

Corporate Governance Declaration

Relevant Information on Corporate Governance in Accordance with Section 289a of the German Commercial Code (HGB)

The declaration regarding corporate governance in accordance with Section 289a of the German Commercial Code (HGB) is part of the condensed Management Report. In accordance with Section 317 (2) (4) HGB, the statements in accordance with Section 289a (2) are not included in the audit. The corporate governance declaration contains the declaration of compliance, information on corporate governance practices, and a description of the working procedures of the Management Board and the Supervisory Board. In this manner, we are pursuing the goal of presenting corporate governance clearly and succinctly.

Declaration of Compliance and Reporting on Corporate Governance

In accordance with Section 161 of the German Stock Corporation Law (AktG), the Management Board and Supervisory Board of a listed German stock corporation are required to declare at least once per year whether it has complied or will continue to comply with the German Corporate Governance Code and which recommendations of the Code have been or will be implemented and why not. Based on extensive consultation, the Management Board and Supervisory Board declared on January 9, 2017, that the Company will comply with the recommendations of the German Corporate Governance Code in the version from May 5, 2015 with the following exceptions, a deductible for D&O insurance, vertical compensation, pension provisions, the creation of committees, and regular limit of length of membership for the members of the supervisory board.

The wording of the current declaration of compliance as well as of all previous declarations regarding the Code are published on the Company's website at www.suss.com > Investor Relations > Corporate Governance > Declaration of Compliance.

Compliance

As an international entity, SUSS MicroTec is obligated to gain and retain the trust of customers and business partners via impeccable conduct. SUSS MicroTec regards it as an essential management responsibility to observe laws, regulations, internal corporate policies, and voluntary commitments as well as to see to it that Group companies observe them as well. Starting in 2017 this topic will gain even more importance at SUSS MicroTec and we will start compliance training sessions, also online, for our employees.

Code of Conduct

In order to ensure consistent exemplary behavior and conduct, a Code of Conduct has been devised for the entire Group. It applies to all Group employees equally and should serve as guidance for everyone. The Code of Conduct was revised in 2016 and distributed to all employees for their acknowledgement. The Code of Conduct defines minimum standards and sets out guidelines for employees to help them handle and overcome ethical and legal challenges that might arise in their everyday work. Infractions will be investigated consistently and their causes remedied in the interest of all employees.

Compliance Handbook

In addition, the Group-wide compliance program is supplemented by the Compliance Handbook, various procedural regulations, and Company bylaws applicable to particular bodies. The Compliance Handbook is addressed to all Group employees for the purpose of ensuring proper and consistent conduct in the handling of confidential corporate data. In particular, it explains legal requirements prohibiting market manipulation and insider dealing. Employees of SUSS MicroTec for whom access to insider information is necessary in order to perform their duties at SUSS MicroTec are added to an insider list in accordance with the provisions of the German Securities Trading Law (WpHG). These individuals are notified of their consequent legal obligations and of the legal consequences of any violations. In addition, insider trading guidelines, which govern the trading in corporate securities by officers and employees with access to the management information system within specified time frames, elaborate upon legal provisions prohibiting insider dealings. The Compliance Manual was revised in 2016 and distributed to all employees for their acknowledgement.

Working Procedures of the Management and Supervisory Boards

As a German corporation (“AG”), SUSS MicroTec is subject to German stock corporation law and, therefore, has a dual management and control structure, which is exercised by the members of the Management and Supervisory Boards. The corporate management of SUSS MicroTec AG is defined by close and constructive cooperation between the Management and Supervisory Boards. Both Boards work together closely in the interest of the Company and with the common goal of increasing the enterprise value over the long term. The work of the Management and Supervisory Boards is subject to their respective bylaws.

