

## (GROUP) DECLARATION ON CORPORATE GOVERNANCE

*with integrated corporate governance report*

First Sensor AG practices responsible and sustainable corporate governance. On the basis of the applicable provisions, the German Corporate Governance Code and internal guidelines, this declaration is intended to bring transparency to the corporate governance of the Management Board and the Supervisory Board. It is a requirement for fostering confidence among stakeholders – investors, customers, employees and the public at large – in the management and oversight of First Sensor AG. The implementation of and compliance with these principles are seen as a central management responsibility.

### 1. CORPORATE GOVERNANCE PROFILE

#### 1.1. General information on the company and its executive bodies

First Sensor AG was founded as a tech start-up in Berlin in the early 1990s, and is today a part of the global TE Connectivity Group. The company is entered in the commercial register of the Berlin-Charlottenburg Local Court under HRB 69326. Its address is Peter-Behrens-Strasse 15, 12459 Berlin.

According to its Articles of Association, its business purpose is to develop, produce and market, domestically and internationally, sensor systems of all kinds, as well as electronic components and devices.

As a German stock corporation, governance at First Sensor AG is primarily defined by the *Aktiengesetz* (AktG – German Stock Corporation Act), the other statutory provisions of commercial and company law and the German Corporate Governance Code. The rights and duties of its executive bodies (Management Board, Supervisory Board and Annual General Meeting) derive from the law and the [Articles of Association](#).

The functions of “management” and “oversight” are clear and distinct under the law and the Articles of Association. The Management Board and the Supervisory Board form First Sensor AG’s dual governance system. They have an obligation to the interests of the shareholders and to the good of the company, and they work together to sustainably enhance its enterprise value.

If multiple members of the Management Board have been appointed, the company is legally represented by two members of the Management Board or by one member of the Management Board together with an officer with power of attorney. If only one member of the Management Board has been appointed, this member manages the company alone.

The Supervisory Board can confer the right of sole representation on individual members of the Management Board.

The company is subject to the co-determination rules of the *Drittelbeteiligungsgesetz* (DrittelbG – German One-Third Participation Act).

First Sensor has been listed on the Frankfurt Stock Exchange since 1999 and satisfies the transparency requirements of the Prime Standard segment of Deutsche Börse AG (WKN (German securities code no.): 720190 | ISIN: DE0007201907 | SIS).

## 1.2. Structure of the company and the Group

As of the end of the reporting period, First Sensor AG is the parent company of one subsidiary that is listed in the notes to the consolidated financial statements (consolidated group). First Sensor AG and TE Connectivity Sensors Germany Holding AG, an indirect subsidiary of TE Connectivity Ltd., entered into a control and profit transfer agreement, under which First Sensor AG is the controlled company, on April 14, 2020. The control and profit transfer agreement was entered in the commercial register of the Berlin-Charlottenburg Local Court on July 7, 2020. There is no segmentation in accordance with IAS 8 reflecting internal organizational and reporting structures or the Management Board's control structures for the Group.

## 1.3. Declaration on the German Corporate Governance Code

The Management Board and Supervisory Board of First Sensor see responsible and transparent corporate governance as the basis for long-term business success. It is guided in this by the German Corporate Governance Code (GCGC) as currently amended.

On the basis of the current German Corporate Governance Code, most recently resolved by the Government Commission on April 28, 2022 and published in the *Bundesanzeiger* (German Federal Gazette) on June 27, 2022, the company reports on its corporate governance in the corporate governance declaration. The Management Board and Supervisory Board make this declaration together, though they are each only responsible for the parts of the report that concern them. A component of the corporate governance declaration is the declaration of compliance with the German Corporate Governance Code current as of the reporting date:

### ***Declaration of compliance by the Management Board and the Supervisory Board of First Sensor AG with the German Corporate Governance Code in accordance with section 161 AktG***

The Management Board and the Supervisory Board of First Sensor AG declare in accordance with section 161 AktG that the company has complied with the recommendations of the German Corporate Governance Code, as amended April 28, 2022, since its last declaration of compliance, published in the Federal Gazette on June 27, 2022, was issued on July 29, 2022, and will continue to comply in the future, with the following exceptions.

