

2022

Remuneration system

Description of the remuneration system

for the Management Board of SUSS MicroTec SE

Pursuant to Section 120a (I) of the German Stock Corporation Law (AktG), the Shareholders' Meeting of a listed company shall pass a resolution regarding the approval of the remuneration system for Management Board members presented by the Supervisory Board whenever there is a significant change to the remuneration system, or every four years, whichever comes first.

With a majority of 59.99% of the votes cast, the ordinary Shareholders' Meeting of the Company approved the remuneration system for members of the Management Board adopted by the Supervisory Board of the Company on February 4, 2021, in accordance with Section 120a (I) of the German Stock Corporation Law (AktG) (2021 remuneration system) under agenda item 7 on June 16, 2021.

Taking into account the requirements of Section 87a (I) of the German Stock Corporation Law (AktG) and the comments of shareholders regarding the 2021 remuneration system, the Supervisory Board on March 29, 2022, adopted a modified remuneration system for the members of the Management Board (2022 remuneration system) that updates and amends individual aspects of the 2021 remuneration system.

The Supervisory Board, based on the recommendation of its Personnel Committee, proposes that the 2022 remuneration system set out below be approved.

Description of the 2022 remuneration system

Based on the critical comments of the shareholders regarding the 2021 remuneration system, the Supervisory Board of SUSS MicroTec SE ("SUSS MicroTec") performed a thorough review of the remuneration system for the members of the Management Board, revised it where necessary, and further developed it in line with corporate strategy. The 2022 remuneration system essentially updates and amends the previous 2021 remuneration system by

- integrating sustainability targets as part of the long-term variable remuneration and significantly increasing the share of variable target remuneration based on sustainability targets by more than double (in the future, the ESG share of variable target remuneration will exceed 20% overall);
- implementing share ownership guidelines with share acquisition and retention obligations for the members of the Management Board;
- eliminating possible special bonuses;
- determining the maximum remuneration in the form of a specific monetary amount for the individual members of the Management Board; and
- increasing performance-related remuneration proportionally (with a corresponding reciprocal proportional reduction in basic remuneration) as part of the remuneration structure for Management Board members

As a result, the 2022 remuneration system is more strongly focused on performance (pay-for-performance) and aligns remuneration more strongly with sustainability and the long view. In addition, the introduction of share acquisition and retention obligations (share ownership guidelines) aligns the interests of shareholders even

more tightly with those of Management Board members. The main changes in the remuneration system for the members of the Management Board are shown in the following comparison:

2021 Remuneration System	2022 Remuneration System
Remuneration structure	
Makes a distinction between incumbent and newly appointed/future Management Board members (relative shares of remuneration components in target total remuneration) <i>Incumbent Management Board members:</i> Basic remuneration: ~ 40–60% Fringe benefits: ~ 1–5% Short-term variable remuneration: ~ 15–30% Long-term variable remuneration: ~ 20–35% <i>Newly appointed/future Management Board members:</i> Basic remuneration: ~ 40–50% Fringe benefits: ~ 1–5% Short-term variable remuneration: ~ 20–30% Long-term variable remuneration: ~ 25–35%	Applies to all Management Board members using a new remuneration structure (relative shares of remuneration components in target total remuneration) through proportionate increase in performance-related remuneration Basic remuneration: ~ 30–40% Fringe benefits: ~ 1–5% Short-term variable remuneration: ~ 25–35% Long-term variable remuneration: ~ 30–40%
Short-term variable remuneration (STI)	Performance criteria
Performance criteria: 40% sales 40% net income for the fiscal year 20% sustainability target (ESG as well as innovation and market)	35% sales 35% net income for the fiscal year 15% sustainability target (now exclusively ESG criteria)

2021 Remuneration System	2022 Remuneration System	2021 Remuneration System	2022 Remuneration System	2021 Remuneration System	2022 Remuneration System
	15% innovation & market Position (now a separate goal apart from ESG)	Share Ownership Guidelines		Deviation option under Section 87a (2) of the German Stock Corporation Law (AktG)	
The sustainability target includes these categories: (i) innovation/research & development, (ii) market/customer, (iii) employees/culture, and (iv) environment/climate, without specifying them in more detail	Sustainability target categories are adjusted based on environmental, social and governance (ESG) considerations and ESG aspects are specified	No share ownership guidelines	Introduction of share ownership guidelines Amount: 100% of gross basic remuneration Build-up phase: annual personal investment of at least 25% of the net amount of the performance-related remuneration paid out (STI and LTI) until the required number of shares is reached	In the event of extraordinary developments, temporary deviations from the maximum remuneration are possible	No option to deviate from maximum remuneration
Long-term variable remuneration (LTI)		Maximum remuneration			
Performance criteria: 1/3 return on capital employed (ROCE) 1/3 sales growth 1/3 relative total shareholder return (TSR)	Performance criteria: 25% return on capital employed (ROCE) 25% sales growth 25% relative total shareholder return (TSR) 25% sustainability target (ESG criteria)	Definition of a specific aggregate amount of money for all members of the Management Board (Management Board as a whole): up to three members of the Management Board: EUR 5.8 million four members of the Management Board: EUR 7.5 million. A specific amount is not defined for individual Management Board members; instead, 2.7 times the target total remuneration; no distinction between Management Board members	Determination of a concrete amount of money for the individual members of the Management Board Distinction between the CEO and other regular members of the Management Board Chief Executive Officer: EUR 3.0 million Other members of the Management Board: EUR 2.5 million.		
Sonderbonus					
Possibility to pay special bonuses in the event of special circumstances or developments, which may not exceed 1.5 times the basic remuneration	No special bonus New Management Board members may only be granted a sign-on bonus as a (one-time) fringe benefit, e.g., to compensate for forfeited remuneration from their previous employment relationship. The paid-out amount of the sign-on bonus is capped by the maximum remuneration. There is no plan to additionally limit the bonus to, for example, 1.5 times the basic remuneration, which ensures that the Supervisory Board has the necessary flexibility to recruit the best possible candidates.				

