Board has the casting vote in case

of a tied vote. If the Chairman of the Supervisory Board does not participate in passing the resolution, the Vice Chairman has the casting vote.

- 9.6 The Management Board attends the meetings of the Supervisory Board unless the Supervisory Board decides otherwise.
- 9.7 Minutes shall be prepared of the meetings of the Supervisory Board, to be signed by the meeting's respective chairman. Minutes of resolutions passed in writing, by telephone, by e-mail, by fax message or another suitable means of electronic communication shall be signed by the Chairman of the Supervisory Board.
- 9.8 The Chairman of the Supervisory Board is authorized, on behalf of the Supervisory Board, to make any statements and receive any statements addressed to the Supervisory Board that are required for implementing the Supervisory Board's resolutions.
- 9.9 The Supervisory Board is authorized to amend the Articles of Association insofar as only their wording is concerned.

#### § 10

##### Consent

- 10.1 The Management Board requires prior consent of the Supervisory Board for the following types of business transactions:
- (a) Acquisition and disposal of real estate as well as encumbrances on real estate, provided the value in the individual case exceeds 10% of the Group's total assets reported for the previous fiscal year; and
  - (b) Acquisition of companies or business units or existing interests in companies, provided the value in the individual case exceeds 10% of the Group's total assets reported for the previous fiscal year.

- 10.2 The Supervisory Board may declare further types of business transactions or measures of the Management Board subject to the Supervisory Board's consent at any time.

## V. GENERAL MEETING OF SHAREHOLDERS

### § 11

#### General Meeting

- 11.1 The General Meeting of Shareholders shall be held within the first six months of each fiscal year at the Company's registered office, in a town within a distance of 250 km of the Company's registered office, or in any city in the Federal Republic of Germany with a population of 100,000 or more.
- 11.2 The General Meeting of Shareholders is convened by the Management Board by announcement in the Federal Gazette. Notwithstanding a shorter term permissible by law, the General Meeting shall be convened no later than thirty days prior to the day the General Meeting is held. The convening period is extended by the days of the registration period. In determining the convening period, the day of convening and the day of the General Meeting shall not be included.

### § 12

#### Participation and voting rights

- 12.1 All shareholders have the right to participate in the General Meeting of Shareholders and exercise their voting rights if they register for participation prior to the General Meeting and submit proof of their entitlement. Registration and proof of entitlement must be received by the Company under the address communicated in the convening notice for this purpose in text form (Section 126 b BGB - Civil Code), in German or English, no later than six days prior to the General Meeting. The day of the General Meeting and the day of receipt of registration shall not be included.

12.2 As proof of entitlement to participate in the General Meeting of Shareholders and to exercise voting rights, proof of shareholdings issued by the depository bank in text form is both required and sufficient. The convening notice may provide for the admissibility of proof issued by other institutes than depository banks as well. Proof of shareholdings must refer to the point in time prior to the General Meeting as stipulated by the German Stock Corporation Act.

12.3 The right to vote may be exercised by a proxy. If a shareholder authorizes more than one person as proxy, the Company may reject one or several of them. Authorization and revocation of proxy as well as proof of proxy authorization to be furnished to the Company require text form. The Management Board is authorized to provide in the convening notice that shareholders may also exercise their voting rights without attending the General Meeting of Shareholders either by written votes or by means of electronic communication. The details of authorization and revocation of proxy as well as proof of proxy authorization to be furnished to the Company shall be announced in the convening notice to the General Meeting.

12.4 The Management Board is authorized to provide the option for shareholders to participate in the General Meeting of Shareholders even without attending in person or authorizing a proxy but rather by exercising their rights in whole or in part by means of electronic communication. The Management Board is also authorized to issue regulations on the scope and procedure of participation and the exercise of rights. Any use made of these authorizations and the regulations based thereon shall be announced in the convening notice to the General Meeting.

## § 13

### Meeting procedure

13.1 The General Meeting of Shareholders is chaired by the Chairman of the Supervisory Board or, in his absence, by the Vice Chairman. The Chairman of the Supervisory Board or, in his absence, the Vice Chairman may also appoint a third person chairman of the General Meeting.

13.2 Resolutions of the General Meeting of Shareholders are adopted by the simple majority of the valid votes cast, unless binding law or the Articles of Association require a larger majority of votes. Each share equals one vote. Amendments to the Articles of Association require a majority of two thirds of the valid votes cast or, if half or more of the share capital is represented at the General Meeting, the simple majority of valid votes cast, unless binding law or the Articles of Association require a different majority of votes. The removal of members of the Supervisory Board requires the majority of three fourths or more of the valid votes cast.

13.3 The chairman is authorized to provide for the General Meeting of Shareholders to be broadcast in whole or in part by electronic transmission of sound and images. The convening notice for the General Meeting shall include express reference to this option.

13.4 The chairman determines the order of the speakers, the sequence of the treatment of agenda items, and the way and the order in which elections are held and he may, if admissible under law, decide the integration of several items scheduled for resolution into a single item, provided such items are associated by subject matter, and determine adequate limitations of the time to speak or ask questions, or the combined time for speaking and asking questions, either for the entire General Meeting of Shareholders, for individual agenda items, or for individual speakers, either at the beginning or during the course of the General Meeting, and, if deemed necessary for safeguarding the General Meeting's orderly procedure, to order the end of debate.

#### **§ 14**

##### **Annual financial statements and appropriation of profits**

- 14.1 The Company's fiscal year is the calendar year.
- 14.2 Within the statutory period after the end of each fiscal year, the Management Board shall prepare the annual financial statements for the Company and the Group and present them to the auditor.
- 14.3 The audited financial statements shall be presented together with the proposal to the General Meeting of Shareholders for the appropriation of profits to the Supervisory Board without delay. If the Supervisory Board approves the financial statements, they are deemed adopted unless Management Board and Supervisory Board decide to have the financial statements adopted by the General Meeting of Shareholders. If Management Board and Supervisory Board adopt the financial statements, they are authorized to allocate even more than half of the annual retained earnings to reserves.

