

# CORPORATE GOVERNANCE DECLARATION

## WITH REPORT ON CORPORATE GOVERNANCE

Corporate governance at STRATEC SE (hereinafter: STRATEC) is determined by applicable laws, in particular the requirements of company law, the Articles of Association and internal regulations, and standards of good, responsible corporate governance. The German Corporate Governance Code ([www.dcgk.de](http://www.dcgk.de)) provides recommendations and suggestions for the corporate governance to be applied at STRATEC in accordance with recognized standards.

STRATEC's Board of Management and Supervisory Board are convinced that good corporate governance provides a key foundation for the company's sustainable success and enhances the trust placed in the company by its shareholders, business partners, and employees, as well as by the financial markets.

In what follows, STRATEC's Board of Management and Supervisory Board report on the principles underlying their corporate governance in accordance with the legal requirements set out in § 289f and § 315d of the German Commercial Code (HGB) and on corporate governance at the company in accordance with Principle 22 of the German Corporate Governance Code. The declaration on the German Corporate Governance Code submitted pursuant to § 161 of the German Stock Corporation Act (AktG) ("Declaration of Conformity") and updates to such declarations form a constituent component of the Corporate Governance Declaration. The Corporate Governance Declaration with the Report on Corporate Governance form an unaudited component of the Management Reports accompanying the 2021 Annual and Consolidated Financial Statements.

### **1. Declaration pursuant to § 161 of the German Stock Corporation Act (AktG)**

At its meeting on November 26, 2021, the Supervisory Board addressed the German Corporate Governance Code in its current version and, together with the Board of Management, submitted the following declaration pursuant to § 161 of the German Stock Corporation Act (AktG):

**„Declaration of Compliance by the Board of Management and the Supervisory Board of STRATEC SE with the recommendations of the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG)**

The Board of Management and Supervisory Board of STRATEC SE declare that the recommendations of the German Government Commission on the German Corporate Governance Code in the version dated December 16, 2019 were complied with since the submission of the previous Declaration of Compliance on November 27, 2020 with the exception of the deviations mentioned below and that these recommendations will be complied with in future and in 2022 with the exception of the deviations mentioned below:

## Section F.2

The German Corporate Governance Code recommends that the consolidated financial statements and the group management report should be made publicly accessible within 90 days from the end of the financial year and that mandatory interim financial information should be made publicly accessible within 45 days from the end of the reporting period.

The aforementioned publication deadlines for the consolidated financial statements and the group management report have not been and in some cases are not complied with. However, the company does comply with the legal publication deadlines as well as the deadlines stated in the stock exchange rules (“Börsenordnung”) of the Frankfurt Stock Exchange regarding the regulated market with additional obligations arising from admissions (“Prime Standard”), namely of four months for the annual financial report, three months for the half-yearly financial report, and two months for the quarterly statements. In the absence of uniform rules and regulations regarding publication deadlines, the company reserves the right to deviate from Section F.2.

## Sections G.2 to 4, 10, and 11

The contracts with members of the Board of Management of STRATEC SE, which were newly concluded in connection with the company’s conversion to a *societas europaea* (“SE”), are due to expire in November 2023. The recommendations of the German Corporate Governance Code in Section G.1, and in particular numbers 2 to 4, 10, and 11, and the remuneration system approved by the Annual General Meeting on May 20, 2021, therefore only require application upon the appointment of new members or extension in the appointment of existing members.“

Together with the Declarations of Conformity for the past five years, which are no longer up-to-date, this Declaration of Conformity is also available on the company’s website at [www.stratec.com](http://www.stratec.com) > Investors > Corporate Governance > Declaration of Conformity.

## 2. Relevant disclosures on corporate governance practices

### Diversity and inclusion

STRATEC views a diverse workforce as a great source of added value. A wide range of personal and cultural diversity is seen as a force driving innovation and enables the company to respond more closely and swiftly to technological changes and customers’ needs. Maintaining an open and tolerant corporate culture is therefore a matter of course for STRATEC and also assists the company in its efforts to recruit and retain employees on a long-term basis, particularly at times when specialists are in short supply.

STRATEC treats all employees equally and provides them with the same career opportunities irrespective of their age, disability, origin, religious affiliation, gender, sexual orientation, or any other factors not relevant in this regard.

STRATEC is aware that its managers have a pivotal role to play in promoting diversity and inclusion. In view of this, diversity is actively promoted in practice by STRATEC’s Board of Management.

### **Compliance management system**

STRATEC's understanding of compliance and its ethical principles are summarized in its Corporate Compliance Policy, which is binding throughout the Group. At STRATEC, an understanding of corporate compliance is viewed as a key cornerstone of day-to-day business operations both within the company and in its external dealings. In this respect, compliance with a variety of legal systems and statutory regulations is just as important as compliance with ethical principles.

These guidelines have been communicated in training sessions and one-to-one meetings to all employees, managers, and members of the Board of Management.

An awareness and understanding of the applicable requirements is the only way to ensure overall compliance by all of the persons involved. This is also the only way in which the company can enable its international business dealings to comply with the necessary standards.