A. Main Features of the New Remuneration System for Management Board members

The Supervisory Board is guided by the following principles when structuring the remuneration system and determining the specific remuneration of the Management Board:

Strategy Orientation

The Management Board remuneration system in its entirety makes a significant contribution to promoting and implementing the corporate strategy of SUSS MicroTec. This is ensured by defining performance criteria related to the long-term and sustainable success of the Company and linking them with ambitious annual and multi-year targets. The short-term variable remuneration is primarily based on the financial performance criteria of sales and net income for the fiscal year. The long-term variable remuneration is based on the financial performance criteria of sales growth and return on capital employed, among others. This promotes the focus on organic growth, profitability, and return on investment in the Management Board's activities.

Performance Orientation

The remuneration system is designed to provide adequate and ambitious performance incentives for Management Board members. The variable, performance-related remuneration components represent a significant proportion of the total remuneration if 100 percent of the targets are achieved. The individual remuneration of each Management Board member is therefore proportionate to his or her duties and performance as well as to the situation of the Company.

Sustainability

A key aspect of the corporate strategy of SUSS MicroTec is the long-term and sustainable development of the Company. In order to link remuneration to the long-term development of SUSS MicroTec, long-term variable remuneration makes up a significant portion of the total remuneration and exceeds short-term variable remuneration.

By integrating sustainability targets into both short-term variable remuneration (STI) and long-term variable remuneration (LTI), social and ecological aspects are also taken into account, thereby promoting sustainable action within the Company. Sustainable action is an integral part of our corporate strategy that safeguards our future social and economic viability. This is in line with the clear focus on emerging technologies and the strategy of achieving a leading position in the relevant markets through organic growth. The integration of environmental, social, and governance ("ESG") sustainability goals as variable remuneration components incentivizes sustainable and forward-looking actions while striving to create value for SUSS MicroTec's customers, employees, and shareholders, as well as the environment as a whole. Specific and measurable ESG targets derived from the corporate strategy are included in both short-term and long-term variable remuneration. In this context, SUSS MicroTec sees itself as having a particular obligation to do its part in implementing the Paris Agreement, which it intends to promote and further advance by setting and implementing corresponding environmental targets (e.g., reducing CO2 emissions, boosting energy efficiency, obtaining electricity from renewable energies, optimizing resource use, reducing waste [further] developing environmentally friendly technologies, equipment and products).

Capital Market Orientation

The interests of shareholders are taken into account in a special way through the share-based structure of long-term variable remuneration in the form of virtual performance shares based on a performance share plan and the integration of the total shareholder return (TSR) performance criterion based on the development of the share price of SUSS MicroTec compared to the TSR of two indices. The convergence of the interests of shareholders and Management Board members is further strengthened by the share acquisition and retention obligations that Management Board members have under share ownership guidelines.

Clarity and Comprehensibility

The remuneration system for the members of the Management Board is designed to be clear and comprehensible. It complies with the requirements of the German Stock Corporation Law (AktG) and takes into account the recommendations and suggestions presented in the German Corporate Governance Code as amended on December 16, 2019, and published in the German Federal Gazette on March 20, 2020 ("GCGC 2020").

B. Procedures for Determining, Implementing, and Reviewing the Remuneration System

The remuneration system for the members of the Management Board is determined by the Supervisory Board of SUSS MicroTec in accordance with the statutory requirements and taking into account the recommendations and suggestions of the most current version of the German Corporate Governance Code. The Supervisory Board is supported in this by its Personnel Committee. The Personnel

Committee of SUSS MicroTec is responsible for developing proposals regarding the Management Board remuneration system, which it submits to the Supervisory Board for discussion and resolution. The Supervisory Board and the Personnel Committee may seek external advice if necessary, in particular for issues relating to the formulation of the remuneration system and assessing the appropriateness of the remuneration. When hiring external remuneration consultants, their independence is considered.

The remuneration system resolved by the Supervisory Board will be submitted to the Annual General Meeting for approval.

To ensure appropriate, competitive remuneration in line with the market, the Supervisory Board reviews the remuneration system and the remuneration amounts for the Management Board on a regular basis. If necessary, the Supervisory Board will adopt changes. The remuneration system will be resubmitted to the Shareholders' Meeting for approval in case of material changes but at least every four years.

If the Shareholders' Meeting does not approve the remuneration system, the Supervisory Board will present a revised remuneration system for approval no later than at the following Annual General Meeting.

With regard to the avoidance and handling of (potential) conflicts of interest on the Supervisory Board, the general rules of the German Stock Corporation Law (AktG) are also observed and the recommendations of the German Corporate Governance Code, as amended, are taken into account in the process of establishing, implementing and reviewing the remuneration system. Every member of the Supervisory Board shall disclose any conflicts of interest to the Chair of the Supervisory Board without delay. In its report to the

Shareholders' Meeting, the Supervisory Board shall provide information on conflicts of interest and how they are handled. In the event of a conflict of interest, the affected Supervisory Board or committee member shall not take part in the related discussion and voting in the Supervisory Board or Personnel Committee. Material, non-temporary conflicts of interest in the person of a Supervisory Board member will result in the termination of the appointment.

C. Determination of the specific target total remuneration by the Supervisory Board (structure and amount)

Based on the system approved by the Shareholders' Meeting, the Supervisory Board determines the specific target total remuneration for each Management Board member in accordance with Section 87 (1) of the German Stock Corporation Law (AktG). The specific target total remuneration is commensurate with the duties and performance of the Management Board member and the situation of the Company. Furthermore, the Supervisory Board ensures that the target total remuneration is structurally aligned with the sustainable long-term development of SUSS MicroTec and does not exceed the usual remuneration without special reasons.