#### **VI. FINAL PROVISIONS**

#### **§ 15**

##### **Announcements and information**

- 15.1 Announcements of the Company are solely made in the Federal Gazette unless binding law requires otherwise in the individual case.
- 15.2 Information intended for holders of the Company's listed securities may also be transmitted to them by means of electronic data transfer.

#### **§ 16**

##### **Formation expenses**

Formation expenses of Elmos Semiconductor Aktiengesellschaft were paid by the Company up to an amount of DM 100,000.00 plus sales tax.

#### **§ 17**

##### **SE conversion expenses**

The Company will bear the expenses of the conversion into a European company (SE) such as court and notary's fees, special negotiating body expenses, change-of-legal-form audit fees, publication costs, and all other legal and consultancy fees up to the total amount of EUR 700,000.00.

## **Information on the candidates proposed for election to the Supervisory Board under agenda item 7**

### **Dr. Klaus Weyer**

**Graduate physicist, management consultant, born 1948, residing in Penzberg**

Dr. Klaus Weyer studied physics at the University of Cologne. He earned his doctorate at Ludwig-Maximilian-Universität (LMU) in Munich. He went to work as management consultant in the field of microelectronics for small and medium-sized enterprises. In 1984 he cofounded Elmos, starting as the Company's managing director. He became member of the Management Board in 1999 and later on its Chairman. Since 2006 he has been a member of the Supervisory Board of Elmos Semiconductor Aktiengesellschaft and its Chairman since 2017.

Information pursuant to Section 125 (1) sentence 5 AktG: Dr. Klaus Weyer is neither a member of another supervisory board nor of a comparable domestic or international supervisory body.

### **Prof. Dr. Günter Zimmer**

**Graduate physicist, university professor (ret.), born 1940, residing in Duisburg**

Prof. Dr. Günter Zimmer studied physics in Darmstadt. After earning his doctorate at the Technical University of Munich (TUM), he worked for Siemens AG in Munich. In 1973 he went to the University of Dortmund as senior engineer and was promoted to professor in semiconductor technology in the year 1982. He was a professor at Gerhard-Mercator-Universität Gesamthochschule Duisburg from 1984 to 2005. Until 2006 he was also head of the Fraunhofer Institute for Microelectronic Circuits and Systems in Duisburg. Prof. Dr. Günter Zimmer is a cofounder of Elmos; he was Chairman of the Advisory Committee of ELMOS Elektronik in MOS-

Technologie GmbH since its formation and has been Supervisory Board member since its conversion into Elmos Semiconductor Aktiengesellschaft in 1999. Until 2017 he served as Chairman of the Company's Supervisory Board and has since been appointed Honorary Chairman for life as well as Vice Chairman of the Supervisory Board.

Information pursuant to Section 125 (1) sentence 5 AktG: Prof. Dr. Günter Zimmer is neither a member of another supervisory board nor of a comparable domestic or international supervisory body.

### **Dr. Gottfried H. Dutiné**

**Graduate engineer, independent business consultant, born 1952, residing in Kleve**

Dr. Gottfried H. Dutiné completed his studies of electronic telecommunications engineering at the Technical University of Darmstadt in 1979 with his doctorate. He went on to work for Rockwell-Collins and Motorola before joining Robert Bosch in 1989, filling various international positions. In 1997 Dr. Gottfried Dutiné was appointed Chairman of the Executive Board of Alcatel-SEL and he became a member of the Executive Committee of Royal Philips Electronics in 2002. Since 2012 he has been working as an independent business consultant. Dr. Gottfried H. Dutiné has been a member of the Company's Supervisory Board since 2016.

Information pursuant to Section 125 (1) sentence 5 AktG: Dr. Gottfried H. Dutiné is a member of the Advisory Committee of Endiio GmbH and a member of the Board of Directors of Stokke A.S.

### **Dr. Klaus Egger**

**Graduate engineer, independent business consultant, born 1951, residing in Steyr-Gleink, Austria**

Dr. Klaus Egger completed his studies in mechanical engineering in 1975 at



the Technical University of Graz where he also earned his doctorate. In the course of his professional career, Dr. Klaus Egger filled various executive positions at AVL Graz, BMW, voestalpine, Robert Bosch, and Siemens Automotive. Since 2008 he has been working as an independent business consultant. He has been a member of the Supervisory Board of Elmos Semiconductor Aktiengesellschaft since 2011.

Information pursuant to Section 125 (1) sentence 5 AktG: Dr. Klaus Egger is a member of the Supervisory Board of AVL List GmbH.

## **Report of the Management Board on agenda item 8 (creation of Authorized Capital 2020)**

§ 3 (4) of the Articles of Association of Elmos Semiconductor Aktiengesellschaft provides for authorized capital (Authorized Capital 2016). The Authorized Capital 2016 has so far not been used and still amounts to 9,900,000.00 Euro. The authorization expires on May 10, 2021. In view of the resolution of the General Meeting of Shareholders under agenda item 6 for the conversion of Elmos Semiconductor Aktiengesellschaft into the legal form of an SE (*Societas Europaea*), new authorized capital is intended to be created in the amount of 10,051,756.00 Euro (Authorized Capital 2020).

Management Board and Supervisory Board therefore propose to the General Meeting of Shareholders that the previous Authorized Capital 2016 be cancelled and that the Articles of Association of the SE be amended by the inclusion of a new Authorized Capital 2020 in the amount of 10,051,756.00 Euro.

The Authorized Capital 2020 is proposed as the Company must be in the position to act swiftly and flexibly in the changing markets at any time in the interest of its shareholders. The Management Board therefore regards

it as its duty to assure that the Company – irrespective of any specific plans for utilization – will always have the necessary instruments for raising capital at its disposal. As decisions on meeting the Company's capital requirements usually must be made on short notice, it is important that the Company will not be dependent on the rhythm of annually held General Meetings in this regard. With the instrument of authorized capital, the legislator has made allowance for this prerequisite. Strengthening the equity base and financing the acquisition of investments are the predominant causes for the utilization of authorized capital.

If the Authorized Capital 2020 is used for capital increases against contributions in cash, shareholders generally have a subscription right.

