

## Declaration by the Executive Board and the Supervisory Board of First Sensor AG on the recommendations of the Government Commission German Corporate Governance Code pursuant to Article 161 Aktiengesetz (German Stock Corporation Act)

The Executive Board and Supervisory Board of First Sensor AG hereby declare in accordance with Section 161 of the German Stock Corporation Act (AktG) that, since the last declaration of compliance was issued on February 1, 2021, the company has complied with the recommendations of the German Corporate Governance Code in the version as of December 16, 2019 ("GCGC") and will continue to comply with the recommendations of the GCGC with the exception of the deviations set out below.

### **A.1: Diversity in staffing of management positions**

Appropriate internal company guidelines ensure that management positions are staffed without discrimination. When staffing management positions, however, no specific attention is paid to diversity.

### **B.5: Age restriction for members of the Management Board**

The service agreements of the members of the Executive Board did not originally provide for an age limit. The Supervisory Board corrected this in December 2020 in agreement with the Executive Board.

### **C.1: Constitution of the Supervisory Board**

The Supervisory Board has set concrete goals for its constitution and developed a competence profile for the entire Board. However, no specific attention is paid to diversity in the constitution of the Supervisory Board.

**F.2: The consolidated financial statements and the Group management report are to be publicly accessible within 90 days of the end of the financial year, and the mandatory interim financial information is to be publicly accessible within 45 days of the end of the reporting period.**

The 2020 consolidated financial statements will be published within four months of the end of the fiscal year due to the ongoing integration work. In accordance with the Stock Exchange Rules and

the German Securities Trading Act (WpHG), the half-year financial report will be made available no later than two months after the end of the reporting period.

## **G.1: Remuneration system of the Executive Board**

Every year, the Supervisory Board sets out financial and non-financial performance criteria for the variable remuneration of Executive Board members that are adjusted to the specific situation. This ensures that the relevant financial and non-financial performance criteria for the respective fiscal year are precisely tailored to the company's situation at the time they are set. For this reason, the individual financial and non-financial performance criteria are not presented in the company's Executive Board remuneration system.

## **G.3: Peer group comparison with other companies**

When determining total remuneration, the Supervisory Board primarily relies on the extensive experience of the individual Supervisory Board members gained over the course of their activities on the management and supervisory boards of other comparable companies in the relevant sector. The company's remuneration system does not contain any details regarding the preparation of comparative criteria with respect to comparable companies in order to assess whether the total remuneration is in line with the peer group.

## **G.10: Share-based remuneration / holding period**

The Executive Board members receive "restricted stock units" as long-term variable remuneration, which can be converted into shares in TE Connectivity Ltd. The restricted stock units have a four-year vesting period, but are vested in annual tranches after which they can be converted into shares in TE Connectivity Ltd. Once the units have been converted into shares, the Executive Board members are free to do as they wish with the shares. There is no provision for a four-year holding period, but the Executive Board members only receive the total number of restricted stock units if they remain members of the Executive Board for the entire four-year vesting period.

There is no contractual obligation stating that an Executive Board member must invest the variable remuneration components awarded to him in company shares.

## **G.11: Clawback clauses**

There is no contractual provision for retaining or repaying variable remuneration components, despite the specified targets having been achieved, on account of other exceptional circumstances.

## **G.13: Severance payment cap and offset against compensation for non-compete obligations**

The service agreement with Mr. Resch concluded at the beginning of 2020 was concluded on the basis of the remuneration system for the Executive Board approved by the Annual General Meeting of First Sensor AG on May 23, 2018, and therefore does not fully comply with the recommendations of the GCGC: G.10 (investment of remuneration components in shares) and G.13 (offsetting of severance payment against compensation for non-compete obligations). The new remuneration system to be adopted will be taken into account in the next service agreement.

## **G.17: Compensation of committee members.**

According to Recommendation G.17 of the GCGC, the higher time expenditure of committee chairmen and committee members should be taken into account appropriately. In the opinion of the Company, the compensation of Supervisory Board members already takes into account any additional time required. For the members of the committees of the Supervisory Board of the Company and their chairmen, therefore, no increased compensation is envisaged compared with the other members of the Supervisory Board.

Berlin, April 29, 2021



Sibylle Büttner  
Member of the Man. Board



Robin Maly  
Member of the Man. Board



Marcus Resch  
Member of the Man. Board



Michael Gerosa  
Chairman of the Supervisory Board