The comparative environment of SUSS MicroTec (horizontal comparison) and the Company's internal remuneration structure (vertical comparison) are taken into account when reviewing the appropriateness of the remuneration amounts

I. Horizontal – External comparison

To assess appropriateness horizontally, the Supervisory Board compares the Management Board remuneration with that of a group of

domestic and foreign peers to be determined by the Supervisory Board, taking account of factors such as the market position (especially industry, size, and country) and the economic situation of SUSS MicroTec. The companies in the peer group are comparable listed manufacturers of equipment for the semiconductor industry and selected competitors in markets related to the semiconductor industry. In addition, the Supervisory Board also regularly includes comparably sized listed companies from the TecDAX in the horizontal comparison. The analysis takes into account both SUSS MicroTec's positioning in the peer group and the various remuneration components.

II. Vertical – Internal comparison

To assess appropriateness vertically, the Supervisory Board takes account of the ratio of the remuneration of the members of the Management Board to the remuneration paid to senior management and the rest of the workforce of SUSS MicroTec, including trends over time. For this purpose, senior management is defined by the Supervisory Board as the group of executives at the first (management) level below the Management Board. Z

D. Remuneration components and their relative share of target total remuneration, structure of target total remuneration, and other components of the remuneration

The remuneration system for the members of the Management Board consists of remuneration components that are independent of performance (fixed) and those that are based on performance (variable). The sum total of these components determines the total remuneration of a Management Board member.

The fixed, non-performance-based remuneration comprises the basic remuneration and fringe benefits, which may vary yearly in amount depending on the individual and the event.

The variable performance-based remuneration comprises a short-term variable remuneration component in the form of an annual bonus (short-term incentive = STI) and a long-term variable remuneration component (long-term incentive = LTI) in the form of virtual performance shares with a four-year term (three-year performance period followed by a one-year lock-up period). The Supervisory Board ensures that the target for variable remuneration is ambitious and demanding.

The target total remuneration comprises the sum of all remuneration components used for determining the total remuneration. To determine the target total remuneration, the variable remuneration components (i.e., STI and LTI) are each considered with a target achievement of 100%.

The following table shows the shares of remuneration components in the target total remuneration:

Remuneration component	Share of target total remuneration
Basic remuneration	~ 30 - 40 %
Fringe benefits	~ 1 - 5 %
Short-term variable remuneration (STI)	~ 25 - 35 %
Long-term variable remuneration (LTI)	~ 30 - 40 %

The above share may differ for members of the Management Board appointed for the first time if they are granted a sign-on bonus in an appropriate manner in line with market conditions, for example, to compensate for forfeited remuneration from previous employment relationships.

When structuring the target total remuneration, the Supervisory Board ensures that the long-term variable remuneration exceeds the short-term variable remuneration. This aligns the remuneration structure with the long-term and sustainable development of SUSS Micro Tec while at the same time pursuing annual operating targets.

The possible total remuneration is capped for each Management Board position (the "maximum remuneration").

Other supplementary components of the remuneration system include malus and claw back rules for variable remuneration and the share ownership guidelines with their share purchase and retention obligations for members of the Management Board

E. Overview of the Components of the Remuneration System

The following table describes the components of the remuneration system. →

Remuneration component	Description	
Remuneration independent of performance		
Basic remuneration	Fixed annual salary (paid in twelve monthly installments)	
Fringe benefits	Primarily company car and contributions to insurance	
Remuneration based on performance		
Short-term variable remuneration (STI)	Plan type	Target bonus
	Performance criteria	35 % sales
		35 % net income for the financial year
		15 % sustainability target (ESG criteria)
		15 % innovation & market position
Payment cap	200 % of the target amount	
Long-term variable remuneration (LTI)	Duration	One Year
	Plan type	Virtual performance share plan
	Performance criteria	25 % return on capital employed (ROCE)
		25 % sales growth
		25 % relative total shareholder return (TSR)
		25 % sustainability target (ESG criteria)
	Payment cap	300 % of the target amount
	Duration	Four years (three-year performance period and a one-year lock-up period)
Others		
Malus and clawback	Withholding and/or reclaiming of variable remuneration components in justified cases, e.g., in the event of a breach of statutory or contractual obligations or obligations arising from the articles of incorporation of the company or the company bylaws for the Management Board, or if payment is made based on incorrect data.	
Share ownership guidelines	Obligation of Management Board members to acquire shares in the Company worth 100% of their annual gross basic remuneration and to hold these shares at least until the termination of their Management Board function. Until this required number of shares is reached, at least 25% of the net amount of the performance-related remuneration paid out (STI and LTI) must be invested in shares of the Company each year.	
Maximum remuneration	Payments of all remuneration components (basic remuneration, fringe benefits, STI, and LTI) resulting from a fiscal year are capped at EUR 3.0 million for the CEO and EUR 2.5 million for each of the other regular members of the Management Board.	

F. Maximum remuneration limits (Maximum remuneration and limitation of variable remuneration)

In addition to caps for individual performance criteria and variable remuneration components, the Supervisory Board has defined a maximum remuneration in accordance with Section 87a (1)(2)(1) German Stock Corporation Law (AktG) that covers all the remuneration components of the remuneration system. This includes basic remuneration, fringe benefits, and variable remuneration (STI and LTI). This maximum amount (total cap) is EUR 3.0 million for the Chief Executive Officer (CEO) and EUR 2.5 million for each of the other regular members of the Management Board. The maximum remuneration limits the total payments of all remuneration components resulting from a fiscal year and represents the maximum permissible remuneration within the remuneration system. In individual cases, the maximum remuneration levels agreed upon in individual contracts may be significantly lower than the maximum remuneration defined in accordance with Section 87a (1)(2)(1) of the German Stock Corporation Law (AktG).

G. Components of the remuneration system in detail

I. Remuneration Independent of Performance

The non-performance-based remuneration (fixed remuneration) of the members of the Management Board of SUSS MicroTec consists of the basic remuneration and fringe benefits.