To standardize the compliance culture throughout the company, regular training is also provided to local compliance officers at all of STRATEC's subsidiaries. Corporate Compliance Summits are also held to enable managers to share their experiences. The aim here is to maintain a uniform compliance management system across the Group and support local officers in implementing the relevant requirements.

As well as providing training to new employees, the company also holds regular refresher training sessions within the departments in order to familiarize all employees with our understanding of compliance.

STRATEC's Corporate Compliance Policy includes the following elements.

- A basic explanation of STRATEC's understanding of compliance, as well as an explanation of the compliance management system.
- Preventing corruption, i.e. upholding the integrity necessary in business dealings, and in particular the prohibition of any illegitimate exercising of influence
- Information and assistance for compliance with all requirements set by the law and the respective authorities, as well as with internal requirements
- The obligation to provide a fair and respectful working environment at the company
- Assistance to avoid conflicts of interest between private and business matters
- Compliance with the applicable legal requirements in Germany and abroad
- Copyright and license conformity
- Regular training of employees and information material on the intranet and on information boards
- Respectful and professional conduct at the company
- Opportunities to report suspected breaches of compliance.

STRATEC's compliance management system is continually extended to address topics of current relevance and further optimized. This enables managers on various levels to detect specific risks and, by taking suitable measures, to reduce or avert these risks entirely. These processes are supplemented by regular one-to-one discussions between managers and the relevant compliance officer. These one-to-one discussions enable potential conflicts or questionable matters to be identified and clarified at an early stage. The compliance officer reports the anonymized findings of these discussions with managers directly to the Board of Management. The Board of Management discharges its reporting obligations towards the Supervisory Board.

One aspect of the corporate compliance management system also involves regularly monitoring tax-related risks within the Group by way of a tax control system (Tax-CMS). This is intended to monitor, identify and assess potential tax risks in good time, with the aim of minimizing and averting such risks.

Furthermore, STRATEC has established a Compliance Board. Its permanent members comprise the Global Compliance Officer and several employees responsible for this topic at specialist departments and divisions. Furthermore, alternating membership increases the degree of diversity on the body.

The usual tasks incumbent on a compliance officer, such as developing standards of conduct, compliance instructions, and training are discussed at Compliance Board meetings together with sanction management and the investigation of specific incidents. The work of the Board enables areas of risk to be better coordinated and structure, while also ensuring greater transparency and diversity in the identification of risks. The Compliance Board also sets the compliance targets for the respective year.

STRATEC expects all its employees to adhere to its compliance requirements and thus ensure that all decisions and actions taken in their areas of responsibility are always consistent with the Corporate Compliance Policy.

An anonymous whistleblower system enabling employees or other parties to notify the company of any breaches of regulations or legal requirements has been in place since 2017.

The Corporate Compliance Policy is available on the company's website at [www.stratec.com](http://www.stratec.com) > Company > About us > Corporate Compliance verfügbar.

Furthermore, STRATEC adheres to the requirements of the law and of its Articles of Association ([www.stratec.com](http://www.stratec.com) > Investors > Corporate Governance > Articles of Association) and, apart from those deviations listed in the aforementioned declarations pursuant to § 161 of the German Corporate Governance Act (AktG), also complies with the German Corporate Governance Code ([www.dcgk.de](http://www.dcgk.de)).

### **Corporate Social Responsibility**

Since its foundation more than 40 years ago, a responsible mindset and sustainable operations have been one of the foundations enabling STRATEC to grow from a small startup into what is now a company with global operations. By implementing sustainability topics in its corporate strategy, STRATEC is accounting for its responsibility towards society. Given the high priority accorded to them, corporate social responsibility topics are managed at the STRATEC Group by the Board of Management, which discusses these and formulates suitable targets with and on behalf of the members of the first management tier and for the management at subsidiaries. Within the Supervisory Board, Dr. Hiller has been appointed as the member responsible for topics relating to corporate social responsibility. Furthermore, in 2021 STRATEC planned an ESG (Environmental Social Governance) Board that will meet several times a year in future. The Board comprises the managers responsible for those company divisions that are especially relevant to sustainability aspects (Supply Chain, Human Resources, Manufacturing, Legal & Compliance, Project Management, Investor Relations & Corporate Communications).

Furthermore, STRATEC SE signed the UN Global Compact in 2021. This represents an important milestone in STRATEC's activities as a sustainable company. This commitment will enable it to align the strategies and processes within the company even more closely to the ten principles of the UN Global Compact on human rights, labor standards, environmental protection, and measures to combat corruption.

Detailed information about the disclosures required by the CSR Directive can be found in the Non-Financial Group Declaration, which is a constituent component of the Group Management Report. The Non-Financial Group Declaration for the 2021 financial year also for the first time includes the disclosures required by the EU Taxonomy Regulation (Taxonomy Regulation) in respect of taxonomy-eligible economic activities.

In addition, the Sustainability Report published each year by the company is available on its website at [www.stratec.com](http://www.stratec.com) > Company > About us > Social Responsibility.

### **Quality management system**

Most of STRATEC's products are supplied to partners operating in strictly regulated markets. Quality management therefore represents a core aspect of STRATEC's business model and forms the basis for the success both of the company and of its partners.