However, the proposal provides for the optional exclusion of this subscription right, subject to the Supervisory Board's consent, if the new shares in the event of a capital increase against contributions in cash according to Section 186 (3) sentence 4 AktG (Stock Corporation Act) are issued at a price that is not materially below the stock market price. This authorization makes it possible for the Company to seize market opportunities in its various fields of business swiftly and flexibly and to meet any arising capital requirements even on very short notice if necessary. The exclusion of subscription rights thus not only facilitates swifter action but also the placement of shares at a price that approximates the stock market price, i.e. without the significant discount usually required for the issue of subscription rights. This leads to higher issue proceeds for the benefit of the Company. Moreover, with such a placement new shareholder groups can be targeted. In making use of this authorization, the Management Board shall determine the discount at as low an amount as possible according to the prevailing market conditions at the time of placement. The total number of shares issued under exclusion of subscription rights according to Section 186 (3) sentence 4 AktG may

not exceed 10% of the share capital either at the time this authorization becomes effective or at the time it is being used.

To be taken into account for this 10% limit is the sale of treasury shares insofar as the transaction takes place during the term of this authorization under exclusion of subscription rights according to Section 186 (3) sentence 4 AktG. Furthermore, those shares are to be taken into account for this limit that were issued or are to be issued for servicing bonds (including participating bonds) linked to conversion or option privileges or rather conversion obligations as well as comparable financial instruments (hereinafter collectively referred to as bonds) insofar as the bonds or participating bonds are issued during the term of this authorization under exclusion of subscription rights in analogous application of Section 186 (3) sentence 4 AktG. In compliance with statutory provisions, these conditions make allowance for the interest of the shareholders with respect to protection against the dilution of their shares. Each shareholder generally has the option to purchase the shares necessary to maintain his or her respective shareholdings at comparable conditions on the stock exchange as the issue price of the new shares will approximate the stock market price and due to the limitation of the volume of the capital increase under exclusion of subscription rights. It is thus assured that the utilization of the Authorized Capital 2020 under exclusion of subscription rights will adequately protect financial interests while additional options will be made available to the Company in the interest of all shareholders.

In addition to that, the exclusion of subscription rights shall be an option insofar as is necessary in order to grant the creditors of bonds issued or to be issued subscription rights to new shares if the terms and conditions of the respective bond provide for it. Terms and conditions of such bonds usually provide for protection against dilution. If shares with subscription rights are issued below the current stock market price after the issue

of the bond, the value – at otherwise unchanged conditions – of the conversion or option privileges of the creditors of bonds is diminished. For the protection of creditors of bonds, creditors are usually granted a discount on the option or conversion price for later issues of stock with shareholders' subscription rights; another option is to grant the creditors subscription rights to new shares, such as granted to the shareholders, according to the terms and conditions of the bond. The creditors of bonds are thus treated as if they had already exercised their option rights or conversion privileges or if the conversion obligation were already fulfilled. The exclusion of the shareholders' subscription right is necessary to enable the Company to grant such subscription rights to the creditors of bonds. The option to grant stock to the creditors instead of reducing the option or conversion price can be economically more favorable for the Company. By granting stock instead of a discount on the option or conversion price, the Company can achieve a higher issue price for the shares to be issued in the event of conversion or the exercise of options.

The exclusion of subscription rights shall also be an option in order to issue shares to employees and executives of the Company, employees of affiliates, and freelancers by way of a capital increase against contributions in cash. This authorization for the exclusion of subscription rights shall enable the Company to grant another form of share-based payment to its staff by the issue of shares and thus to commit them even more to the Company or rather to win new qualified employees for the Company. The Authorized Capital 2020 thus enhances the option for the issue of new shares according to the proposal to the General Meeting of Shareholders under agenda item 10. The Management Board will be governed in the definition and the kind of the terms and conditions of employee stocks solely by the interest of the shareholders and the Company and it will particularly take into account the interest of the existing shareholders by avoiding a dilutive effect by the issue of new shares as far as possible. The

Management Board will report on its decisions and the number of shares issued in this context.

Furthermore, the exclusion of subscription rights shall be possible in order to implement a so-called scrip dividend at the best possible conditions, subject to the Supervisory Board's consent. A scrip dividend gives shareholders the option to contribute their claim to dividend payment arising upon the General Meeting's resolution on the appropriation of retained earnings to the Company, either entirely or in part, as contribution in kind for the subscription of new shares.

The implementation of a scrip dividend can be made as a true issue of subscription rights particularly in compliance with the provisions of Section 186 (1) AktG (minimum subscription period of 2 weeks) and Section 186 (2) AktG (announcement of the issue price no later than three days prior to the expiry of the subscription period). Only full shares are offered to shareholders for subscription; with respect to the part of a dividend entitlement that does not meet the subscription price of a full share (or that exceeds it), shareholders are referred to the receipt of a cash dividend and may insofar not subscribe for shares. Neither offering partial rights is provided for nor implementing a trade of subscription rights or fractions thereof. As shareholders receive a cash dividend instead of the subscription of new shares, this appears legitimate and adequate.

In the individual case, depending on the situation in the capital market, it may be in the interest of the Company and its shareholders to offer and implement the granting of a scrip dividend without being bound insofar by the restrictions of Section 186 (1) and (2) AktG. Instead of the implementation of a scrip dividend by way of the issue of subscription rights, the Management Board shall therefore also be authorized to exclude the shareholders' subscription rights altogether for the

implementation of a scrip dividend, subject to the Supervisory Board's consent. In this case as well, the Management Board will offer – the blanket exclusion of subscription rights notwithstanding – new shares for subscription to all shareholders entitled to dividend against contribution of their respective claim to dividend payment. In view of the fact that new shares will be offered to all shareholders and excess dividend fractions will be compensated by the payment of a cash dividend, the exclusion of subscription rights appears legitimate and adequate insofar as well.

Moreover, the Management Board shall be enabled to exclude fractional amounts from the shareholders' subscription right, subject to the Supervisory Board's consent. This makes the utilization of the authorization possible through rounded amounts. The implementation of an issue is thus made easier. These new shares excluded from subscription rights as "free fractions" are used in the best possible way in the Company's interest.