1. Basic Remuneration

The basic remuneration is a fixed cash payment for the fiscal year based on the duties and responsibilities of the respective Management Board member in particular. It is paid in twelve equal monthly installments at the end of each month.

2. Fringe Benefits

Members of the Management Board may also be granted contractually stipulated fringe benefits in the form of noncash and other remuneration. These primarily include the provision of a company car that can also be used privately, as well as the payment of premiums and subsidies to insurance policies or the assumption of insurance premiums (e.g., inclusion in the Company's directors and officers liability insurance/D&O insurance) with a deductible in accordance with Section 93 (2)(3) of the German Stock Corporation Law (AktG), premiums for health and long-term care insurance and accident insurance, which may also provide for a benefit to the heirs of the Management Board member in the event of death). The Supervisory Board may grant other or additional fringe benefits customary in the market, such as the assumption of relocation costs for new hires. The type, amount, and duration of the noncash benefits may vary according to the personal situation of the Management Board members. Based on the maximum remuneration, a maximum amount for fringe benefits is set for each Management Board member per fiscal year.

To recruit qualified candidates for the Management Board, the Supervisory Board may supplement the remuneration of first-time members of the Management Board in an appropriate manner and in line with market conditions with a sign-on bonus – for example, to

compensate for forfeited remuneration from previous employment relationships.

II. Remuneration based on performance

The remuneration based on performance consists of a short-term and a long-term variable remuneration component. The short-term variable component has a one-year term, while the long-term variable component is structured as virtual performance shares with a term of four years – a three-year performance period followed by a one-year lock-up period. The formulation of these remuneration components, which are described in detail below, provides incentives for the implementation of the strategy of SUSS MicroTec and for the long-term and sustainable development of the Company.

1. Short-term Variable Remuneration (STI)

a) Main features of the STI

The goal of short-term variable remuneration is to reward the operational implementation of corporate strategy. The key performance criteria defined in this context are two financial targets, namely sales (35%) and net income for the fiscal year (35%), a sustainability target (15%), and a target for innovation & market position (15%).



b) Performance criteria of the STI

Financial performance criteria – sales & net income with a weighting of 40% each

This part of the STI is measured by the achievement of the two financial performance criteria of sales and net income for the fiscal year with an equal weighting of 35%, which are essential components of the corporate management of SUSS MicroTec.

- **Sales:** Sales are those reported in the audited and approved consolidated financial statements. Sales are a significant indicator in the Company and represent the value of goods and services that the Company has achieved in a fiscal year. In order to remain competitive in the highly technical and specialized semiconductor industry, it is necessary to focus on sales and corresponding profitable growth since this is the only way to sustainably generate the necessary funds for investments and innovations. The strategy of SUSS MicroTec aims for a long-term increase in sales and can be operationalized by integrating sales as a performance criterion in the STI.
- **Net income:** Net income for the fiscal year is the net income reported in the audited and approved consolidated financial statements. The net income for the fiscal year is a direct derivative of sales and costs incurred by the Company in a fiscal year. Positive net income reflects the Company's earning power and therefore ultimately its attractiveness for (potential) equity investors. SUSS MicroTec is aiming for healthy long-term growth so that net income for the fiscal year should also increase steadily in line with sales. The use of net income for the fiscal year in the STI takes this objective into account.

SUSS Description of the Remuneration System for the Management Board of SUSS MicroTec SE

Before the start of a fiscal year, the Supervisory Board sets ambitious targets (including threshold and cap values) for each of these financial performance criteria. The target values of the two financial performance criteria are derived from the budget planning approved by the Supervisory Board for the respective fiscal year.

Target achievement for the two financial performance criteria is determined by comparing the actual value achieved in the fiscal year with the target value. Target achievement is converted into a payout factor for each performance criterion using a bonus curve. If the target achievement is lower than the threshold, the payout factor for the performance criterion is 0%, meaning total failure to meet the financial targets is possible. If the target is achieved at the threshold level, the payout factor is 50%. If the actual value corresponds to the target value, the payout factor is 100%. If the target achievement is equal to or greater than the cap value, the payout factor of the financial performance criterion is 200%.

For the sales and net income targets, additional secondary conditions are integrated into the remuneration system that are based on break-even sales and break-even net income for the fiscal year. If these “minimum levels” are not reached, the achievement of the corresponding target is 0% – regardless of the target achievement determined using a bonus curve.

For the financial targets, the bonus curves are diagrammed as follows:



Nonfinancial performance criterion – sustainability target with a weighting of 15%

This part of the STI is measured by the achievement of the nonfinancial sustainability target, which has a total weighting of 15%. The sustainability target is composed of up to two nonfinancial performance criteria related to environmental, social, and governance performance (“ESG performance criteria”) that are derived from SUSS MicroTec’s sustainability strategy. The inclusion of sustainability in the STI reflects SUSS MicroTec’s ambition to provide targeted incentives for the implementation of the sustainability components of its comprehensive (overall) corporate strategy. SUSS MicroTec thereby highlights its focus on viewing its corporate responsibility holistically and drives long-term corporate success.

Each year, the Supervisory Board, at its own discretion, defines up to two equally weighted ESG performance criteria underlying the assessment of the sustainability target, which it selects from the following categories:

Category	ESG Aspects
Environmental	Reduction of CO ₂ emissions
	Optimization of the use of resources
	Reduction of waste
	Circular Economy
Social	Employee satisfaction and development
	Diversity
	Inclusion
	Occupational health and safety
Governance	Compliance, in particular prevention of corruption and bribery
	Risk management
	Sustainable (responsible) supply chains
	Further development of the sustainability strategy
	Reporting and communication

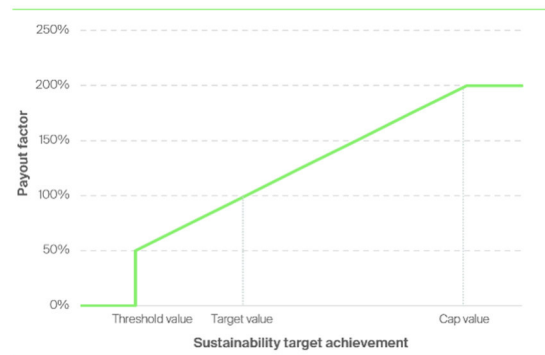
Before the start of a fiscal year, the Supervisory Board sets ambitious targets for the ESG performance criteria. The targets are based, among other things, on the operationalization of the SUSS MicroTec sustainability strategy.