STRATEC is committed to permanently improving the quality of its processes and services. Most of its products are subject not only to the strict requirements of the German Medical Products Act, but also to numerous national and international regulations that have to be complied with when entering the respective markets.

To satisfy these requirements, STRATEC has established a high-performance, certified quality management system. This accounts for the ever growing body of regulatory requirements in international markets and the ever more extensive number of requirements on national level. At the same time, it is the prerequisite for ensuring consistently high product quality.

Among others, the tasks performed by the Quality Management and Regulatory Affairs department include ensuring that the products comply with all necessary regulatory requirements for medical products, supplier evaluation and qualification, and continuously improving the quality management system.

The design and manufacture of an analyzer system also involves regular audits by customers, the authorities, certification bodies, and internal company departments at our development and production locations. These are prepared and accompanied by our quality management team.

Information about the standards to which STRATEC is committed and under which it is certified can be found at the company's website at [www.stratec.com](http://www.stratec.com) > Company > About us > Quality.

### **3. Description of mode of operation of Board of Management and Supervisory**

#### **Board and composition and mode of operation of their committees**

German stock corporation law provides for a two-tier system of corporate management. The Board of Management and Supervisory Board of STRATEC SE, which has a dualistic management structure, cooperate closely to the company's benefit. In this, the company is managed by the Board of Management and supervised by the Supervisory Board.

#### **Board of Management and its mode of operation**

The Board of Management manages the company with the aim of achieving sustainable value creation. It does so under its own responsibility and in the company's best interests, i.e. taking due account of the interests of the company's shareholders, employees, and other stakeholders. The Board of Management manages the company in accordance with the requirements of law, the Articles of Association, and its own Rules of Procedure. The Board of Management is committed to the principles of good, responsible, and efficient corporate governance. It follows the requirements of the German Corporate Governance Code in its respectively valid version to the extent that compliance with such is declared in its annual Declaration of Conformity with the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act (AktG) ("Declaration of Conformity"). The Board of Management develops the company's strategy, coordinates this with the Supervisory Board and ensures its implementation. Furthermore, it ensures that the company has appropriate risk management and risk controlling, as well as a compliance management system appropriate to the company's risk situation.

In appointing candidates to management positions at the company, the Board of Management considers diversity and aims in particular to ensure the appropriate participation of women. The Board of Management stipulates target values for the share of women in the two management tiers below the Board of Management.

The Supervisory Board issues Rules of Procedure for the Board of Management which, in particular, include a catalog of transactions requiring the approval of the Supervisory Board, stipulate the allocation of duties and cooperation within the Board of Management, and govern the cooperation of the Board of Management with the Supervisory Board.

The members of the Board of Management bear joint responsibility for managing the company. They work together as colleagues and keep each other regularly informed of all significant measures or developments in their areas of responsibility.

Each member of the Board of Management manages the area of responsibility allocated to him under his own responsibility. For measures and transactions affecting several areas of responsibility, the relevant members of the Board of Management are required to agree the approach to be taken and, if necessary, seek a resolution adopted by the full Board of Management.

Should he have concerns regarding a matter in a given area of responsibility, each member of the Board of Management is obliged to seek a resolution from the Board of Management if the concerns cannot be remedied following discussion of the matter with the relevant member of the Board of Management.

As a rule, the Board of Management adopts resolution at meetings, which are generally held once a week and convened by the Chairman of the Board of Management at the request of a member of the Board of Management or where urgent action is required. The Chairman of the Board of Management may order that a resolution should be adopted remotely by circulating the respective documents, unless another member objects to such procedure.

The Board of Management should, whenever possible, adopt unanimous resolutions. In the particular case that no agreement can be reached, the meeting chair determines whether a vote should be held or the resolution should be adjourned. In the case of adjournment, a resolution must be passed on the matter at the following meeting. Resolutions that are not adopted unanimously are minuted with the relevant voting ratios.

The Board of Management only has a quorum when at least half its members are present. Members of the Board of Management may participate in the adoption of resolutions by casting their votes in writing, by fax, telephone, or electronically. The results are determined by a simple majority of votes cast. In the event of a parity, the Chairman has the casting vote. Should the Chairman of the Board of Management be absent or prevented from voting, in the event of a parity of votes the draft resolution is deemed to have been rejected.

The full Board of Management adopts resolutions on matters of fundamental importance and consequence for the company. These also involve matters for which a decision by the full Board of Management is required by law, the Articles of Association, or the Rules of Procedure. These include, for example, the preparation of the annual financial statements, the convening of the Annual General Meeting, and proposals concerning the resolutions to be adopted at the Annual General Meeting.

The Chairman of the Board of Management coordinates the areas of responsibility of the Board of Management. He is obliged to ensure that the company is uniformly managed on the basis of the targets stipulated in resolutions adopted by the Board of Management. He represents the Board of Management and the company in public. The Chairman of the Board of Management in particular is regularly in contact with the Supervisory Board Chair to discuss the company's strategy, business performance, and risk management. He provides immediate report to the Supervisory Board Chair of any significant events of material relevance for assessing the company's position, performance, or management.