F.2: The consolidated financial statements and the group management report shall be made publicly accessible within 90 days from the end of the financial year, while mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period.

On account of the ongoing integration work, the consolidated financial statements have been published within four months of the end of the financial year. In accordance with the stock exchange regulations and the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act), the half-year financial report will be published no later than two months after the end of the reporting period. The company intends to comply with recommendation F.2 again after the completion of the integration work.

### G.1: Remuneration system of the Management Board

Each year, the Supervisory Board defines the variable remuneration for the members of the Management Board in line with the financial and non-financial performance criteria revised in line with the respective situation. The relevant financial and non-financial performance criteria for the respective financial year are therefore always exactly in line with the company's situation at the time that they are determined. For this reason, the individual financial and non-financial performance criteria are not presented in the

remuneration system of the company's Management Board.

### G.3: Comparison with other companies

In determining the total remuneration, the Supervisory Board primarily relies on the extensive experience of the individual members of the Supervisory Board in conjunction with their work in the management and supervisory bodies of other comparable enterprises in the relevant sector. The remuneration system of the company does not contain any details for using comparative criteria in relation to comparable enterprises in assessing whether total remuneration is in line with usual levels.

### G10: Share-based remuneration/vesting period

On the basis of their contracts with TE Connectivity and depending on their respective position there, members of the Management Board receive restricted stock units based on shares of TE Connectivity Ltd. as their long-term variable remuneration. The restricted stock units have a four-year vesting period, but vest in annual increments and will then be provided as shares of TE Connectivity Ltd. The members of the Management Board can freely dispose of their shares after they have been issued. A four-year retention period is not intended, but the members of the Management Board only receive their full number of restricted stock units if they are employees of TE Connectivity in a corresponding position throughout the four-year vesting period.

There is no contractual obligation for a member of the Management Board to invest the any of the variable remuneration granted to them in shares of the company.

### G.11: Clawback clauses

There is no contractual provision for the retention or repayment of variable remuneration amounts despite set targets being achieved on account of other extraordinary circumstances.

### G.17 Remuneration of committee members.

In accordance with recommendation G.17 of the German Corporate Governance Code, the greater time commitment of the chairpersons and members of committees should be appropriately taken into account. In the opinion of the company, the remuneration of the members of the Supervisory Board already takes into account any additional time commitment. Higher remuneration than other members of the Supervisory Board is therefore not intended for the members of committees of the Supervisory Board of the company or their chairpersons.

Prior declarations of compliance with the German Corporate Governance Code by First Sensor can be found [here](#).

The Management Board and Supervisory Board regularly address issues of good corporate governance. In this context, they look at the extent to which improvements are worthwhile and possible, and the extent to which the company feels it should deviate from the recommendations of the German Corporate Governance Code in other respects.

## 2. THE MANAGEMENT BOARD

### 2.1. Composition of the Management Board

As of the time of reporting, First Sensor AG is managed by three members of the Management Board. The Supervisory Board of First Sensor AG appointed Thibault Kassir, Senior Vice President and General Manager of TE Sensors, as a new member of the Management Board of First Sensor AG effective April 14, 2022. As in the previous year, the other members of the Management Board are Robin Maly, Senior Director of Business Transformation, Business Unit Sensors, TE Connectivity Solutions GmbH, and Dirk Schäfer, Director Project Controlling, Automotive EMEA, at TE Connectivity Germany GmbH (Bensheim, Germany).

The members of the Management Board do not hold any supervisory board offices or perform any sideline activities outside the TE Connectivity Group.

The résumés of all members of the Management Board can be found on the company's [website](#).

In accordance with the German Corporate Governance Code, the first-time appointment of Management Board members should be for a period of not more than three years, and any re-appointment prior to one year before the end of an appointment period at the same time as the termination of the current appointment should only be possible if special circumstances apply. First Sensor has complied with this in the past.