Supervisory Board

The Supervisory Board monitors and consults the Management Board with regard to the management of the Company and appoints the members of the Management Board. At regular intervals, the Supervisory Board discusses business development and planning as well as strategy and its implementation. It examines quarterly and interim reports and approves the annual financial statements of SUSS MicroTec AG and the Group, taking into account the reports from the auditor. Its responsibilities also include monitoring the Company’s compliance with legal provisions, government regulations, and internal corporate policies. Significant business events – for example, acquisitions, divestments, and financial transactions – require its approval. The Chairman of the Supervisory Board coordinates the work of the Supervisory Board, chairs its meetings, and looks after the body’s interests externally. The Supervisory Board of SUSS MicroTec AG does not take part in decision-making.

In accordance with the articles of incorporation, SUSS MicroTec AG’s Supervisory Board consists of three members. As is stipulated in the German Corporate Governance Code, only one former member of the Management Board belongs to the Supervisory Board (this being Dr. Stefan Reineck). According to the Code and the Supervisory Board, this is an appropriate number of independent Supervisory Board members and it guarantees the impartial consultation and monitoring of the Management Board. The Supervisory Board’s term of office is five years. The current term ends upon conclusion of the ordinary Shareholders’ Meeting in 2017.

Contrary to the recommendations of the Code, SUSS MicroTec AG's Supervisory Board is refraining from creating committees. Instead, the Supervisory Board, which has consisted of three members since June 2008, believes that the creation of committees would unnecessarily make cooperation and decision making more difficult.

Management Board

SUSS MicroTec AG's Management Board currently consists of three members. The members of the Management Board bear joint responsibility for management activities and decide on fundamental issues of business policy as well as annual and multi-year planning. They develop the Company's strategy, coordinate this with the Supervisory Board, and ensure that it is carried out. The Management Board informs the Supervisory Board about business policy and all relevant issues related to planning, business development, risk position, risk management, and compliance on a regular, prompt, and comprehensive basis.

In addition, the Management Board is responsible for preparing the Company's quarterly and interim financial statements, SUSS MicroTec AG's annual financial statements, and the consolidated financial statements. Furthermore, the Management Board sees to the observance of legal provisions, government regulations, and internal corporate policies and acts to ensure compliance by Group companies.

Remuneration of the Supervisory and Management Boards

SUSS MicroTec AG complies with the recommendations of the German Corporate Governance Code to disclose remuneration of Management and Supervisory Board members on an individualized basis. The elements of the remuneration system are presented in the Remuneration Report, which is part of the condensed Management Report. With regards to "vertical compensation", SUSS MicroTec precautionary declares a deviation from the Corporate Governance Codes. The Supervisory Board is of the opinion that it will be very difficult to determine the senior management as well as to define who belongs to the relevant staff and that any selection would coincide with a large legal uncertainty.

Directors' Dealings

In accordance with Section 19 Market Abuse Regulation (MAR), persons who hold a management position at SUSS MicroTec, i.e. members of the Supervisory Board and the Management Board are legally obligated to disclose the acquisition or sale of SUSS MicroTec AG shares or their corresponding financial instruments provided that the value of the transactions that a member of the Company and persons associated with him/her has carried out within the calendar year amounts to more than € 5,000 by the end of the calendar year.

All securities transactions requiring disclosure have been published in accordance with legal regulations and can be viewed by the general public on the Company's website at www.suss.com > Investor Relations > Corporate Governance > Directors' Dealings. Members of the Management and Supervisory Boards hold 0.56% (107,800 out of 19,115,538 voting rights) of SUSS MicroTec AG's equity capital.

Commitments to promote the participation of women in leadership positions

Under the May 1, 2015, law on the equal participation of women and men in leadership positions in the private and public sector (§ 76 (4) and § 111 (5) AktG), stock listed companies in Germany like the SUSS MicroTec AG are required to set targets for the proportion of women on the supervisory board, executive board, and the two management levels below, and to specify a deadline for meeting these targets.

On September 7, 2015 the Supervisory Board and the Management Board of SUSS MicroTec AG set a target of 0 percent women on the Supervisory Board of SUSS MicroTec AG. This was the status at the moment of the decision on the targets and hence the establishment of a deadline for achieving the aforementioned target was unnecessary.

