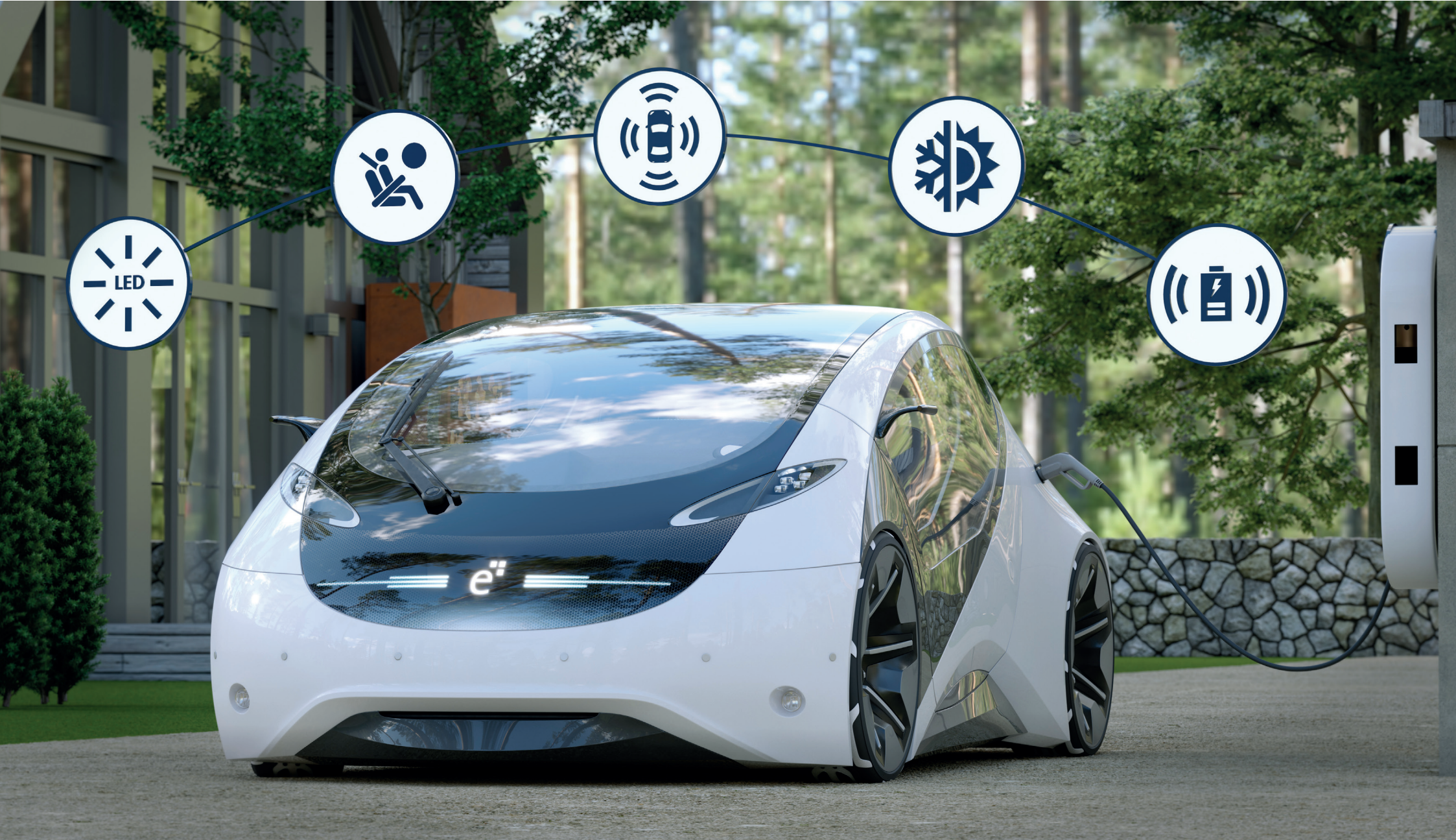




Statement on Corporate Governance for the fiscal year 2023
Extract from the Annual Report 2023



STATEMENT ON CORPORATE GOVERNANCE

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

In the following chapter, the Management Board – also on behalf of the Supervisory Board – reports on corporate governance at Elmos pursuant to Principle 23 of the German Corporate Governance Code (GCGC). Previous statements on corporate governance can be accessed at www.elmos.com.