On the basis of the recommendations of the German Corporate Governance Code and in accordance with the statutory regulations, the Supervisory Board has resolved a requirement profile for members of the Management Board that also takes into account the need for diversity within this executive body. The central eligibility criteria when selecting candidates for long-term succession planning are therefore professional qualification for the department to be taken on, management skills, past performance and industry knowledge. When appointing Management Board members, the Supervisory Board also takes diversity into account in addition to the relevant professional qualification.

The Supervisory Board strives to appoint a woman to the Management Board of the company in the medium to long-term and, to avoid setting a target that the Supervisory Board did not consider to be realistic with the means available or in the company's interests, has limited its target to 0%.

The age limit for members of the Management Board is based on the statutory retirement age.

The Management Board of the company has resolved a target for the share of women in the two management levels below the Management Board in accordance with section 76(4) AktG. The share of women here should reach 28.6% by June 30, 2027. The first level below the Management Board comprises 35 managers, 6 of whom are women. This represents a quota of 17.1% and the target of 28.6% has therefore not yet been achieved. There is no longer a second management level below the Management Board under the current structure.

In the 2022 financial year, the Management Board approved a diversity concept to increase the share of women in management positions.

The long-term succession planning for the members of the Management Board is based on regular talks between the Management Board and the Supervisory Board and on the regular discussion of the issue by the Supervisory Board. When addressing this issue, the Supervisory Board also makes an assessment of when it may be necessary to appoint Management Board positions in the future, and may convene the Human Resources and Nomination Committee to prepare decisions on the necessary qualities and qualifications. The structure of the Management Board and the number of its departments is monitored on an ongoing basis. Also, contractual terms and renewal options are

regularly discussed with current Management Board members and possible successors are considered.

## 2.2. Procedures of the Management Board

As of the date of this declaration, the Management Board consists of three members with equal rights. If multiple members of the Management Board have been appointed, they typically share responsibility for governance as a whole and manage the company on their own responsibility and in a spirit of cooperation. The duties of the individual members of the Management Board are set out in the executive organization chart. The Rules of Procedure for the Management Board describe how resolutions are adopted and which majorities are required for a resolution in each case.

If multiple members of the Management Board have been appointed, the Management Board typically adopts resolutions in meetings with a simple majority, unless a larger majority of votes is required by law. The Management Board decides all key measures together. It coordinates the business areas and compliance with reporting requirements.

The members of the Management Board manage and control business operations within their respective areas of responsibility. This ensures that the Management Board can make decisions early on if necessary to safeguard the planned business success.

## 2.3. Instruments of corporate governance

First Sensor AG has been a part of the TE Group since its majority acquisition by TE Connectivity. Various processes and reporting lines have been amended and harmonized in conjunction with its integration. For example, this includes social, health and environmental issues, which are no longer managed at the level of the First Sensor Group, and instead have since been transferred to the corporate responsibility framework of the TE Connectivity Group. The general objectives and activities are managed centrally and are now also implemented at First Sensor's locations. TE Connectivity issues an annual Corporate Responsibility Report in English on the [Internet](#).

The compliance management system was also switched to TE Connectivity's Group-wide Ethics and Compliance system in the past financial year. This enables all current or former employees and managers of First Sensor AG, its business partners, customers and suppliers to report breaches in a structured procedure and to ensure that they are followed up. This concerns all presumed breaches of legal provisions, the TE Connectivity Guide to Ethical Conduct or other TE Connectivity policies as well as ethics and compliance matters and concerns regarding presumed misconduct against TE's business practices. There are various means available for reporting known or suspected irregularities, misconduct, hazards, etc., including confidentially or anonymously. Employees can bring their concerns to supervisors, the HR department, Legal, the Ethics & Compliance Team, the office of the ombudsman or the Employee Relations function. ConcernLINE (phone hotline) and ConcernNET (website) can also be used to make such reports.

As a listed company, First Sensor is required to report on environmental, employee and social issues, human rights and the fight against corruption and bribery in a non-financial declaration (CSR report). This is a self-contained component of the annual report. The declaration is updated annually.