Members of the Board of Management are bound to observe the company's best interests and subject to an extensive prohibition on competition during their period of activity. No member of the Board of Management may pursue personal interests in their decisions or exploit for themselves business opportunities to which the company is entitled. Each member of the Board of Management must disclose any conflicts of interest to the Supervisory Board without delay and inform the other members of the Board of Management. Sideline activities, and in particular supervisory board positions external to the Group, must be disclosed to the Supervisory Board and may only be assumed with the approval of such. As a general rule, sideline activities at competitors are not approved.

All transactions between the company on the one hand and members of the Board of Management and persons and enterprises closely related to such on the other hand must be performed on terms customary to the sector.

### **Supervisory Board and its mode of operation**

The Supervisory Board advises and supervises the Board of Management in its management of the company. It is directly involved in all decisions of fundamental importance to the company.

The Supervisory Board performs its activities in accordance with the requirements of the law, the Articles of Association, and its Rules of Procedure. Supervisory Board members have the same rights and obligations and are not bound by instructions. The Supervisory Board is committed to the principles of good, responsible, and efficient corporate governance. It follows the respectively valid requirements of the German Corporate Governance Code to the extent that compliance is declared in the annual Declaration of Conformity with the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act (AktG) ("Declaration of Conformity").

The Supervisory Board appoints members of the Board of Management and may also dismiss them. Any first-time appointment of a member of the Board of Management is for a maximum term of three years. Any reappointment of a member of the Board of Management prior to one year before the end of an appointment period at the same time as termination of the current appointment only happens if special circumstances apply. The Supervisory Board ensures that the composition of the Board of Management is consistent with diversity considerations appropriate to the company's business (see "Diversity concept for composition of Board of Management") and works together with the Board of Management to ensure long-term succession planning. From the perspective of the company's management, the basic criteria applicable when selecting candidates for positions on the Board of Management particularly include the personality, specialist qualifications for the area for which responsibility is to be assumed, management qualities, and diversity factors. The Supervisory Board determines specific objectives regarding its composition and prepares a competence profile for the entire board (see "Diversity concept for composition of Supervisory Board"). Based on legal requirements governing the equal participation of women and men in management positions, the Supervisory Board stipulates target values for the share of women in the Supervisory Board and the Board of Management.

The Supervisory Board presents the remuneration system for the company's Board of Management for approval by the Annual General Meeting at least every four years. Within this remuneration system, the Supervisory Board determines the remuneration of individual members of the Board of Management upon the conclusion or extension of management board employment contracts. Furthermore, the Supervisory Board regularly reviews the remuneration system.

The Supervisory Board informs the Annual General Meeting about any interests of conflict that have arisen and how they were addressed.

The Supervisory Board has adopted Rules of Procedure which, among other aspects, govern cooperation within the Supervisory Board and with the Board of Management. The Rules of Procedure for the Supervisory Board are published on the company's website.

Supervisory Board members are elected by shareholders at the Annual General Meeting. The Supervisory Board is convened when necessary and holds at least two meetings in each half of the calendar year, and also regularly meets in the absence of the Board of Management.

The number of meetings and key topics thereby addressed are presented in the Supervisory Board Report. This report also states which meetings of the Supervisory Board and its committees, should it have formed any such committees, were attended by the individual members of the Supervisory Board.

The Supervisory Board is convened by the Supervisory Board Chair, with simultaneous communication of the agenda, or on his behalf by the Board of Management, with a notice period of 10 days. A meeting must also be convened when requested by a Supervisory Board member or the Board of Management, with stipulation of the purpose of and reasons for the meeting.

As a rule, the Supervisory Board adopts resolutions at meetings that are chaired by its Chair. If so instructed by the Supervisory Board Chair, resolutions may also be adopted outside meetings, in this case in writing or by fax, telephone, or other forms of communication provided that no Supervisory Board member objects to the procedure. Such resolutions are documented by the Chair in a written protocol which is forwarded to all members. Absent Supervisory Board members may participate in the adoption of resolutions in writing, verbally, by telephone, fax, or e-mail by having their votes cast by another Supervisory Board member.

Unless otherwise stipulated by law, resolutions are adopted on the basis of a simple majority of votes. Abstentions do not count as votes. For elections, relative majorities are deemed adequate. In the event of a parity of votes, also in elections, the Supervisory Board Chair has the casting vote.

The Supervisory Board has a quorum when all (at least three) of its members have been correctly invited to the meeting or are requested to cast their votes outside a meeting and these members then participate in the adoption of the resolution. Members abstaining are also deemed to participate in adoption of the resolution.

The Supervisory Board Chair coordinates the activities of the Supervisory Board, chairs its meetings, and represents its matters externally. The Supervisory Board Chair is also available within reasonable limits to discuss Supervisory Board-related issues with investors. He is authorized on behalf of the Supervisory Board to submit and accept declarations of intent on the part of the Supervisory Board to the extent necessary to

execute Supervisory Board resolutions. He is regularly in contact with the Board of Management, and in particular the Chairman of the Board of Management, to discuss with them issues relating to the company's strategy, planning, business development, and risk management. The Supervisory Board Chair is informed by the Chairman of the Board of Management without undue delay of major events that are of material importance for assessing the company's status and performance, and for managing the company. The Supervisory Board Chair subsequently informs the Supervisory Board and, if required, convenes an extraordinary Supervisory Board meeting.

