

## **SUSS MicroTec:**

### **Declaration of Compliance in Accordance with Section 161 of the German Stock Corporation Law (AktG) on the Recommendations of the Government Commission on the German Corporate Governance Code**

**The Management Board and Supervisory Board of SUSS MicroTec SE make the following declaration in accordance with Section 161 (1) of the German Stock Corporation Law (AktG):**

With the exception of the following declared deviations, SUSS MicroTec SE has complied and will continue to comply with the recommendations of the Government Commission on the German Corporate Governance Code in the version as of February 7, 2017. Furthermore, since the issuance of the most recent annual declaration of compliance in January 2018, SUSS MicroTec SE has complied with the recommendations of the Government Commission of the German Corporate Governance Code in the version as of February 7, 2017 with the exceptions enumerated in that declaration.

**a) Deductible for D&O Insurance**

The German Corporate Governance Code recommends in Section 3.8.3 that upon concluding a directors' and officers' D&O liability insurance policy, a deductible for the company Supervisory Board that complies with the legal requirements for board members be agreed. SUSS MicroTec SE has had D&O insurance without any body-specific deductible for the Supervisory Board for several years. In SUSS MicroTec's opinion, responsible actions of the Supervisory Board are not additionally promoted through the agreement of a corresponding deductible.

**b) Vertical Remuneration Comparison**

In Section 4.2.2 (2) sentence 3 the German Corporate Governance code recommends taking into account in setting Management Board remuneration the ratio of Management Board remuneration to upper management remuneration as well as to that of the overall staff, including the trend over time. In the process, the Supervisory Board decides how upper management and the relevant staff are defined.

The Supervisory Board of SUSS MicroTec SE 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. Therefore, SUSS MicroTec is declaring a deviation from the Code as a precaution to this extent. When concluding the currently valid Management Board contracts, the Supervisory Board did not distinguish between the peer groups within the meaning of section 4.2.2 (2) sentence 3 of the Code version as part of the review of adequacy and did not carry out any surveys on the temporal development of the salary structure. The Supervisory Board also does not consider such a purely formal approach necessary in order to ensure the appropriateness of the compensation for the board.

c) Pension commitments

Under Section 4.2.3 (3) the German Corporate Governance code recommends that the Supervisory Board take into account in pension commitments the respective targeted remuneration level – also according to the length of service in the Management Board – and the resultant annual and long-term expense for the Company.

The Supervisory Board of SUSS MicroTec deviates from this recommendation because no set “remuneration level” is targeted for Management Board members in retirement. Instead, the goal is remuneration in line with the market and the Company for active service. As a rule, no defined benefit commitments in which the Company provides the promised benefit are granted to members of the Management Board. To the extent that the Company makes a contribution to a pension plan and pays into a direct insurance policy (whole life insurance or retirement insurance), this is not linked to a commitment to a certain remuneration level.

d) Creation of Committees

The German Corporate Governance Code recommends in Section 5.3 the creation of professionally qualified committees, depending on the specific circumstances of the company and the number of its Supervisory Board members. As the Supervisory Board of SUSS MicroTec only consists of four members, the creation of committees, which usually must be comprised of at least three members, is not meaningful and on the whole not necessary as there is plenty of scope for intense and detailed discussions to take place within the full council of the Board.

e) Regular Limit of Length of Membership for the Members of the Supervisory Board

The German Corporate Governance Code recommends in section 5.4.1 (2) sentence 2 that the Supervisory Board shall specify a duration limit for the affiliation to the Supervisory Board. The Supervisory Board of SUSS MicroTec SE deviates from these recommendations, since the limitation of affiliation could jeopardize the leeway and the competence of the Supervisory Board. By SUSS MicroTec's opinion the independent and responsible actions of the Supervisory Board are not improved by limiting the time spent on the supervisory board. On the contrary, through the complex product and corporate structure a certain length of stay in the supervisory board is positive because of the valuable, enterprise-specific experience and knowledge collected over time, which can be used for the benefit of the company.

Garching, Germany, January 2019

For the Management Board

Dr. Franz Richter  
Chief Executive Officer

Robert Leurs  
Chief Financial Officer

For the Supervisory Board

Dr. Stefan Reineck  
Chairman of the Supervisory Board