On September 7, 2015 the Supervisory Board of SUSS MicroTec AG set a target of 0 percent women on the Executive Board of SUSS MicroTec AG. This was the status at the moment of the decision on the targets and hence the establishment of a deadline for achieving the aforementioned target was unnecessary.

For the German group companies, the Executive Board of SUSS MicroTec AG decided on September 2, 2015 for a target size for the women share of 20 percent for the first and second management level below the Executive Board. A conversion period until June 30, 2017 was established. The target for the first management level represents an increase from the level of 18 percent, which was present on the day the target was adopted. The target for the second management level also represents an increase from the 14 percent of women on the day the target was adopted at this management level. The implementation period adopted is the maximum period permitted for the first implementation deadline. As of December 31, 2015, the proportion of women within the first management level increased to 24 percent (prior year: 18 percent), the proportion of women in the second management level also increased and stood at 15 percent (prior year: 14 percent).

Shareholders and the Shareholders' Meeting

SUSS MicroTec AG's shareholders exercise their co-determination and supervisory rights at the Shareholders' Meeting, which occurs at least once a year. Each SUSS MicroTec share entitles the holder to one vote. All documents required for decision making have been published on the Company's website in accordance with shareholder rights. Copies can also be requested from the Company.

Every shareholder registered in the share register and who registers on time is entitled to participate and vote in the Shareholders' Meeting. Shareholders who cannot personally participate in the Shareholders' Meeting have the option of having their voting right exercised by a financial institution, a shareholder association, a voting rights representative appointed by the Company, or by a proxy of their choice. Instructions for exercising voting rights can be issued in writing prior to the Shareholders' Meeting or at the meeting directly on site.

Accounting and Annual Audit

SUSS MicroTec prepares its consolidated financial statements and interim reports in accordance with the International Financial Reporting Standards (IFRS) as are applied in the

European Union for listed companies. The consolidated financial statements are prepared by the Management Board, audited by the auditor, and approved by the Supervisory Board. The separate financial statements for SUSS MicroTec AG are prepared according to the provisions of the German Commercial Code (HGB).

On June 15, 2016, the Shareholders' Meeting appointed the BDO AG Wirtschaftsprüfungsgesellschaft Hamburg, subsidiary Munich, Germany, as auditors and Group auditors of SUSS MicroTec AG for the 2016 fiscal year. The auditor has demonstrated its impartiality to the Supervisory Board in a declaration of impartiality. Furthermore, the auditor agreed to inform the Supervisory Board of all material findings and circumstances that arise while conducting the audit.

Risk Management

Dealing with business risks responsibly is one of the principles of good corporate governance. A risk management system has long been a component of corporate management at SUSS MicroTec for the purpose of recognizing and controlling risks as well as for meeting legal requirements. This system is reviewed once a year during the audit of the annual financial statements.

The organization of risk management is geared toward the functional and hierarchical structure of the Group. Upon introduction of the risk management system, a risk management officer, who reports directly to the Management Board every three months, was appointed. For its part, the Management Board regularly informs the Supervisory Board about existing risks and their development.

Details about risk management at the SUSS MicroTec Group are presented in the Risk Report, which is part of the Management Report. In accordance with the German Accounting Law Modernization Act (BilMoG), the Risk Report includes a report on the accounting-related internal control and risk management system.

Transparency

SUSS MicroTec informs shareholders, analysts, shareholder associations, members of the media, and any interested members of the general public regularly and promptly about the Group's current business developments and position. Various target groups are treated equally and informed simultaneously. In addition, all information relevant to the capital markets is published and can be viewed by the general public on the Company's website. Important recurring events are compiled in the Company's financial calendar. The calendar is published sufficiently far in advance and can be viewed at the Company's website at www.suss.com > Investor Relations > Financial Calendar.

Garching, Germany, March 6, 2017

Dr. Franz Richter
Chief Executive Officer

Michael Knopp
Chief Financial Officer (Speaker)

Walter Braun
Chief Operating Officer