With regard to the ESG targets determined by the Supervisory Board, a distinction must be made between quantitative and qualitative criteria. Nonfinancial ESG targets are based, wherever possible, on clearly defined and measurable quantitative criteria and the

Management Board members are measured by the achievement of these criteria. Qualitative criteria that cannot be measured exactly must only be used in exceptional cases; in these cases, the Supervisory Board shall ensure that the qualitative criteria are definitely verifiable and stand up to scrutiny in accordance with the explanatory statement of the GCGC 2020. The specific ESG targets, including an explanation of how they were applied, are disclosed in the Remuneration Report.

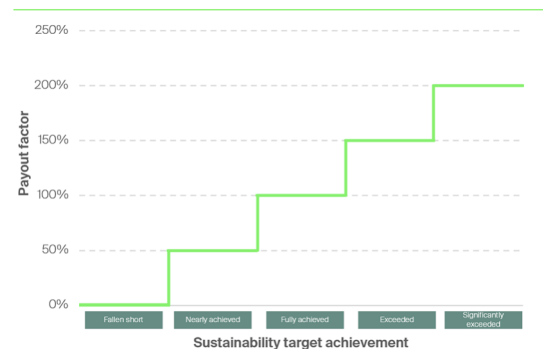
For each **quantitative ESG target**, the Supervisory Board defines a threshold and a cap value in addition to the target value. Target achievement for quantitative ESG targets is determined by comparing the actual value achieved for the respective ESG target in the fiscal year with the target value. Target achievement is converted into a payout factor for each performance criterion using a bonus curve. If the target achievement is lower than the threshold, the payout factor for the respective performance criterion is 0%, meaning total failure to meet the sustainability target is possible. If the target is achieved at the threshold level, the payout factor is 50%. If the actual value corresponds to the target value, the payout factor is 100%. If the target achievement is equal to or greater than the cap value, the payout factor is 200%.

For the quantitative ESG targets, the bonus curve is diagrammed as follows:



For each qualitative ESG target, the Supervisory Board dutifully assesses target achievement after the end of the fiscal year at its own discretion. In doing so, the Supervisory Board can set target achievement at five levels. The corresponding payout factor can range from 0%, in the case of a missed target, to 200%, in the case of significantly exceeding the targets. Total failure to meet the sustainability target is therefore possible.

The bonus curve for qualitative ESG targets is diagrammed as follows:



Nonfinancial performance criterion –

innovation & market position with a weighting of 15%
This part of the STI is measured by the achievement of the nonfinancial “innovation & market position” target, which has a total weighting of 15%. SUSS MicroTec’s corporate strategy is aimed at ensuring innovation and technology leadership and further expanding the Company’s market position in order to sustain its success as a manufacturer of high-tech equipment for the semiconductor industry in the dynamic and highly competitive industry environment. The intention is to incentivize the kind of progress in innovation and market position that will improve the future viability and competitiveness of SUSS MicroTec and drive the Company’s long-term development.

Each year, the Supervisory Board, at its own discretion, defines up to two equally weighted performance criteria underlying the

assessment of the “innovation & market position” target, which it selects from the following categories:

Category	Aspects
Innovation	Implementation of key innovation projects and important research and development projects (Further) development of innovative and forwardlooking (key) technologies as well as digital business processes
Market position	Preservation and expansion of market position, expansion of market share Successful development of new growth markets

Before a fiscal year begins, the Supervisory Board sets the performance criteria for innovation and/or market position.

With regard to the targets determined by the Supervisory Board, a distinction must be made between quantitative and qualitative criteria. To the extent possible, the nonfinancial “innovation & market position” target is based on clearly defined and measurable quantitative criteria and the Management Board members are measured by the achievement of these criteria. Qualitative criteria that cannot be measured exactly must only be used in exceptional cases; in these cases, the Supervisory Board shall ensure that the qualitative criteria are definitely verifiable and stand up to scrutiny in accordance with the explanatory statement of the GCGC 2020. The explanations of the nonfinancial ESG performance criteria of the STI apply accordingly to the definition of the specific criteria and the determination of target achievement by the Supervisory Board.

The specific targets, including an explanation of how they were applied, are disclosed in the Remuneration Report.

c) Determination of overall target achievement and payment methods

The overall target achievement level (“overall target achievement”) is calculated by multiplying the payout factors of the performance criteria by their respective weightings and then adding them together. To determine the payout amount, the overall target achievement is multiplied by the STI target amount, with the payout amount capped at 200% of the target amount.

A subsequent adjustment of the defined performance criteria or the target values for the performance criteria within the meaning of recommendation G.8 GCGC 2020 is excluded. The STI is paid out in cash and is due for payment with the next ordinary salary cycle after approval of the consolidated financial statements of SUSS MicroTec.

If the Management Board employment contract begins or ends in the current fiscal year, the target amount is reduced pro rata temporis to the date of the beginning or end.