Implementation of the German Corporate Governance Code (GCGC)

For the Supervisory Board and Management Board of Elmos, corporate governance means the implementation of responsible and sustainable business management with the appropriate transparency across all areas of the Group. The Supervisory Board and Management Board again concerned themselves with the provisions of the GCGC in fiscal year 2023. In May 2023, they released a joint declaration of compliance in accordance with Section 161 AktG with reference to the GCGC in the version dated April 28, 2022. Apart from the deviations reported therein, all recommendations of the GCGC have been complied with. All previously released declarations of compliance have been made available at www.elmos.com.

Compliance

One of the tasks of the Management Board as a whole, and of the members of the Management Board within their individual areas of responsibility, is the control and monitoring of compliance within the Group. Elmos has a compliance management system (CMS) in place to ensure compliance with applicable laws and statutes as well as all internal rules and guidelines.

Elmos already had the adequacy and implementation of its compliance management system (CMS) audited by an external,

independent auditor in accordance with the “IDW Assurance Standard: Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems (IDW AsS 980)” in 2022. The findings of the audit were that the implemented CMS rules in the description of the CMS are appropriate, suitable, and implemented in all material respects in accordance with the CMS principles applied. Elmos plans to complete the compliance audit in accordance with IDW PS 980 with the review of effectiveness in fiscal year 2024.

The internal audit department once again performed non-ad-hoc audits in various areas of the Company in fiscal year 2023. Evaluating the audit reports helps to improve and develop the CMS. Elmos aims to continuously improve compliance within the Group and to further integrate it as an essential part of the Elmos culture.

The Elmos Code of Conduct serves as a framework for employees on how to act and conduct themselves. All of the rules and principles applying at the Company are defined in the Code of Conduct, which is updated regularly and enforced through training. In order to ensure adherence to the strict compliance principles not only within our Group, but also throughout the supply chain, we require our suppliers and business partners to meet their social responsibilities in all their business activities, dealings, and decisions in accordance with the Elmos Supplier Code of Conduct and to rigorously comply with the respective applicable laws and all other relevant provisions in the countries in which they operate.

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

Working methods of the Management Board and the Supervisory Board

The Supervisory Board and Management Board share the commitment to the Group’s responsible corporate governance. Their primary goal is to safeguard the Company’s existence and to increase the shareholder value. The Management Board has three members. The individual members of the Management Board are

responsible for their respective key areas; together, they assume responsibility for the entire management in accordance with the applicable law, the Articles of Incorporation, the Management Board’s rules of procedure, and the resolutions of the Annual General Meeting.

The Management Board represents the Company externally. The Management Board is responsible for the management of the Group, the definition and monitoring of the Group’s strategic orientation and corporate targets, and the Group’s financing. The Management Board usually meets in full once a week. The Management Board gives regular, extensive, and timely reports to the Supervisory Board on developments and events of relevance to the Company. The Supervisory Board supervises the Management Board, appoints its members, and advises them with respect to the Company’s management. The Supervisory Board works with the Management Board to ensure timely and long-term succession planning for the Management Board. Discussions are held on this matter on a regular basis. The respective contractual relationships are addressed with regard to the remaining term of the appointments and the possibility of extending them, and decisions are made on new appointments.

The Supervisory Board and the Management Board work closely together based on mutual trust. The Management Board involves the Supervisory Board in essential decisions. The rules of procedure of the two Boards define this cooperation, among other issues. A detailed summary of the Supervisory Board’s work in fiscal year 2023 can be found in the Supervisory Board report. Sustainability and future-related issues are addressed and also focused on by the entire Supervisory Board. The entire Supervisory Board also discusses and approves the Company’s sustainability strategy and ESG targets, such as the reduction of greenhouse gas emissions, together with the Management Board. The audit committee is responsible for monitoring sustainability reporting and auditing the non-financial report. The Chairman gives a report to the shareholders on the Supervisory Board’s work over the past fiscal year at each Annual General Meeting.