The Supervisory Board regularly assesses how effectively the Supervisory Board and its committees are discharging their duties. At its meeting on October 21, 2021, the Supervisory Board established that its activities were efficient overall. In advance of the meeting, an external service provider held one-to-one discussions with the Supervisory Board members on the basis of a structured catalog of questions.

Supervisory Board members disclose any existing conflicts of interest to the Supervisory Board. In the event of material conflicts of interest that are not only temporary, the respective Supervisory Board member is obliged to retire from his or her position. No member of the Supervisory Board may pursue personal interests in their decisions or exploit for themselves business opportunities to which the company is entitled.

Supervisory Board members receive adequate support from the company when they assume their positions and when they draw on training or professional development measures at their own initiative to enable them to fulfil their duties. Within an onboarding process, Supervisory Board members elected for the first time or appointed by court have the opportunity to familiarize themselves with the specific features of the company, its market and competitive situation, and the legal framework, and in particular with corporate governance and the compliance system.

#### **Cooperation of Board of Management and Supervisory Board**

The Board of Management and the Supervisory Board cooperate closely to the benefit of the company.

The Board of Management develops the company's strategy, coordinates this with the Supervisory Board and ensures its implementation. It discusses the current state of strategy implementation with the Supervisory Board at regular intervals.

For transactions of fundamental importance, the Rules of Procedure for the Board of Management stipulate that such transactions are subject to approval by the Supervisory Board. The Supervisory Board is thus directly involved in decisions or measures of fundamental importance.

Ensuring that the Supervisory Board is kept adequately informed is a task incumbent on both the Board of Management and the Supervisory Board. The Board of Management provides the Supervisory Board on a regular basis, and at least every three months, with extensive written and oral reports on all matters relevant to the company. It address departures in the current business performance from existing projections and targets and indicates the reasons for such departures. The Supervisory Board specifies the information and reporting duties of the Board of Management. The reports by the Board of Management to the Supervisory Board are, as a rule, to be submitted in text form. Documents required for decisions, and here especially the

annual financial statements, consolidated financial statements and audit report, are sent to members of the Supervisory Board in good time before the meeting.

Between meetings, the Supervisory Board Chair is in regular contact with the Board of Management, and in particular with the Chairman, to discuss with them issues of strategy, business development, the risk situation, risk management and compliance of the company.

The Board of Management ensures that the company has appropriate risk management and risk controlling, as well as a compliance management system appropriate to the company's risk situation. Deliberate entrepreneurial risk management assists in detecting risks at an early stage, assessing these and, where appropriate, taking suitable measures. Dealing with risks associated with the company's business activities is a factor of fundamental importance for the Board of Management and Supervisory Board. Both bodies ensure that they receive regular reports on risks and their development. The Board of Management and Supervisory Board regularly discuss matters of risk management. The risk management system is continually being developed further by the company and is audited by the auditors. Current risks facing the company are regularly reported in the risk report. The Board of Management immediately forwards to the Supervisory Board Chair any information that is of material relevance from a risk perspective.

#### **Composition and mode of operation of Board of Management committees**

In view of its size, the Board of Management has to date not formed any committees.

#### **Composition and mode of operation of Supervisory Board committees**

In anticipation of future legal requirements, on January 28, 2021 the Supervisory Board established a permanent Audit Committee that addresses in particular the review of the accounting, the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit of the financial statements, and compliance. The accounting particularly comprises the consolidated financial statements and the group management report (including CSR reporting), interim financial information, and the single-entity financial statements in accordance with the German Commercial Code (HGB).

The Supervisory Board members are simultaneously members of the Audit Committee. The Audit Committee is chaired by Dr. Rolf Vornhagen. He has expertise in the field of accounting while Dr. Rudolf Eugster has expertise auditing, in both cases pursuant to § 100 (5) of the German Stock Corporation Act (AktG).

## **4. Stipulations pursuant to § 76 (4) and § 111 (5) AktG – equal participation of women and men in management positions**

The "Act on the Equal Participation of Men and Women in Private-Sector and Public-Sector Management Positions" requires companies that are publicly listed or subject to codetermination requirements, such as STRATEC, to stipulate targets for the share of women in the two management tiers below the Board of Management (pursuant to § 76 (4) AktG) and in the Supervisory Board and the Board of Management

(pursuant to § 111 (5) AktG). Such companies are also required to set deadlines by which these targets should be met.

On November 27, 2020, the Board of Management set targets for the share of women in the first and second management tiers below the Board of Management for the period to December 31, 2024. The target for the share of women in the first management tier now amounts to 25%, while that for the second tier still stands at 20%. As of December 31, 2021, the target for the first management tier had been met, but that for the second management tier had not yet been reached. STRATEC supports women and men who wish to become managers; as a technology company, it also endeavors to interest women in particular in a career in technology. The fact that the target for the second management tier has not yet been met is due in part to the under-representation of women in the scientific and technical disciplines particularly important to STRATEC's activities.