2. Long-term variable remuneration (LTI)

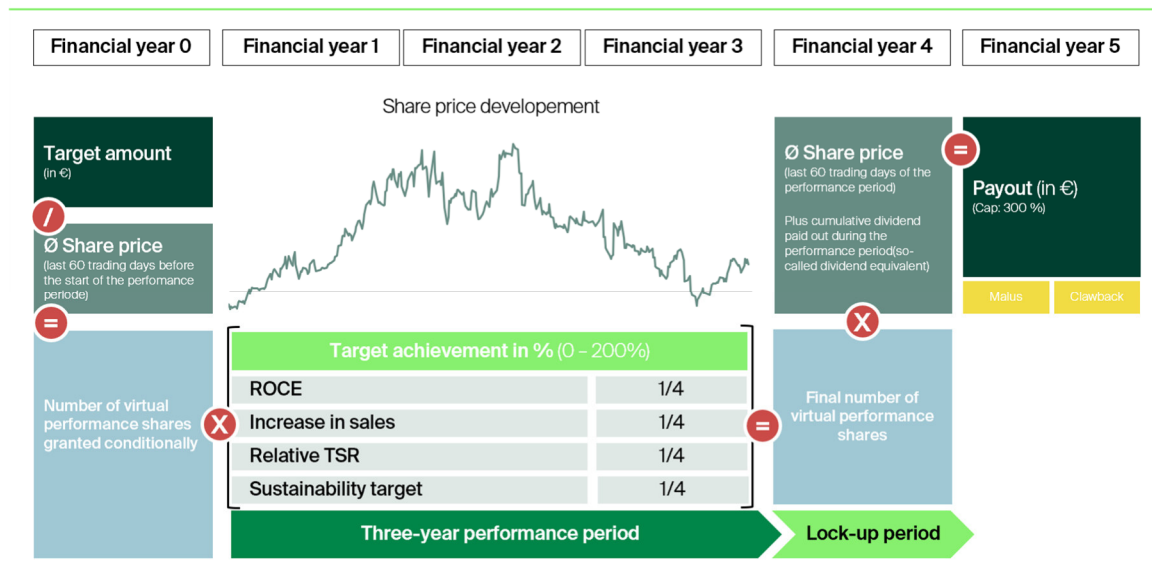
a) Main features of the LTI

The LTI is intended to help promote the sustainable and long-term business development of SUSS MicroTec. In the remuneration system of SUSS MicroTec, this is done with a share-based approach using virtual performance shares (“VPS”). This capital market-oriented structure for the LTI links the interests of shareholders and Management Board members even more closely. Overall, the incentive is created to increase the value of the Company on a long-term and sustainable basis. The LTI is granted annually as a tranche

in the form of VPS. The term of an LTI tranche is four years, comprising a three-year performance period followed by a one-year lock-up period.

The number of conditionally granted VPS is determined by dividing the target amount of the LTI by the average share price of SUSS MicroTec (mean of the closing prices in the XETRA trading system [or a comparable successor system] of Deutsche Börse AG over

the last 60 trading days before the start of the performance period). The number of VPS can increase or decrease depending on the achievement of the two financial performance criteria (return on capital employed [ROCE] and sales growth), a performance criterion based on the development of the share price (relative total shareholder return [TSR] compared to two peer groups) and a sustainability target. The four LTI performance criteria are equally weighted, with one fourth each going into the overall target achievement.



profitability indicator that describes the return on capital employed. The individual components of ROCE are each strategically important key figures for the Company. The optimization of the individual components leads accordingly to an improvement in the ROCE and therefore to a better use of the capital employed in the Company. The average ROCE within the performance period is decisive for achieving the target.

- **Sales growth:** Sales growth refers to the increase in Group sales within the performance period and is measured as the compound annual growth rate (CAGR). In principle, the Company should grow at least as fast as the market volume of the reference markets over the cycle, since otherwise there is a risk of losing market share in the medium and long term. Only through sustainable sales growth can the Company succeed in maintaining its leading market position in the relevant target markets in the long term and generate sustainable positive cash flows and thus funds for investments such as innovations or research and development.

Before the start of a fiscal year, the Supervisory Board sets ambitious targets (including threshold and cap values) for each of the financial performance criteria for the new tranche. These values remain applicable throughout the three-year performance period of a tranche. The target value to be set by the Supervisory Board is based on the expected return on capital employed according to the corporate strategy (for the ROCE performance criterion) or on the strategically planned sales growth (for the sales growth performance criterion) so that a high strategic relevance of the performance criteria can be ensured.

The Supervisory Board determines whether the financial performance criteria have been met after approving the consolidated

b) Performance criteria of the LTI

Financial performance criteria aligned to business performance – ROCE & sales growth each with a weighting of 25%
This part of the LTI is measured by the achievement of the two financial performance criteria, ROCE and sales growth. Both performance targets promote the implementation of the corporate strategy of SUSS MicroTec and take into account the LTIs focus on the long-term development of the Company.

- **ROCE:** ROCE for the performance period is calculated as the equally weighted average of the actual ROCE values for the individual fiscal years in the performance period. The actual ROCE value for each fiscal year is calculated as the quotient of earnings before interest and taxes (EBIT) as reported in the audited and approved consolidated financial statements of the Company, the average capital employed based on the quarterly reports, and the audited and approved consolidated financial statements in the respective fiscal year. ROCE is an important

financial statements for the final year of the performance period. Target achievement for the financial performance criteria is determined by comparing the respective actual value achieved during the performance period with the defined target value. Target achievement is converted into a payout factor for each performance criterion using a bonus curve. If the respective target achievement is lower than the threshold, the payout factor for the respective performance criterion is 0%, meaning total failure to meet the financial respective targets is possible. If the target is achieved at the threshold level, the payout factor is 50%. If the actual value corresponds to the target value, the payout factor is 100%. If the target achievement is equal to or greater than the cap value, the payout factor is 200%.