Finally, the exclusion of subscription rights shall be made possible in the event of capital increases against contributions in kind. The Management Board will thus be enabled to have the Company's shares at its disposal in order to use them in suitable individual cases in connection with the acquisition of companies, investments or other assets. Negotiations may bring up the necessity not to provide money as consideration but stock. The option to offer the Company's shares as consideration therefore creates an advantage in the competition for interesting acquisition targets as well as the necessary range of options for seizing opportunities that open up for the acquisition of companies, investments or other assets while preserving the Company's liquidity. Even under the aspect of an optimized financing structure, payment in shares can make sense. The Company will not incur any disadvantages as the issue of shares against contributions in kind requires that the relation of the value of the contribution in kind to the value of the shares is appropriate.

It shall also be made possible to use the Authorized Capital 2020 under exclusion of the shareholders' subscription right for servicing conversion and option privileges originating from bonds for which subscribers have not made contributions in cash but in kind. This makes it possible to use convertible bonds or bonds with warrants (or participating bonds) as "acquisition currency" in connection with the acquisition of companies, investments or other assets and thus also improves the Company's opportunities in the competition for interesting acquisition targets.

The total amount of shares issued according to this authorization under exclusion of subscription rights and against contributions in cash or in kind must not exceed a proportionate amount of the share capital of 2,010,351.30 Euro (10% of the current share capital); to be taken into account for this limit is the sale of treasury shares insofar as the transaction takes place during the term of this authorization under exclusion of subscription rights. Furthermore, those shares are to be taken into account for this limit that were issued or are to be issued for servicing bonds (including participating bonds) linked to conversion or option privileges or rather conversion obligations insofar as the bonds or participating bonds have been issued during the term of this authorization under exclusion of subscription rights. This means that the Management Board may exclude subscription rights only to the extent that exclusions of subscription rights according to the Authorized Capital 2020 to be resolved under agenda item 8 and with respect to bonds issued during the term of the authorization involve a maximum number of shares up to a total proportionate amount of the share capital of 2,010,351.30 Euro. This limit guarantees a corresponding cap on the exclusion of subscription rights and confines the potential dilution of shareholders excluded from subscription.

The Management Board shall duly examine in each individual case whether to make use of the authorization for a capital increase under exclusion of the shareholders' subscription right. It shall make use of the authorization only if Management Board and Supervisory Board share the opinion that this is in the interest of the Company and thus in the interest of its shareholders.

The Management Board shall report to the General Meeting of Shareholders on any previous utilization of this authorization.

### **Report of the Management Board on agenda item 9 (authorization to issue convertible bonds, bonds with warrants and participating bonds)**

The proposed authorization of the Management Board to issue, subject to the Supervisory Board's consent, bonds with warrants, convertible bonds, participating bonds or a combination of these instruments (collectively called "bonds") made out to the bearer or in the name of the holder in the total par value of up to 400,000,000.00 Euro up to and including May 12, 2025, once or more than once, with conversion privileges or conversion obligations or with option rights or option obligations certified by warrants made out to the bearer or in the name of the holder with respect to up to 10,000,000 no-par bearer shares of the Company with a theoretical share in the share capital of up to 10,000,000.00 Euro is intended to enhance the Company's options for financing its activities, to be explained in detail below, and open up the path for the Management Board, subject to the Supervisory Board's consent, toward flexible and timely financing in the interest of the Company, particularly upon the occurrence of favorable capital market conditions.

Shareholders are generally entitled to the statutory subscription right to bonds linked to conversion privileges, option rights or conversion obligations (Section 221 (4) AktG in conjunction with Section 186 (1) AktG). In order to simplify proceedings, the option to issue bonds to a bank or a consortium of credit institutions under the obligation to offer the bonds to the shareholders according to their right to subscription is intended to be made use of (indirect subscription right for the purpose of Section 186 (5) AktG).

The exclusion of subscription rights to fractional amounts facilitates the utilization of the proposed authorization by way of round figures. This simplifies the execution of the shareholders' subscription right. The exclusion of subscription rights in favor of the holders of already issued bonds with conversion privileges, option rights or conversion obligations has the advantage that the conversion or option price does not have to be reduced for already issued bonds and that a higher cash inflow is thus made possible altogether. Both cases of subscription right exclusion are therefore in the interest of the Company and its shareholders.

The Management Board is also authorized to exclude the shareholders' subscription right altogether, subject to the Supervisory Board's consent, if the issue of bonds with conversion privileges, option rights or conversion obligations is realized at a price that is not materially below the market price of these bonds. The Company is thus given the option to seize market opportunities swiftly and flexibly and to achieve better conditions for the determination of interest rates and issue prices of bonds due to a definition of conditions close to the market. Such a definition of conditions close to the market and an unobstructed placement would not be possible if the subscription right was observed. Section 186 (2) AktG does allow for an announcement of the issue price (and thus the conditions of these

bonds) until the third-to-last day of the subscription period. However, in view of the often observed volatility at the stock markets, even then a market risk would remain for several days, leading to the provision of haircuts in determining bond conditions and therefore to conditions not close to the market. If the subscription right remains in effect, the successful placement with third parties will also be jeopardized or subject to additional expense because of the uncertainty of the right's execution (subscription behavior). Finally, if the subscription right is granted, the Company cannot respond to favorable or unfavorable market conditions at short notice because of the length of the subscription period but is instead exposed to declining stock prices during the subscription period, potentially resulting in unfavorable equity financing for the Company.

For this case of a total exclusion of the shareholders' subscription right, the provision of Section 186 (3) sentence 4 AktG applies analogously according to Section 221 (4) sentence 2 AktG. The limit for subscription right exclusion of 10% of the share capital stipulated therein shall be observed, according to the proposed resolution. By a corresponding provision in the authorization proposal, it is also assured that even in case of a capital decrease the 10% limit will not be exceeded as the authorization for the exclusion of the shareholders' subscription right shall expressly not exceed 10% of the share capital either at the time of coming into effect or at the time of exercising the authorization. Included in the aforementioned 10% limit are new shares issued from authorized capital under exclusion of subscription rights according to Section 186 (3) sentence 4 AktG during the term of this authorization until the bonds with conversion privileges, option rights or conversion obligations are issued without subscription rights in analogous application of Section 186 (3) sentence 4 AktG. Also to be included are such shares that may be purchased on the basis of an authorization given by the General Meeting of Shareholders in accordance

with Section 71 (1) no.8 AktG and sold in analogous application of Section 186 (3) sentence 4 AktG under exclusion of subscription rights.