On November 27, 2020, the Supervisory Board retained the target of 30% for the share of women on the Supervisory Board to be upheld in the period to December 31, 2024. Due to Prof. Dr. Stefanie Remmele stepping down from her position in October 2021, the Supervisory Board fell short of the target for the share of women it had set itself. The successor appointed by court to succeed her is Dr. Rudolf Eugster. As of December 31, 2021, the share of women on the Supervisory Board was therefore 0%.

The primary qualities that count for the company when appointing members of the Board of Management, irrespective of the gender of the candidate, are performance, qualifications, and potential. Furthermore, the Supervisory Board believes that, in respect of the composition of the Board of Management, it is in the company's interest to ensure continuity. It is not deemed appropriate to change the composition merely to adjust the gender balance. On November 27, 2020, the Supervisory Board therefore decided to set the target share for women to be achieved by December 31, 2024 at 0% once again. As of December 31, 2021, the three-member Board of Management did not include any women; accordingly, the share of women amounted to 0%.

## 5. Diversity concept for composition of Supervisory Board

The Supervisory Board must be composed in such a way as to ensure its ability to provide qualified supervision of and advice to the Board of Management. Its members should collectively have the knowledge, skills, and professional expertise required to properly perform all of the duties required of the Supervisory Board at a company with a capital market orientation and international operations.

In view of this, and taking due account of the recommendations and suggestions made in the German Corporate Governance Code (DCGK), the Supervisory Board set the following targets for its composition:

### **“Competence profile and specific targets for composition of Supervisory Board of STRATEC SE**

In accordance with the requirements of law and the Articles of Association, the Supervisory Board of STRATEC SE comprises three members, all of whom are elected by shareholders.

## I. General requirements in Supervisory Board members

- a) Each Supervisory Board member must meet the requirements of law and the Articles of Association for membership in the Supervisory Board and should, where possible, satisfy the recommendations made by the German Corporate Governance Code in its respectively valid version (c.f. in particular § 100 (1) to (4) AktG)
- b) Each Supervisory Board member must have the knowledge and skills required to properly perform the duties required of him or her by law and the Articles of Association.
- c) The Supervisory Board must include at least one member possessing expertise in the field of financial reporting or auditing. The members must collectively be familiar with the sector in which the company operates (§ 100 (5) AktG).

## II. Specific targets for composition of Supervisory Board

Supervisory Board members should collectively have the following qualifications and characteristics, with an accumulation of several qualifications and characteristics in one member also possible:

- a) The Supervisory Board include at least one member with management experience at an industrial company.
- b) The Supervisory Board should include at least one member with longstanding experience in international business affairs or expertise in the field of medical technology or another technical field.
- c) The Supervisory Board should not include members who are expected to face frequent or permanent conflicts of interest in exercising the duties associated with membership (potential conflicts of interest).
- d) At least half of the members of the Supervisory Board should be independent of the company and its Board of Management. A Supervisory Board member is independent of the company and its Board of Management if they have no personal or business relationship with the company or its Board of Management that may cause a substantial and not merely temporary conflict of interest.

When assessing the independence of Supervisory Board members from the company and its Board of Management, the Supervisory Board should particularly take into consideration the following aspects; whether the respective Supervisory Board member, or a close family member:

- was a member of the company's Board of Management in the two years prior to appointment
- is directly or indirectly a controlling shareholder of the company
- whether he/she currently is maintaining (or has maintained) a material business relationship with the company, or one of the entities dependent on the company (e.g. as customer, supplier, lender or advisor), in the year up to his/her appointment, directly or as a shareholder, or in a leading position of a non-group entity
- whether he/she is a close family member of a member of the Board of Management, or
- whether he/she has been a member of the Supervisory Board for more than twelve years.

- e) No member should be aged 75 or above upon election to the Supervisory Board (age limit for Supervisory Board members) or have been a member for at least 12 years at such time (regular limit to term of Supervisory Board membership).
- f) With regard to the diversity of its composition, the Supervisory Board aims to ensure a range of different professional and international experience and in particular the appropriate participation of both genders. The Supervisory Board currently has one female member. Although the company is not required to comply with statutory minimum shares in terms of filling specific or multiple posts on the Supervisory Board with women or men, women should nevertheless make up at least 30% of the members.
- g) The Supervisory Board should not include any members who sit on the Board of Management of a listed company and hold a total of more than two Supervisory Board positions at non-group listed companies or comparable functions or holds the chairmanship of the supervisory board at a non-group listed company.

Furthermore, each Supervisory Board member must ensure that he or she is able to dedicate the amount of time expected to be necessary to properly perform the role. Members should in particular note that at least two Supervisory Board meetings are held in each half of the calendar year, with each of these requiring appropriate preparation, and that sufficient time must be available to review the documents relating to the annual and consolidated financial statements. Furthermore, extraordinary meetings of the Supervisory Board may also be needed to address special topics.

### III. Competence profile for full Supervisory Board

The Supervisory Board stipulates the following competence profile for the full board:

- a) The full Supervisory Board (i.e. one or several members) should possess expertise in the fields listed above under II. a) and b)
- b) The full Supervisory Board (i.e. one or several members) should possess expertise in the field of financial reporting or auditing.