For the financial targets, the bonus curves are diagrammed as follows:



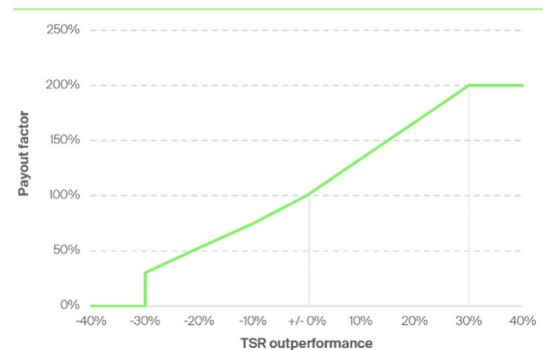
Financial, Share Price-Based Performance Criterion – Relative TSR with a Weighting of 25%

The relative total shareholder return (TSR) is another performance criterion that reflects the performance of the SUSS MicroTec share, including dividends, and compares the TSR performance of SUSS MicroTec with the TSR performance of two peer groups, the Philadelphia Semiconductor Index as an international sector index and the DAXsector Technology Index as a technology-focused German index. The vesting is determined by the extent to which the TSR of the SUSS MicroTec share exceeds or falls below the TSR of the companies in the two peer groups over the performance period. The share-based provision of the LTI and the integration of a share price-based performance criterion strengthen the alignment of interests between the Management Board members and shareholders.

The calculation of target achievement is based on the TSR outperformance for SUSS MicroTec compared to the two benchmark indices. The outperformance corresponds to the difference between the TSR of the SUSS MicroTec share and the TSR of the respective peer group in percentage points. An identical TSR performance from SUSS MicroTec and the respective benchmark index leads to a TRS outperformance of 0% and corresponds to a target achievement of 100%. The threshold of -30% means that the TSR performance of SUSS MicroTec is 30% below the index performance and corresponds to a payout of 30%.

In the case of an outperformance of +30% for SUSS MicroTec compared to the benchmark index, the payout is capped at 200%.

The bonus curve is diagrammed as follows:



The payout factors determined based on the TSR outperformance versus the respective benchmark index are taken into account on an equally weighted basis when determining the final payout factor for the relative TSR.

Nonfinancial performance criterion – sustainability target with a weighting of 25%

The explanations of the nonfinancial ESG performance criteria of the STI apply analogously to the sustainability target that is the fourth overall performance criterion of the LT, with the proviso that the targets are based on three fiscal years (performance period) instead of just one. The Supervisory Board specifically ensures that different nonfinancial ESG performance criteria are selected for the STI and LTI in order to rule out double incentivization. ESG performance criteria for the sustainability target are selected based on SUSS MicroTec's sustainability strategy

c) Determination of overall target achievement and payment methods

To determine the overall target achievement in the LTI, the calculated payout factors of ROCE, sales growth, relative TSR and sustainability target are each multiplied by 25% and added together, i.e., they are included in the overall target achievement with equal weight.

The final number of VPS will be determined after the end of the three-year performance period. For this purpose, the number of VPS conditionally granted at the beginning for the performance period is multiplied by the overall target achievement. The resulting final number of VPS is multiplied in the next step by the sum of the average share price of SUSS MicroTec (arithmetic mean of the closing prices in the XETRA trading system or an equivalent successor system of Deutsche Börse AG) of the last 60 trading days before the end of the performance period and the cumulative dividend paid out during the performance period (the dividend equivalent) to determine the payout amount. The amount thereby designated for payment is not paid out until after a one-year lock-up period, so the total inflow does not occur until four years after allocation of the relevant LTI tranche at the earliest. The payout amount is capped at 300% of the LTI target amount.

A subsequent adjustment of the defined performance criteria or the target values or comparison parameters for the performance criteria within the meaning of recommendation G.8 GCGC 2020 is excluded.

The VPS are paid out in cash. The Supervisory Board is entitled to pay out the LTI in full or in part as no-par value shares in SUSS MicroTec instead of a cash payment.

III. Other regulations relevant to remuneration

1. Malus and clawback

The Supervisory Board has the option to withhold (malus) or reclaim (clawback) variable remuneration components in part or in full in the cases listed below.

In the event of at least one serious and culpable breach by the Management Board member of statutory or contractual obligations or obligations arising from the articles of incorporation of the Company or the Company bylaws for the Management Board, the Supervisory Board may, at its due discretion, reduce and retain variable remuneration components that have not yet been paid out or reclaim variable remuneration components that have already been paid out. An assertion of the clawback right is excluded if the breach of obligation dates back more than ten years.

If variable remuneration components were wrongly paid out to the Management Board member based on incorrect data, the Supervisory Board may, at its due discretion, demand the full or partial return of the difference resulting from the recalculation of the amount of variable remuneration compared to the amount paid out.

The clawback and malus rights shall also exist if the position or employment relationship of the Management Board member has already ended at the time the clawback and/or malus rights are asserted. The Management Board member may not appeal the fact that the reclaimed variable remuneration is no longer available in their assets. Claims by the Company for damages, in particular under Section 93 (2)(1) of the German Stock Corporation Law (AktG), the right of the Company to revoke the appointment pursuant to Section 84 (3) AktG, and the right of the Company to terminate the

employment contract without notice (Section 626 (1) of the German Civil Code (BGB)) shall remain unaffected.

2. Share ownership guidelines

To further align the interests of the shareholders and the Management Board, there are share ownership guidelines ("SOG") for all Management Board members that require the Management Board members to make a substantial personal investment in SUSS MicroTec shares for the duration of their term of office. The guidelines require the members of the Management Board to invest an amount equal to 100% of their annual gross basic remuneration in SUSS MicroTec shares and to hold these shares at least until the termination of their Management Board function ("SOG target"). The members of the Management Board are required to invest at least 25% of their (net) payout from the STI and LTI in SUSS MicroTec shares until the SOG target is reached.

It is the Supervisory Board's view that the defined conditions of the share ownership guidelines are balanced. It avoids a potentially deterrent effect on the recruitment of candidates for the Management Board without compromising the strategic objectives.