Section 186 (3) sentence 4 AktG has the additional stipulation that the issue price may not be materially below the stock market price. This provision is meant to assure that a material economic dilution of the shares' value will not occur. If such a dilutive effect occurs in case of an issue of bonds with conversion privileges, option rights or conversion obligations under exclusion of the shareholders' subscription right can be determined by calculating the hypothetical stock market price of the bonds according to accepted methods of financial mathematics in particular and then comparing it with the issue price. If the issue price is found after due examination to be only immaterially below the hypothetical stock market price at the time of the bond's issue, exclusion of subscription rights is admissible within the meaning of Section 186 (3) sentence 4 AktG due to an immaterial discount because the arithmetical market value of a subscription right drops close to nil so that the shareholders cannot suffer a material economic disadvantage by the exclusion of their subscription right. The proposed resolution therefore requires the Management Board to arrive at the opinion after due examination and prior to the issue of bonds with conversion privileges, option rights or conversion obligations that the intended issue price will not lead to a material dilution of the shares' value. Independent of this examination to be carried out by the Management Board, a determination of conditions based on the market and thus the prevention of a material dilution of value in case of carrying out a book building procedure is assured. By this procedure, bonds are offered for a fixed issue price but individual conditions of the bonds (e.g. interest rate and term if applicable) are determined on the basis of purchase bids submitted by investors and thus the total value of the bond

is defined close to the market. All this makes sure that a material dilution of the shares' value by the exclusion of the shareholders' subscription right will not take place.

Furthermore, shareholders have the option to maintain their share in the Company's share capital at any time by purchasing shares on the stock market even after the exercise of conversion privileges or option rights or the fulfillment of conversion obligations. For the Company, on the other hand, the authorization to exclude the right to subscription allows the definition of conditions close to the market, the greatest possible security with regard to the shares' placement with third parties, and the exploitation of favorable market scenarios at short notice.

Moreover, the Management Board is authorized to exclude the right to subscription, subject to the Supervisory Board's consent, if bonds are issued against contributions or benefits in kind. By granting this authorization, the Management Board shall be given the option, subject to the Supervisory Board's consent, to have shares available for disposal against contributions in kind, particularly as consideration for business combinations or upon the acquisition of companies, business operations and investments. The domestic and international competition as well as a globalized economy increasingly demand this form of acquisition financing. The proposed authorization is intended to provide the Company with the necessary range of options to seize any opportunities for the acquisition of companies or investments swiftly and in a flexible manner. This concern is met by the proposed exclusion of the shareholders' subscription right. There are no specific plans for making use of this authorization. In determining valuation proportions, the Management Board will make sure that the shareholders' interests are duly considered.

In calculating the value of shares disposed of as consideration, the Management Board will generally orient itself toward the stock market price of the Company's share. The Management Board will report to the General Meeting of Shareholders on each use of this authorization.

The proposed resolution also governs that the total amount of shares issued under exclusion of the right to subscription against contributions in cash or in kind must not exceed 10% of the share capital at the time the authorization becomes effective or – if this amount is lower – at the time the authorization is exercised. To be included in this 10% limit are shares to be issued under this authorization linked to bonds issued without subscription rights and shares issued from authorized capital under exclusion of the right to subscription against contributions in kind as well as in accordance with Section 186 (3) sentence 4 AktG.

The Conditional Capital 2020 is required for servicing conversion privileges or option rights, conversion or option obligations or tender rights linked to corresponding bonds to or with respect to the Company's shares unless other forms of performance are utilized for servicing.

There are no specific plans at present for a utilization of the authorization to issue bonds. The Management Board shall diligently analyze in each case if the utilization of the authorization is in the interest of the Company and its shareholders.

The Management Board shall report to the General Meeting of Shareholders on any utilization of the authorization.

## **Report of the Management Board on agenda item 10 (authorization to purchase and use the company's shares)**

At the General Meeting of Shareholders held on May 16, 2018, the Company resolved upon an authorization to purchase and use the Company's shares up to and including May 15, 2023. The existing authorization has partly been used. The proposal therefore provides for the existing authorization to be revoked and superseded by a new authorization to purchase and use the Company's shares for a period of five years, thus up to and including May 12, 2025.

Apart from the purchase of shares on the stock market, the Management Board shall also be given the option, subject to the Supervisory Board's respective consent, to purchase the Company's shares by means of a public purchase offer. With this alternative, each of the Company's shareholders with the intent to sell may decide how many shares he or she wants to offer and, if a price range is determined, at what price. If the volume of shares offered at the determined price exceeds the number of shares requested by the Company, the allocation of shares must occur in proportion to the shares offered. The proposed resolution provides for the privileged acceptance of small offers or small contingents of offers of up to 100 shares. This option helps avoid fractional amounts that would otherwise occur in determining the quota to be purchased and small remaining parcels, thereby simplifying the technical implementation.

The authorization also provides for the option that the Company may purchase shares from individual shareholders based on individual purchase agreements without having to offer the other shareholders

the purchase of their shares, too. Purchase of shares from the so-called anchor shareholders of Elmos Semiconductor Aktiengesellschaft, i.e. Weyer Beteiligungsgesellschaft mbH, ZOE-VVG GmbH, and Jumakos Beteiligungsgesellschaft mbH, or from any other entity subject to reporting pursuant to Art. 19 of the Market Abuse Regulation (or any replacement legislation), without consideration of the exemption according to Art. 19 (8) of the Market Abuse Regulation (or any successor legislation), is not permitted. The purchase of shares based on individual purchase agreements is advantageous because share buyback on the stock market, in view of the limited trading volume, or by way of a public purchase offer might take relatively long. It might take a long time until the Company would be able to actually buy back a larger portion of the Company's shares. The purchase from individual shareholders is also subject to a market-based stock price so that shareholders are ultimately not penalized. Shareholders not involved in such transactions therefore do not lose value. This corresponds to the position of shareholders upon share buyback on the stock exchange where not all of the shareholders can actually sell the Company's shares they hold. Insofar the conditions under Section 186 (3) sentence 4 AktG, according to which the exclusion of the shareholders' subscription right is justified if the shareholders' asset interests are safeguarded due to market-based price calculation, are met analogously.