Proposals by the Supervisory Board to the Annual General Meeting should take these targets into account, while simultaneously aiming to satisfy the competence profile for the full Supervisory Board. Moreover, the personality, integrity, willingness to perform, and professionalism of candidates should also be considered.”

The composition of the Supervisory Board is consistent with the targets and the competence profile. The Supervisory Board target stipulated in this competence profile, namely that at least half of the Supervisory Board members should be independent of the company and its Board of Management, is reflected in what the Supervisory Board considers to be a suitable number of independent members. Accordingly, at least two Supervisory Board members should be independent. In its current composition, the Supervisory Board considers that all of its members are independent according to the definition provided in the German Corporate Governance Code (DCGK). The Supervisory Board most recently amended its competence profile on November 27, 2020.

## 6. Diversity concept for composition of Board of Management

An age limit has been set for members of the Board of Management. According to this requirement, only such persons that have not yet reached the age of 67 should be members of the Board of Management. Additional requirements, such as a competence profile for the full board, do not apply.

The composition of the Board of Management is consistent with the stipulated requirements and targets.

## 7. Further disclosures on corporate governance

### Composition of and allocation of responsibilities within Board of Management

Members of the Board of Management are appointed by the Supervisory Board.

Composition of the Board of Management <sup>(1)</sup>

| Name  | Age                    | Length of membership         |
|---|------------------------|------------------------------|
| Marcus Wolfinger,<br>Chairman                     | 54; born on 07.27.1967 | ~ 22 years; since 07.01.1999 |
| Dr. Robert Siegle,<br>Finance and Human Resources | 54; born on 05.16.1967 | ~ 11 years; since 02.01.2011 |
| Dr. Claus Vielsack,<br>Product Development        | 54; born on 08.27.1967 | ~ 8 years; since 02.15.2014  |

<sup>(1)</sup> Disclosures as of publication date of this declaration

The term in office of all members of the Board of Management expires on November 10, 2023.

The members of the Board of Management are allocated divisions which they manage under their own responsibility. The members nevertheless always act in accordance with the company's best interests.

Further information about the members of the Board of Management, and in particular their CVs, is available on the company's website at [www.stratec.com](http://www.stratec.com) > About us > Management > Board of Management.

### Composition of Supervisory Board

Pursuant to § 17 of the European Company Implementation Act (SEAG) in conjunction with § 8.1 of the Articles of Association, the Supervisory Board comprises three members to be elected by shareholders.

#### Composition of the Supervisory Board <sup>(1)</sup>

| Name   | Age                    | Length of membership         |
|--|------------------------|------------------------------|
| Dr. Rudolf Eugster,<br>Chairman <sup>(2)</sup> | 56; born on 07.14.1965 | ~ 5 months; since 10.26.2021 |
| Dr. Frank Hiller,<br>Deputy Chairman           | 55; born on 05.23.1966 | ~ 3 years; since 05.29.2019  |
| Dr. Rolf Vornhagen <sup>(3)</sup>              | 68; born on 05.13.1953 | ~ 2 years; since 07.21.2020  |

<sup>(1)</sup> Disclosures as of publication date of this declaration

<sup>(2)</sup> Has expertise in the field of auditing

<sup>(3)</sup> Has expertise in the field of accounting

Further information about the “Composition and mode of operation of Supervisory Board committees” can be found in the information provided under this headline in Section 3 of this document.

Further information about the members of the Supervisory Board, and in particular their CVs, is available on the company’s website at [www.stratec.com](http://www.stratec.com) > About us > Management > Supervisory Board.

### Elections to Supervisory Board

In its election proposals to the Annual General Meeting, the Supervisory Board discloses the personal and business relationships of every candidate with the company, the governing bodies of the company, and any shareholders with a material interest in the company. The proposal for a candidate is accompanied by a curriculum vitae providing information on the candidate’s relevant knowledge, skills, and professional experience. It is supplemented by an overview of the candidate’s material activities in addition to the Supervisory Board mandate, and is updated annually for all Supervisory Board members and published on the company’s website. Supervisory Board members are elected individually. Where an application is made for the appointment of a Supervisory Board member by a court, the term of that member is limited until the next Annual General Meeting.

### Remuneration of Board of Management and Supervisory Board

Detailed disclosures on the remuneration of the Board of Management and Supervisory Board can be found in the Remuneration Report, which is published on the company’s website at [www.stratec.com](http://www.stratec.com) > Investors > Corporate Governance > Remuneration.

### **Avoidance of conflicts of interest**

No advisory or other service agreements or contracts for work were in place between Supervisory Board members and the company in the year under report. No conflicts of interest requiring immediate disclosure to the Supervisory Board arose on the part of members of the Board of Management or Supervisory Board.

Information about positions held by members of the Board of Management and Supervisory Board on statutory supervisory boards or comparable control bodies at domestic or foreign companies and related party disclosures are provided in "Other Disclosures" in the Notes to the Consolidated Financial Statements.