The Supervisory Board of Elmos Semiconductor SE has six

members. Pursuant to the SE's Participation Agreement, it consists of four shareholder representatives and two employee representatives. The representatives of the shareholders are elected by the Annual General Meeting; the employee representatives are elected by the staff. The current Supervisory Board of the SE was elected by the Annual General Meeting on May 20, 2021, or appointed by way of the SE's Participation Agreement.

The Supervisory Board has formed an audit committee. More information about the activities and composition of the audit committee can be found in the Supervisory Board report.

The Supervisory Board has defined the goals and principles with respect to its composition and drafted a competence profile for the entire Board. It includes international experience, technical and entrepreneurial expertise, strategic vision, knowledge of the Company, industry-specific know-how and diversity, as well as experience in accounting, auditing, and internal control procedures. Any conflicts of interest must be avoided.

The aforementioned objectives have been achieved in the current composition of the Supervisory Board and of the audit committee. They will also be taken into consideration in future nominations. The Supervisory Board members Dr. Klaus Weyer and Prof. Dr. Günter Zimmer can be seen as independent despite their many years of service. Their work on the Supervisory Board is characterized by extensive knowledge of the Company's business. Thanks to their long-standing experience and their impartial, objective powers of judgment, they make a significant contribution to the Supervisory Board's successful work. Their many years of service to the Supervisory Board is merely an indicator of a potential lack of independence. An overall assessment going above and beyond the scope of formal, typical indicators is necessary to judge the independence of Board members.

Both members of the audit committee, Dr. Klaus Weyer and Dr. Dirk Hoheisel, have special expertise and experience in the application of accounting principles and internal control and risk management systems, as well as special expertise and experience in the auditing of financial statements. This also includes sustainability reporting and its auditing. Dr. Klaus Weyer has expertise in the

aforementioned areas due to factors such as his many years working as a management consultant, managing director, and member of the Management Board and Supervisory Board of Elmos. Dr. Dirk Hoheisel has expertise in the aforementioned areas due to factors

such as his many years as a former division president and managing director at Robert Bosch GmbH.

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

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

Competencies Entire Supervisory Board	Dr. Klaus Weyer Chairman Chairman of audit committee Appointed until 2027	Prof. Dr. Günter Zimmer Vice Chairman Appointed until 2027	Dr. Dirk Hoheisel Supervisory Board member Audit committee member Appointed until 2027	Dr. Volkmar Tanneberger Supervisory Board member Appointed until 2027	Thomas Lehner Supervisory Board member Employee representative Appointed until 2027	Sven-Olaf Schellenberg Supervisory Board member Employee representative Appointed until 2027
Industry-specific expertise	x	x	x	x	x	x
Technical expertise	x	x	x	x	x	x
Long-standing knowledge of the Company	x	x			x	x
Business expertise	x	x	x	x		
International experience	x	x	x	x		
Strategic vision including sustainability-related and future issues	x	x	x	x	x	x
Independence	x	x	x	x		

Competencies Audit committee	Dr. Klaus Weyer Chairman	Dr. Dirk Hoheisel Vice Chairman
Expertise in accounting and internal control and risk management systems including information security	x	x
Expertise in auditing	x	x
Expertise in sustainability topics and sustainability reporting	x	x

In accordance with D.12 of the GCGC, the Supervisory Board regularly carries out a self-assessment of how effectively the Supervisory Board as a whole and its audit committee fulfill their respective duties. It uses questionnaires to evaluate how efficiently and effectively they perform their tasks on an annual basis. In accordance with No. B.2 of the GCGC, the Supervisory Board and the Management Board jointly address the issue of long-term succession planning for the Management Board. Discussions are also held on the planning period and necessary qualifications, as required.

Implementation of equal participation and diversity

In accordance with applicable statutory provisions, the Supervisory Board and Management Board defined minimum quotas as of June 30, 2022, for the representation of women on the Supervisory Board and Management Board, as well as for the first and second senior executive levels. The targets must be met by June 30, 2027. The minimum quotas are as follows: 0% for the Supervisory Board and Management Board, 7.14% for the first senior executive level, and 6.67% for the second senior executive level.