The Management Board shall be enabled to sell shares bought back with exclusion of the shareholders' subscription right, subject to the Supervisory Board's consent, to third parties against cash payment if the selling price is not materially below the stock market price. The administration will keep a possible discount off the stock market price as low as possible in compliance with the provisions of the law. The sale for a selling price that is not materially below the stock market price avoids dilution of the shareholders' investment value. The number of shares thus

sold must not exceed 10% of the share capital at the time of the utilization of shares. To be taken into account for this 10% limit are shares, bonds with conversion privileges, option rights or conversion obligations as well as comparable financial instruments issued or sold during the term of this authorization under exclusion of the shareholders' subscription right in direct or analogous application of Section 186 (3) sentence 4 AktG (Stock Corporation Act). This opens up opportunities for the Company to offer its shares to domestic and international investors and to expand the shareholder base, and thus to stabilize the value of the stock. The Company is enabled to adjust its equity to business requirements in a flexible manner and to respond to favorable stock market scenarios.

Furthermore, the authorization as proposed is intended to provide the Management Board with the option, subject to the Supervisory Board's consent, to have shares of the Company available to dispose of against contribution in kind, particularly as consideration with regard to business combinations or acquisitions of companies, business operations or investments in entities. Domestic and international competition and a globalized economy increasingly require this kind of acquisition financing. The proposed authorization is intended to provide the Company with the necessary range of options to seize any opportunities for the acquisition of companies or investments swiftly and in a flexible manner. This concern is met by the proposed exclusion of the shareholders' subscription right. There are no specific plans for making use of this authorization. In determining valuation proportions, the Management Board will make sure that the shareholders' interests are duly considered. In calculating the value of shares disposed of as consideration, the Management Board will generally orient itself toward the stock market price of the Elmos Semiconductor share. The Management Board shall report to the General Meeting of Shareholders on each use of this authorization.



Moreover, the Management Board, or rather the Supervisory Board insofar as the Management Board is concerned, shall be enabled to offer shares to employees and executives of the Company, employees and members of the management of affiliated companies, freelancers, and members of the Company's Management Board or to provide and assign shares as remuneration components (also without consideration). The Company promotes a culture of ownership and therefore enables employees and executives to participate in the Company and its performance by share programs and share-based payment as well as individual stock awards. Such participation is also desired by the legislator and therefore made easier in many respects. The issue of shares to employees of the Company or one of its affiliates and to members of corporate bodies of the Company or one of its affiliates is meant to strengthen the connection aforementioned persons share with the Company. They are meant to be committed to the Company and to participate in its long-term development as shareholders as well. Thus understanding and the willingness to assume a larger share of responsibility, particularly economic responsibility, is meant to be strengthened in the interest of the Company and its shareholders. The issue of shares also makes arrangements with a long-term incentive effect possible, potentially taking not only positive developments but negative ones into account as well. Granting shares e.g. subject to a lockup period or blocking period of several years, or linked to incentives that promote holding them, also provides for a penalty effect in the case of negative developments in addition to the bonus effect. Granting shares is thus intended to give an incentive for pursuing a sustainable increase in the Company's shareholder value.

The issue of shares to the Company's employees is intended to create an additional kind of share-based payment in order to commit employees to the Company and to attract qualified new employees to the Company. The

objectives of incentive and employee commitment to the Company are in the Company's interest. The exclusion of the shareholders' subscription right with regard to the utilization of purchased shares of the Company is a prerequisite to this. Members of the Company's Management Board are also meant to be given the opportunity to be promised or assigned shares by the Supervisory Board as share-based remuneration. The option to promise and assign treasury shares to Management Board members as a remuneration component commits the members of the Management Board to the Company and its economic success and is therefore in the Company's interest as well. Members of the Management Board who receive shares by way of remuneration on these grounds have an additional interest to work toward the Company's increase in shareholder value as expressed by its stock market price. On the other hand, they also bear the market price risk. The decision on this is the sole responsibility of the Supervisory Board as the proper decisionmaking body that also decides on the terms and conditions of the share-based remuneration of Management Board members in compliance with the statutory provisions for appropriateness (Section 87 (1) AktG). It is thus assured that the shareholders' subscription right is excluded not excessively, and only in the Company's interest.

Assigning treasury shares to members of the Supervisory Board as part of their compensation under exclusion of the shareholders' subscription right is also intended to be an option. Members of the Supervisory Board shall be able to receive part of their variable compensation in the Company's shares insofar as the Company is authorized to use treasury shares for this purpose and to the extent the Company holds treasury shares as of the due date of the claim for compensation. The value of the shares is determined by the average closing price of the Company's stock on the XETRA trading platform (or a comparable successor system) of the twenty trading days at the Frankfurt Stock Exchange prior to the

due date of compensation. Granting shares instead of cash payment is not dependent on a certain stock price. If the calculation results in fractional shares, the number of shares will be rounded down to the next full number and the difference will be paid in cash. For shares received by way of share-based compensation, a holding period of three calendar years applies as of the shares' respective grant date. The interest of the members of the Supervisory Board in the Company's long-term and sustainable governance and performance is thus intended to be strengthened. In order to facilitate the practical implementation of the compensation structure, the Management Board shall be enabled to assign treasury shares to members of the Supervisory Board as part of their compensation under exclusion of the shareholders' subscription right. This also applies if the Company's General Meeting of Shareholders decides on the compensation system.

