

## **Group Declaration on Corporate Governance**

### **Relevant Information on Corporate Governance in Accordance with Sections 289f and 315d of the German Commercial Code (HGB)**

The Group Declaration on Corporate Governance in accordance with Sections 289f and 315d HGB is, after Section 315 (5) HGB, part of the condensed Management Report of SUSS MicroTec SE and of the Group. In accordance with Section 317 (2) (6) HGB, the information after Sections 289f (2) and (5) as well as Section 315d HGB is to be restricted to whether these statements were made. The Declaration on Corporate Governance includes the declaration of compliance in accordance with Section 161 German Stock Corporation Law (AktG), relevant information on corporate governance practices, a description of the working procedures of the Management and Supervisory Boards, the provisions to promote the participation of women in leadership positions, as well as a description of the diversity concept. 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 with and will continue to comply with the German Corporate Governance Code, or which recommendations of the Code have not been or will not be implemented, and why not. Based on extensive consultation, the Management Board and Supervisory Board declared on December 10, 2019, that the Company has complied with and will continue to comply with the recommendations of the German Corporate Governance Code in the last version from February 7, 2017, with the following exceptions – a deductible for D&O insurance, vertical remuneration comparison, pension commitments, the creation of committees, and a regular limit of length for membership 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](http://www.suss.com) > Investor Relations > Corporate Governance > Declaration of Compliance.

### **Relevant Corporate Governance Practices**

#### **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.

#### **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 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 and the Company.

#### **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. Individuals who work for SUSS MicroTec and, in accordance with regulations, have access to insider information in order to perform their duties at SUSS MicroTec are added to an insider list in accordance with the provisions of the European Market Abuse Regulation (MAR). These individuals are notified of their consequent legal obligations as well as the legal consequences of violations. In addition, internal 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.

#### **Description of the Working Procedures of the Management and Supervisory Boards**

SUSS MicroTec SE has a dual management and control structure, which is exercised by the members of the Management Board and the Supervisory Board. The corporate management of SUSS MicroTec SE is shaped 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 Management and Supervisory Boards are subject to their respective bylaws. These are reviewed regularly.

### **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. The Supervisory Board discusses business development and planning as well as strategy and its implementation with the Management Board at regular intervals. It examines and assesses quarterly and interim reports and approves the annual financial statements of SUSS MicroTec SE and the Group, taking into account the results of the audit and 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 SE does not take part in decision-making.

In accordance with the articles of incorporation, SUSS MicroTec SE's Supervisory Board has consisted of five members since June 2019. As the German Corporate Governance Code recommends, the Supervisory Board has, in its judgment, an appropriate number of independent members. In particular, only one former member of the Management Board belongs to the Supervisory Board (this being Dr. Stefan Reineck) so that the impartial consultation and monitoring of the Management Board is assured. The Supervisory Board's term of office is five years. The current term ends upon conclusion of the ordinary Shareholders' Meeting in 2022. On February 25, 2020, Dr. Stefan Reineck notified the Company that he would step down from his position as a member and the Chairman of the Supervisory Board of SUSS MicroTec SE, effective at the conclusion of the ordinary Shareholders' Meeting for the 2019 fiscal year, which is scheduled for May 20, 2020. In addition, Mr. Gerhard Pegam also notified the Company on February 25, 2020 that he would step down from his position as a member of the Supervisory Board of SUSS MicroTec SE with notice of one month in accordance with the articles of incorporation. The resulting consequences are agenda items for the coming Shareholders' Meeting.

Contrary to the recommendations of the Code, SUSS MicroTec SE's Supervisory Board refrains from creating committees. Instead, the Supervisory Board believes that the creation of committees would unnecessarily make cooperation and decision-making more difficult due to the number of four or five board members.

### **Management Board**

SUSS MicroTec SE's Management Board currently consists of two 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 reports, SUSS MicroTec SE'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 employees of all Group companies.

### **Remuneration of the Supervisory and Management Boards**

SUSS MicroTec SE 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 and the remuneration of the Management Board and the Supervisory Board are presented in the Remuneration Report, which is part of the condensed Management Report. In view of the "vertical remuneration structure" targeted by the Corporate Governance Code, SUSS MicroTec SE declares a deviation from the Code as a precaution, since the Supervisory Board is of the opinion that determining senior management and the relevant staff, taking the trend over time into account, can lead in practice to substantial legal uncertainties.

### **Directors' Dealings**

Individuals who exercise management responsibilities at SUSS MicroTec SE, including, in particular, the members of the Management Board and the Supervisory Board, are legally obligated in accordance with Article 19 MAR to disclose their own transactions with shares of SUSS MicroTec SE or corresponding financial instruments, particularly derivatives, insofar as the value of the transactions that a member of the Company and persons associated with him/her has carried out within the calendar year reaches EUR 5,000 by the end of the calendar year. Since January 1, 2020, the threshold has been raised to EUR 20,000.

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](http://www.suss.com) > Investor Relations > Share > Directors' Dealings. As of December 31, 2019, members of the Management and Supervisory Boards hold a total of 0.65 percent (123,360 out of 19,115,538 voting rights) of SUSS MicroTec SE's equity capital.

### **Setting Targets to Promote the Participation of Women in Leadership Positions in Accordance with Section 76 (4) and Section 111 (5) of the German Stock Corporation Act (AktG)**

As a result of the law for the equal participation of women and men in management positions in the private and public sectors (Section 76 (4) and Section 111 (5) of the German Stock Corporation Law (AktG)), which went into effect on May 1, 2015, listed companies like SUSS MicroTec SE were obligated, inter alia, to set targets for the share of women in both the Supervisory Board and the Management Board and at the next two management levels. In addition, a deadline needs to be set for achieving the respective target.