There are no women on either the Supervisory Board or Management Board at present. When filling positions on the Management Board or nominating candidates for the Supervisory Board, Elmos Semiconductor SE always makes decisions on the basis of the best qualifications, experience, and suitability for the benefit of the Company. The current composition of the Supervisory Board and Management Board puts Elmos in a very good position. Given the Company's strong technical orientation, especially its focus on electrical engineering, semiconductors, and microtechnology, executives at Elmos have, for the most part, completed technical degree courses. There is a general shortage of young talent in engineering subjects, with women choosing engineering careers even less frequently than men. As a result, there are significantly fewer highly qualified and experienced female candidates available to fill positions on the Management Board and Supervisory Board than there are male candidates.

The target ratio and the previous year's figure of approx. 7% were both achieved in fiscal year 2023 at the first senior executive level. At approx. 10%, the proportion of women in the second

senior executive level exceeded the target. All data refers to the employees of Elmos Semiconductor SE in Germany as of December 31, 2023. Elmos therefore fulfills all determined quotas for the share of women at Elmos and complies with the provisions of the German Second Management Positions Act (FüPoG II).

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

Elmos pursues a diversity concept based on non-discrimination to determine the composition of the Management Board and the Supervisory Board – as it does throughout the entire Company. The objective of this concept is to achieve appropriate diversity in terms of professional experience and backgrounds particularly with respect to industries, regions, and company affiliation, educational backgrounds, and personal character traits. These aspects were taken into account to determine the current composition of these bodies. As a matter of principle, a person's suitability for a task is the deciding factor for employment with the Company, irrespective of their gender, cultural background, nationality, religious affiliation, worldview, disability, age, or sexual orientation.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

Shareholders make use of their rights at the Annual General Meeting. They receive the agenda, information regarding participation, and, upon request, the Annual Report in good time. The relevant documents relating to the upcoming and past Annual General Meetings, as well as further information on participation in and voting at the Annual General Meeting, are available on our website – also in English – and can also be requested from the Company. Shareholders who are unable to attend the Annual General Meeting have the option to have their voting rights exercised in accordance with

their instructions by proxies appointed by Elmos. On May 10, 2023, the Annual General Meeting authorized the Management Board to hold the Annual General Meeting without in-person attendance until May 9, 2028 (virtual Annual General Meeting). Based on the experience gained during the COVID-19 pandemic, the Supervisory Board and Management Board consider the flexibility to hold Annual General Meetings either in person or virtually to be necessary and beneficial for the Company. However, prior to each Annual General Meeting, the Management Board will consider and decide on the format of the Annual General Meeting in the best interests of the Company and the shareholders, also taking into account dialogue with shareholders. Following detailed consultation and discussion in the Management Board and Supervisory Board, the 2024 Annual General Meeting is to be prepared and held as a virtual Annual General Meeting, subject to any subsequent resolution to the contrary.

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

RISKS

Responsible risk management contributes to the success of sound corporate governance. The Management Board regularly provides the Supervisory Board with information about risks. Information about the risk management system and internal control system can be found in the combined management report under "Opportunities and risks."

AUDIT

Before submitting a proposal for the appointment of the auditor, the audit committee of the Supervisory Board again obtained a declaration of independence from the auditor for fiscal year 2023. This declaration furnished no doubts about auditor independence. Compliant with No. D.8 GCGC, the Supervisory Board arranged for

the auditor to give account without delay of material findings and incidents to occur during the performance of the audit. Compliant with No. D.9 GCGC, the Supervisory Board also required that the auditor inform the Supervisory Board or make note in the audit report if the auditor detects deviations from the declaration of compliance as issued by the Management Board and the Supervisory Board. No inconsistencies of this kind were established. Compliant with No. D.10 GCGC, the audit committee discusses the assessment of the audit risk, the audit strategy, and the audit planning, as well as the audit findings together with the auditor. The Chairman of the audit committee regularly discussed the progress of the audit with the auditor and reported back to the committee.