Finally, the Management Board shall be authorized to retire the Company's shares purchased on the grounds of the proposed authorization, subject to the Supervisory Board's consent, even without another resolution to be passed by the General Meeting of Shareholders. According to Section 237 (3) no. 3 AktG, the General Meeting of Shareholders may resolve the retirement of no-par shares without making a reduction of share capital necessary. The proposed authorization provides for this option besides the retirement of shares with a capital reduction. By retiring shares without a capital reduction, the remaining no-par shares' theoretical share in the share capital automatically increases. Therefore the Management Board shall be authorized to adjust the number of no-par shares as they are reduced by retirement in the Articles of Association.

## Total number of shares and voting rights

The Company's share capital amounts to 20,103,513.00 Euro as of the convening of the General Meeting and is divided into 20,103,513 no-par bearer shares. Each no-par share entitles its holder to one vote at the General Meeting of Shareholders.

Please take note that the Company holds 468,999 of the Company's shares. In accordance with Section 71b AktG (Stock Corporation Act), the Company cannot derive any rights from these shares, particularly no voting rights.

## Participation in the General Meeting of shareholders

According to § 11 of the Company's Articles of Association, shareholders are entitled to participation in the General Meeting and to the exercise of voting rights if they register their participation with the Company at the following address and submit special proof of share ownership issued by their depository bank to that same address:

Elmos Semiconductor Aktiengesellschaft  
c/o Computershare Operations Center  
80249 Munich, Germany  
Fax: +49 (0) 89-30903-74675  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Proof of share ownership must refer to the point in time as defined by the German Stock Corporation Act, i.e. the beginning of the 21<sup>st</sup> day prior to the General Meeting (record date), thus to the **beginning of April 22, 2020**, and it must be received by the Company together with the registration **before midnight of May 6, 2020** at said address. Registration and proof of share ownership must be furnished in text form (Section 126b BGB (Civil Code)), composed either in German or English.

Entitlement to participation and the extent of voting rights exclusively correspond with the shareholder's share ownership as of the record date. The record date does not have a blocking effect on the marketability of shareholdings. Even in case of the entire or partial sale of shareholdings subsequent to the record date, the shareholder's share ownership as of the record date remains the sole deciding quantity for participation and the extent of voting rights; i.e. the sale of shares subsequent to the record date has no effect on the entitlement to participation and the extent of voting rights. The same applies for the acquisition of shares after the record date. Entities who do not own any shares as of the record date and become shareholders after that date are not entitled to participate or exercise any voting rights unless they are insofar empowered or authorized to exercise such rights. The record date has no relevance to the entitlement to dividend.

Upon the Company's receipt of registration and proof of share ownership, tickets of admission to the General Meeting will be sent to the shareholders by the registration office. In order to assure the timely receipt of admission tickets, we kindly ask our shareholders to request a ticket of admission to the General Meeting from their depository bank in good time. In these cases, the required registration and the proof of share ownership are provided by the depository bank.

## Information on data protection

If you register for participation in the General Meeting or grant proxy authorization, we will collect personal data of yourself and/or the proxy you have authorized. This has the purpose of enabling shareholders to exercise their rights within the framework of the General Meeting. You will find detailed information on our handling of your personal data and your rights according to the General Data Protection Regulation (GDPR) on the Company's website on the internet at: [www.elmos.com/english/about-elmos/investor/annual-general-meeting](http://www.elmos.com/english/about-elmos/investor/annual-general-meeting)

## Proxy voting procedure

### *Proxy authorization*

Voting rights may be exercised by proxies. If neither an intermediary nor a shareholders' association, nor a proxy advisor, nor another entity comparable to an intermediary in accordance with Section 135 (8) AktG (Stock Corporation Act) is authorized as a proxy, the proxy authorization, its revocation, and proof of proxy authorization must be furnished to the Company at least in text form (Section 134 (3) sentence 3 AktG in conjunction with Section 126b BGB (Civil Code)).

For our shareholders' convenience, we provide the option for them to authorize proxies nominated by the Company. Proxy authorization and its revocation require at least text form in this case as well (Section 134 (3) sentence 3 AktG in conjunction with Section 126b BGB). If a proxy nominated by the Company is authorized, the proxy authorization must also be accompanied by voting instructions. The Company-nominated proxies are obligated to vote according to the respective shareholder's instructions.

In case of proxy voting, the submission of registration of the respective shareholdings and proof of share ownership must also be made in due time according to the above-mentioned regulations.

Statutory provisions apply, Section 135 AktG in particular, to granting proxy authorization to intermediaries, shareholders' associations, proxy advisors, or other entities comparable to intermediaries in accordance with Section 135 (8) AktG, as well as to revoking and giving proof of such proxy authorization. Intermediaries, shareholders' associations, proxy advisors, and other entities comparable to an intermediary in accordance with Section 135 (8) AktG may have special requirements for the procedure of their own authorization. Shareholders are therefore kindly asked to contact the entity they wish to authorize in good time in consideration of potential special requirements for the form of granting proxy authorization.

#### ***Submission of proxy authorization to the Company***

Proof of proxy authorization must be either furnished by the proxy on the day of the General Meeting or submitted by way of declaration to the Company prior to the General Meeting to the following address:

Elmos Semiconductor Aktiengesellschaft  
Hauptversammlungsstelle  
Heinrich-Hertz-Straße 1  
44227 Dortmund, Germany  
Fax: +49 (0) 231-7549-111  
Email: hauptversammlung@elmos.com

On the day of the General Meeting, the only place available for furnishing proof of proxy authorization is the registration desk set up at Elmos Semiconductor AG, Heinrich-Hertz-Straße 1, 44227 Dortmund/Germany,

from 9:00 a.m. to just before the beginning of voting procedures. Shareholders who intend to authorize proxies nominated by the Company prior to the General Meeting are asked for organizational considerations to please submit proxy authorization and voting instructions **before midnight of May 12, 2020 (Company's receipt)** by mail, fax or email to the following address:

Elmos Semiconductor Aktiengesellschaft  
c/o Computershare Operations Center  
80249 Munich, Germany  
Fax: +49 (0) 89-30903-74675  
Email: anmeldestelle@computershare.de

#### ***Proxy forms***

Shareholders who have registered for participation according to § 11 of the Company's Articles of Association will receive a proper form for granting proxy authorization as part of the ticket of admission. In addition to that, a proxy form is available for download on the Company's website at [www.elmos.com/english/about-elmos/investor/annual-general-meeting](http://www.elmos.com/english/about-elmos/investor/annual-general-meeting).