### **Managers' transactions**

As persons discharging managerial responsibilities, members of the Board of Management and Supervisory Board of STRATEC SE are required by Article 19 of Regulation (EU) No. 596/2014 of the European Parliament and Council dated April 16, 2014 on Market Abuse (Market Abuse Regulation) to disclose any own-account transactions with STRATEC's shares or related financial instruments of STRATEC SE. This disclosure obligation also applies to persons closely associated with board members. The disclosure requirement is waived, however, if the aggregate volume of all transactions does not exceed a total amount of € 20,000 by the end of the respective calendar year.

The managers' transactions disclosed to the company are published on the company's website at [www.stratec.com](http://www.stratec.com) > Investors > Corporate Governance > Managers' Transactions and on the website of the Federal Financial Supervisory Authority.

### **Shareholders and Annual General Meeting**

Shareholders exercise their rights at the shareholder's meeting, which is generally held once a year (Annual General Meeting) and thereby exercise their voting rights. Each share carries one vote. The Annual General Meeting adopts resolutions on the tasks allocated to it by law, which include resolutions on the appropriation of net profit, approving the actions of the Board of Management and Supervisory Board by way of discharge, appointing the auditor, and electing Supervisory Board members, amendments to the Articles of Association, and capital-related measures. The Annual General Meeting is generally chaired by the Supervisory Board Chair. To assist shareholders in exercising their rights in person, once the meeting has been convened the documents requiring publication are made available on the company's website at [www.stratec.com](http://www.stratec.com) > Investors > Annual General Meeting. Shareholders may exercise their voting rights themselves, or have them exercised by a representative or a voting proxy appointed by the company to vote in accordance with their instructions.

### Transparency and external reporting

With its extensive investor relations and public relations activities, STRATEC remains closely in contact with its shareholders. STRATEC provides its customers, shareholders, employees, financial analysts, shareholder associations, the media and the general public with regular and extensive information about all material developments and events at the company. To this end, STRATEC regularly makes use of suitable communications channels. To ensure the greatest possible transparency, new information about the company is made simultaneously available to all stakeholders. All company news of material relevance to the share price and not publicly known is published in ad-hoc announcements.

The company's website plays a key role among the various communication channels used. All material information published, including the annual financial reports, half-year financial reports, and quarterly statements are available at [www.stratec.com](http://www.stratec.com) > Investors, as are ad-hoc announcements and press releases, voting right notifications from material shareholders, presentations for analysts' and investors' events, conference calls, and the financial calendar. As well as the Remuneration Report of the Board of Management and Supervisory Board, the statements on corporate governance and declarations of compliance with the recommendations of the German Corporate Governance Code submitted by the company's management are also available on the website.

The dates of important publications, such as the Annual Report and the financial information released during the financial year are announced well in advance in the financial calendar, as are the dates of the Annual General Meeting and of analysts' conferences.

### Financial reporting and auditing

STRATEC prepares its consolidated financial statements, its half-year report, and its quarterly statements in accordance with International Financial Reporting Standards (IFRS) as requiring application in the European Union. By contrasted, the annual financial statements of the company used to determine the dividend payment are prepared in accordance with the requirements of the German Commercial Code (HGB).

Based on the proposal submitted by the Supervisory Board, the Annual General Meeting on May 20, 2021 elected Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, as auditor for the annual financial statements, as group auditor, and as auditor for the audit review of interim financial reports, if and to the extent that these are subject to an audit review, for the 2021 financial year. Consistent with legal requirements, the auditor is elected by the Annual General Meeting for one financial year at a time.

The election was preceded by a review of the auditor's independence. This involved excluding the existence of any business, financial, personal, or other relationships between the auditor and its governing bodies and lead auditors on the one hand, and STRATEC SE and the members of its governing bodies on the other hand that could call the independence of the auditor into question. To this end, the auditor submitted a binding statement of independence.

Furthermore, the Supervisory Board arranged for the auditor to report without due delay on all findings and issues which come to its knowledge during the performance of the audit. Likewise, it was agreed that the

auditor should inform the Supervisory Board or note in the long-form audit report if it identifies any facts that indicate an inaccuracy in the Declaration submitted by the Board of Management and Supervisory Board on the German Corporate Governance Code.

Ebner Stolz GmbH & Co. KG audited the 2020 annual financial statements and management report of STRATEC SE prepared in accordance with the German Commercial Code (HGB) and the 2020 consolidated financial statements and group management report prepared in accordance with IFRS and provided these with unqualified audit opinions. Details of the fees paid to the auditor in the 2021 financial year are provided in the 2021 Annual Report, which will be published on March 30, 2022. The percentage share of non-audit-related advisory fees did not exceed 30% of the total audit fee. Ebner Stolz GmbH & Co. KG has acted as the auditor and group auditor of STRATEC without interruption since the 2015 financial year. The auditors signing off STRATEC's 2021 annual financial statements will be Philipp Lessner (signatory on the right) and Linda Ruoss (signatory on the left). The former has been the lead auditor, and thus responsible for the audit in accordance with the Professional Charter, since the 2019 financial year. The auditors signing off STRATEC's 2021 consolidated financial statements will be Philipp Lessner (signatory on the right) and Linda Ruoss (signatory on the left). The former has been the lead auditor, and thus responsible for the audit in accordance with the Professional Charter, since the 2020 financial year. The statutory requirements and rotation obligations have been met.

Birkenfeld, March 28, 2022