SHARE-BASED PAYMENT PROGRAMS

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

REMUNERATION SYSTEM/REMUNERATION REPORT

The Annual General Meeting on May 10, 2023, approved the current remuneration system for the members of the Management Board in accordance with Section 87a (1) and (2) sentence 1 AktG and the remuneration for the members of the Supervisory Board in accordance with Section 113 (3) AktG. A description of the remuneration systems can be found on the website at www.elmos.com/english/about-elmos/investor/corporate-governance.html and in the invitations to the Annual General Meetings from 2021 to 2023. The remuneration report pursuant to Section 162 AktG, including the auditor's opinion, will be made public on the website of Elmos Semiconductor SE (www.elmos.com/english/about-elmos/investor/corporate-governance.html) upon adoption of the corresponding resolution by the 2024 Annual General Meeting.

Declaration of compliance with the German Corporate Governance Code 2023

Superseding the declaration of compliance of May 2022, Management Board and Supervisory Board of Elmos Semiconductor SE declare in accordance with Section 161 AktG (German Stock Corporation Act):

I. Statements with respect to the future

Elmos Semiconductor SE will comply with the recommendations of the "Government Commission German Corporate Governance Code" (in short: GCGC) in its latest version of April 28, 2022 (released in the official section of the Federal Gazette on June 27, 2022) as of now, subject to the following exceptions:

- > No age limits will be defined for members of the Management Board or for members of the Supervisory Board (GCGC Recommendations B.5 and C.2). The Supervisory Board decides on the suitability of the members of the Management Board. Appointing the members of the Supervisory Board is the responsibility of the Annual General Meeting; thus the Annual General Meeting also decides on the Supervisory Board's age structure.
- > The Chairman of the Supervisory Board is also the Chairman of the Audit Committee (GCGC Recommendation D.3 sentence 5). The Supervisory Board is convinced that the workload of committee chairmanship is not too high and can be managed by the Chairman of the Supervisory Board. The Supervisory Board does also not see the risk of a too close relationship with the Management Board and of the Supervisory Board Chairman's lack of attention on these grounds in seeing to his additional obligations as Chairman of the Audit Committee. The Chairman of the Supervisory Board is perfectly suited to chairing the Audit Committee as well. It is in the Company's interest not to follow this recommendation (GCGC Recommendation D.3 sentence 5).
- > The determination of the remuneration of each member of the Management Board complies with current statutory requirements, most notably those under the Shareholders' Rights Directive (ARUG II). Any stricter requirements or more specific definitions are not considered expedient at present (GCGC Recommendations G.1 and G.2).

-> The Supervisory Board determines the remuneration of the members of the Management Board at its reasonable discretion. No benchmarking surveys to be prepared especially for Elmos Semiconductor SE will be commissioned (GCGC Recommendation G.3). Employee remuneration will not be analyzed specifically for the sole purpose of determining Management Board remuneration (GCGC Recommendation G.4). The Supervisory Board utilizes remuneration surveys and benchmarks of other companies instead as well as taking into consideration the existing employee remuneration level and typical changes in remuneration over time. With respect to analyses going beyond that scope, the Supervisory Board does not recognize a corresponding benefit of the increased effort.

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

II. Statements with respect to the past

The recommendations of the GCGC in its version of December 16, 2019 (announcement in the official section of the Federal Gazette on March 20, 2020) have been complied with since the release of the declaration of compliance in May 2022 with the exceptions mentioned there under I.

Dortmund, May 2023



On behalf

of the Supervisory Board

Dr. Klaus Weyer

Chairman of the Supervisory Board



On behalf

of the Management Board

Dr. Arne Schneider

Chief Executive Officer

MANAGERS' TRANSACTIONS

Persons who hold executive positions with an issuer of stock (for Elmos, the members of the Management Board and Supervisory Board and individual senior executives pursuant to Art. 3 (1) No. 25 (b) MAR (Market Abuse Regulation)) and persons associated with them are obligated by law to disclose transactions involving the Company's stock or debt instruments or financial instruments linked to the Company's stock or debt instruments pursuant to Art. 19 (1) MAR (Market Abuse Regulation). Reportable securities transactions, known as "managers' transactions," are announced immediately upon notification Europe-wide and released at www.elmos.com.