## Shareholders' rights (motions, election proposals, requests for information)

### **1. Supplements to the agenda**

Shareholders whose combined shareholdings equal or exceed a twentieth of the share capital or the proportionate amount of EUR 500,000.00 (equivalent to 500,000 shares) are entitled to request in accordance

with Section 122 (2) AktG (Stock Corporation Act) that topics be put on the agenda and announced. Each new topic must be accompanied by an explanatory statement or a resolution proposal. The request must be addressed to the Company's Management Board in writing. It must be received by the Company at least 30 days prior to the day of the General Meeting, not including the day of receipt and the day the General Meeting is held. The last admissible date of receipt is thus **Sunday, April 12, 2020 before midnight**.

We kindly ask to submit any requests for supplements to the agenda to the following address:

Elmos Semiconductor Aktiengesellschaft  
The Management Board  
Heinrich-Hertz-Straße 1  
44227 Dortmund, Germany

Supplements to the agenda subject to announcement – unless announced already upon the convening of the General Meeting – are announced in the Federal Gazette promptly upon the request's receipt and transmitted for publication to media outlets of which it can be expected that they distribute this information throughout the entire European Union. They are also announced on the internet at [www.elmos.com/english/about-elmos/investor/annual-general-meeting](http://www.elmos.com/english/about-elmos/investor/annual-general-meeting).

## 2. Countermotions and election proposals

In accordance with Section 126 (1) AktG (Stock Corporation Act), each shareholder is entitled to submit countermotions with regard to the resolution proposals on the respective agenda items. If countermotions are meant to be made public by the Company, the Company must receive them, accompanied by proof of shareholder capacity, at least 14 days prior

to the General Meeting, thus **before midnight of April 28, 2020**, at the following address:

Elmos Semiconductor Aktiengesellschaft  
Hauptversamlungsstelle  
Heinrich-Hertz-Straße 1  
44227 Dortmund, Germany  
Telefax: +49 (0) 231-7549-111  
E-Mail: [hauptversammlung@elmos.com](mailto:hauptversammlung@elmos.com)

Otherwise addressed countermotions will not be made public. Subject to Section 126 (2) and (3) AktG, any shareholder's countermotions to be made accessible will be released on the internet at [www.elmos.com/english/about-elmos/investor/annual-general-meeting](http://www.elmos.com/english/about-elmos/investor/annual-general-meeting) including that shareholder's name and any provided explanatory statement as well as any corresponding statement by the administration.

In accordance with Section 127 AktG, these provisions apply analogously to a shareholder's proposal for the election of Supervisory Board members (insofar as such election is on the agenda of the General Meeting) or auditors. In addition to the reasons named in Section 126 (2) AktG, the Management Board does not have to make an election proposal accessible if the proposal does not contain the candidate's name, actual occupation and place of residence. Proposals for the election of Supervisory Board members do also not have to be made accessible if they do not contain information on Supervisory Board candidates' memberships in other statutory supervisory boards pursuant to Section 125 (1) sentence 5 AktG.

Even if countermotions or election proposals have been submitted to the Company in advance, they will be considered at the General Meeting only if they are proposed or submitted orally at the General Meeting

again. Shareholders' rights to propose counter motions or submit election proposals (insofar as such election is on the agenda) at the General Meeting even without prior submission to the Company remain unaffected.

### **3. Requests for information**

In accordance with Section 131 (1) AktG (Stock Corporation Act), the Management Board must give information on the Company's matters upon any shareholder's request at the General Meeting insofar as such information is necessary for the proper assessment of an item on the agenda and no right to withhold information applies. The Management Board's duty to provide information also includes the legal and business relationships Elmos Semiconductor Aktiengesellschaft maintains with its affiliates. The duty to provide information furthermore includes the situation of the Elmos Semiconductor Group and the subsidiaries included in the consolidated financial statements of Elmos Semiconductor Aktiengesellschaft.

### **4. Further information**

A more detailed explanation of the shareholders' rights in accordance with Sections 122 (2), 126 (1), 127 and 131 (1) AktG (Stock Corporation Act) are available on the internet at [www.elmos.com/english/about-elmos/investor/annual-general-meeting](http://www.elmos.com/english/about-elmos/investor/annual-general-meeting).

## **Release of the invitation to the General Meeting of Shareholders and other documents relating to the General Meeting**

The information to be made accessible on the Company's website pursuant to Section 124a AktG (Stock Corporation Act), particularly the convening notice to the General Meeting, the documents to be made available to the shareholders at the General Meeting, shareholders' motions, and further information, is available on the internet at [www.elmos.com/english/about-elmos/investor/annual-general-meeting](http://www.elmos.com/english/about-elmos/investor/annual-general-meeting).

Voting results are announced after the General Meeting at the same internet address.

The convening notice to the General Meeting will be announced in the Federal Gazette of March 20, 2020 and transmitted for publication to media outlets of which it can be expected that they distribute this information throughout the entire European Union.

# Internet broadcast of the General Meeting of shareholders

By order of the chairman of the General Meeting, parts of the General Meeting on May 13, 2020, starting at 10:00 a.m., can be broadcast live on the internet ([www.elmos.com/english/about-elmos/investor/annual-general-meeting](http://www.elmos.com/english/about-elmos/investor/annual-general-meeting)) for shareholders of Elmos Semiconductor Aktiengesellschaft and the interested public.

The broadcast of the General Meeting does not enable viewers to participate in the General Meeting for the purpose of Section 118 (1) sentence 2 AktG.

Dortmund, March 2020

Elmos Semiconductor Aktiengesellschaft  
The Management Board

## Information

With respect to potential changes in terms of logistics please check our website regularly.

### Admission

The doors to the General Meeting of Shareholders will open on May 13, 2020, at 9:00 a.m.

### Catering

In view of the spread of Coronavirus (Covid-19), there will be no catering this year. We are asking kindly for your understanding.

**Automotive**

**Growth**

**Internationality**

**Know-how**

**Networking**

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