3. Remuneration-related legal transactions

a) Terms and premature termination of management board employment contracts

The duration of the Management Board employment contracts is linked to the length of appointment. The Management Board employment contracts are concluded for the duration of the respective appointment. When appointing Management Board members and concluding employment contracts for Management Board members, the Supervisory Board observes the requirements of Section

84 of the German Stock Corporation Law (AktG), in particular the maximum term of five years, and takes into account the recommendations of the German Corporate Governance Code. In the case of an initial appointment to the Management Board, the term of the appointment and the duration of the Management Board employment contract are generally three years. In the event of a reappointment, provision may be made for (automatic) continuation of the employment contract for the duration of the further term of office.

In accordance with the requirements of German stock corporation law, the Management Board employment contracts do not provide for the possibility of ordinary termination. This does not affect the right of either party to terminate the Management Board employment contract without notice for good cause. In the event of a premature termination of the appointment, in particular by revocation of the appointment or resignation from office, the Management Board employment contract shall also terminate automatically upon expiration of a termination period analogous to Section 622 (1) and (2) of the German Civil Code (BGB) without the need for notice of termination.

In the event of permanent incapacity of the Management Board member, the Management Board employment contract shall end without the need for termination at the end of the quarter in which the permanent incapacity was established. For the purposes of the employment contract, permanent incapacity exists if a Management Board member is expected to be permanently unable to perform the duties assigned to him or her without impairment. It is considered established if the incapacity lasts continuously for more than six months. In the event of the death of a Management Board member during the term of employment, the basic remuneration is (will continue to be) paid to the contractually defined surviving

dependents in the month of death and for up to six months, but no longer than until the end of the term of the employment contract (which would have occurred without the death of the Management Board member).

b) Benefits in connection with the termination of Management Board position

In the absence of good cause within the meaning of Section 626 of the German Civil Code (BGB), the payments to be made by the Company to the Management Board member in the event of a premature termination of the appointment of a Management Board member and of the employment contract shall be limited to two years' remuneration (severance payment cap) and may not remunerate more than the remaining term of the employment contract.

If the employment relationship of the Management Board member ends as a result of termination for good cause within the meaning of Section 626 of the German Civil Code (BGB) or revocation of the appointment as Management Board member for good cause within the meaning of Section 84 (4) of the German Stock Corporation Law (AktG) or as a result of termination or resignation of the Management Board member without the consent of the Supervisory Board, the claims of the Management Board member to the variable remuneration components not yet paid out shall expire without replacement or compensation.

c) Joining or leaving during the year

In the event of a Management Board appointment commencing or ending during the course of a fiscal year, the basic remuneration, the target amount of the STI, and the target amount of the LTI are reduced pro rata temporis in accordance with the length of service in the relevant fiscal year. Under certain circumstances, variable remuneration entitlements may expire without replacement depending on the reason for departure as described above.

d) No Change of control clauses

There are no commitments in the event of a change of control.

e) Post-contractual non-competition agreement

The Supervisory Board may enter into a post-contractual non-competition agreement with Management Board members for a period of up to two years. The termination compensation to be paid to the Management Board member for the duration of the post-contractual non-competition agreement may not exceed 50% per year of the last contractual fixed remuneration and STI remuneration received by the Management Board member. Any severance payment shall be deducted from the termination compensation.

4. Appointments and secondary employment of Management Board members

Any paid or unpaid secondary employment, such as accepting an appointment as a member of the Supervisory Board or Advisory Board, requires the prior written consent of the Supervisory Board. In its decision on whether to approve, in particular, the assumption of an external Supervisory Board appointment, the Supervisory Board shall also decide whether and to what extent any related remuneration is to be credited.

Separate remuneration is not provided for activities in companies affiliated with the Company, e.g., with regard to the performance of board functions in subsidiaries, and would otherwise be offset against the remuneration of the Management Board member in accordance with recommendation G.15 of GCGC 2020.

H. Exceptional developments/temporary deviation from the remuneration system

In accordance with recommendation G.11 of the GCGC, the Supervisory Board has the option to take reasonable account of exceptional developments in the performance-based remuneration.

Furthermore, Section 87a (2)(2) of the German Stock Corporation Law (AktG) authorizes the Supervisory Board to deviate from the remuneration system temporarily if this is necessary in the interests of the long-term welfare of the Company. This includes, for example, a far-reaching change in the economic environment (e.g., due to a severe economic or financial crisis or a pandemic), a corporate crisis requiring special measures, or any other circumstances or events which, alone or together with other circumstances or events, significantly impair or even eliminate the basis of the remuneration system to the extent that an appropriate material incentive can no longer be provided or maintained for the Management Board members (e.g., as a result of a significant change in corporate strategy or a significant change in the composition of the Group, for example, due to the acquisition or disposal of significant parts of the Company). Unfavorable market developments are not to be viewed as exceptional circumstances that allow a deviation from the remuneration system.

Even in the event of a deviation, the remuneration must continue to be aligned with the long-term and sustainable development of the Company and be consistent with the Company's success and the Management Board member's performance. A deviation from the remuneration system under the aforementioned circumstances is only possible after a careful analysis of these exceptional circumstances and the possible responses by way of a Supervisory Board resolution that transparently explains the exceptional circumstances and the need for a deviation and specifies the manner and intended duration of the deviation in a justified manner. The components of the remuneration system that may be deviated from in these exceptional cases are the procedure, the remuneration structure and amount, and all individual remuneration components. However, it is not possible to deviate from the specified maximum remuneration. If the incentive effect of the remuneration cannot be adequately restored by adjusting existing remuneration components, the Supervisory Board shall be entitled, inter alia, to temporarily grant additional remuneration components or replace individual remuneration components with other remuneration components. In the event of a temporary deviation from the remuneration system, the remuneration report for the following year shall explain the specific components of the remuneration system that were affected by the deviations as well as the need for the deviations.

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