On June 30, 2017, the first implementation deadline, the Supervisory Board of SUSS MicroTec SE approved a target of 25% for the female share in the Supervisory Board, with an implementation deadline of June 30, 2022. For the female share in the Management Board of SUSS MicroTec SE, the Supervisory Board approved a target of 0 percent, with the same implementation deadline of June 30, 2022. As of the December 31, 2019 reporting date, the female share in the Supervisory Board was 20%, while it was 0% in the Management Board.

On June 30, 2017, the Management Board of SUSS MicroTec SE approved a target of 30 percent for the female share at the first management level below the Management Board, with an implementation deadline of June 30, 2022, as well as a target of 20 percent for the female share at the second management level below the Management Board, with an implementation deadline of June 30, 2022.

As of December 31, 2019, the established target for the first management level below the Management Board was not quite reached, as the female share was 27.5% (previous year: 28.6%). There are no specific reasons for the slight deviation from the target at this management level. The female share in the second management level below the Management Board was 16.1% (previous year: 26.1%) as of December 31, 2019. As a result, the target of 20% at the second management level was not achieved. The Management Board is maintaining the targets it has established for June 30, 2022.

### **Diversity Concept**

The composition of the Supervisory Board and the Management Board of SUSS MicroTec SE is designed to ensure that the Company develops positively with regard to sustainable profitability and to ensure the continuous adaptation to rapidly changing requirements on the basis of relevant expertise. Sufficient diversity of expertise among the members of the Management Board and the Supervisory Board will generate a broad spectrum of experience and varying perspectives that can be used to the benefit of the Company.

SUSS MicroTec SE is a technology-oriented Company that is aligned with the global market and that must compete and develop in a very dynamic and technologically demanding environment. The diversity concept for appointments to management and governance bodies requires, on the one hand, a distinct ability to make assessments regarding technology, as well as relevant knowledge of markets on an international scale in order to be able to assess trends and developments in our very dynamic markets with foresight and reliability. On the other hand, particularly for the Management Board, importance is placed not only on a profound understanding of technology but also on knowledge and experience of strategic corporate development, the capital markets, accounting, and human resources.

In addition to this key expertise, the Company expects Supervisory Board members and candidates to have broad experience in other areas that complement the optimal composition of the Supervisory Board. Consequently, it is the objective of the Supervisory Board not only to attract individuals who are experienced financial experts but also to cover these areas as well. In addition to subject matter expertise, Supervisory Board members should have the ability to handle complex situations and the social expertise to cooperate constructively within the body and with the Management Board. In appointing members to the Supervisory Board, the Company strives for a balance between members with many years of industry and market experience in the semiconductor equipment sector and members who contribute expertise outside the industry, in the areas of new media and digital trends.

In setting targets and criteria for the composition of the Supervisory Board, the decision was made in 2016 to take women into greater consideration in the future, in order to achieve suitable female participation.

#### **Status of Implementation (as of December 31, 2019):**

Regarding the composition of the Management Board:

- Since October 2018, the Chief Executive Officer position has been held by Dr. Franz Richter, who has tremendous expertise in the semiconductor equipment sector as well as profound knowledge of markets and technology;
- Since November 2019, the Chief Financial Officer position has been held by Mr. Oliver Albrecht, who brings exceptional knowledge and many years of operational experience from accounting and related areas, including his activities for internationally operating, listed industrial companies as well as his activities as a member of management.

Regarding the composition of the Supervisory Board since May 2017 and its expansion in June 2019:

- The position of Supervisory Board chairman is held by Dr. Stefan Reineck, who contributes many years of international experience in the equipment sector, as well as market and technology expertise;
- The position of Deputy Chairman of the Supervisory Board is held by the financial expert Mr. Jan Teichert, CFO of Einhell Germany AG;
- Mr. Gerhard Pegam contributes to the Board as an expert with many years of international experience in technology and profound market expertise;
- Dr. Myriam Jahn contributes to the Board as an expert on the topic of digitalization in mechanical engineering;
- Since June 2019, Dr. Dietmar Meister is another financial expert in the Supervisory Board, who offers extensive experience in internationally operating industrial companies.

#### **Shareholders and the Shareholders' Meeting**

SUSS MicroTec SE's shareholders exercise their codetermination and supervisory rights at the Shareholders' Meeting, which occurs at least once a year. Each SUSS MicroTec SE 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 who is entered into the shareholders' register and registers on time is entitled to participate in the Shareholders' Meeting and exercise his or her voting rights. 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 separate financial statements for SUSS MicroTec are prepared according to the provisions of the German Commercial Code (HGB).

On June 06, 2019, the Shareholders' Meeting appointed BDO AG Wirtschaftsprüfungsgesellschaft, headquartered in Hamburg, with an office in Munich, as auditor and Group auditor of SUSS MicroTec SE for the 2019 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 by the auditor 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 regularly, 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. This includes the report on the accounting-related internal control and risk management system required by the German Accounting Law Modernization Act (BilMoG).

### **Transparency**

SUSS MicroTec SE 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](http://www.suss.com) > [Investor Relations > Publications > Financial Calendar](#)

Garching, Germany, March 30, 2020

Dr. Franz Richter  
Chief Executive Officer

Oliver Albrecht  
Chief Financial Officer