In the course of their business activities, First Sensor AG and its subsidiaries are exposed to various risks that are inextricably linked to their business operations. This can have a negative impact on financial position and financial performance. The careful handling of risks is therefore a fundamental part of responsible corporate governance. Active risk awareness, an open risk culture and an

effective risk management system are thus necessary to ensure the company's success in the short term and the long term.

First Sensor's risk management system has also been incorporated in the corresponding management system of TE Connectivity. This is responsible for TE Connectivity's internal control framework, for global compliance with the Sarbanes-Oxley Act (SOX) and for compliance with financial policies. The framework currently comprises more than 80 financial policies and more than 450 policies for various functional areas. All First Sensor locations are regularly audited according to these policies. This framework is supplemented by specific risk assessment and controlling for First Sensor's companies and locations. The risks identified here are then assessed, managed and controlled accordingly. The Supervisory Board is regularly informed of the company's risk situation in a structured process and monitors the system's effectiveness within this framework.

#### 2.4. Cooperation with the Supervisory Board

The Management Board and the Supervisory Board work together closely for the good of the company. The Management Board develops the business strategy, coordinates it with the Supervisory Board, ensures its implementation and regularly discusses the status of its implementation with the Supervisory Board. It is also responsible for the company's annual and long-term planning, and for the preparation of the annual and consolidated financial statements, the combined management report of First Sensor AG and the Group, the half-year financial statements and the quarterly statements. Moreover, the Management Board ensures appropriate risk management and risk controlling. The Management Board informs the Supervisory Board regularly, without delay and comprehensively about all issues that are relevant to the Group, in particular regarding strategy, planning, business development, financial position and financial performance, the risk situation, risk and quality management and compliance with statutory provisions and internal guidelines, and supports such compliance at the subsidiaries as well. The Supervisory Board is informed without delay of key events that could significantly influence the company. In accordance with the [Rules of Procedure of the Management Board](#), created by the Supervisory Board, key activities by the Management Board require the Supervisory Board's approval.

#### 2.5. Management Board remuneration and securities transactions

The currently applicable remuneration system for the Management Board was resolved by the Annual General Meeting on June 24, 2021 and has been published on the company's website.

First Sensor publishes its remuneration report on the past financial year, including the auditor's opinion in accordance with section 162 AktG, the applicable remuneration system in accordance with section 87a(1) and 2 sentence 1 AktG and the most recent remuneration resolution in accordance with section 113(3) AktG on its [website](#).

Members of the Management Board have not been granted any loans or advances. The company has not entered into contingent liabilities for the benefit of members of the Management Board.

Transactions involving securities of the company are published on the company's website under "[Directors' dealings](#)". The Management Board did not hold any shares in the company as of the time of reporting.

### 3. THE SUPERVISORY BOARD

#### 3.1. Composition of the Supervisory Board

In accordance with the Articles of Association, the Supervisory Board of First Sensor AG consists of six members, four of whom are shareholder representatives elected by the Annual General Meeting and two of whom are employee representatives.

Chairman:

Michael Gerosa, profession: Senior Director/Regional Controller for EMEA, TE Connectivity Ltd. (Schaffhausen, Switzerland); age: 48; first appointed in 2021, confirmed until 2026 by the 2021 Annual General Meeting; other supervisory board mandates: TE Connectivity Poland Services sp. z o.o. in Krakau, Polen (Member of the Board); Jaquet Technology Group AG in Pratteln, Schweiz (Member of the Board); Tyco Electronics Finland Oy in Helsinki, Finnland (Member of the Board); TE Connectivity Svenska AB in Upplands-Vasby, Schweden (Member of the Board); Tyco Electronics Saudi Arabia Limited in Riyadh, Saudi-Arabien (Member of the Board); TE Connectivity (Denmark) ApS in Glostrup, Dänemark (Member of the Board), Tyco Electronics (Gibraltar) Limited in Gibraltar (Member of the Board)

Deputy Chairman:

Peter McCarthy; profession: Senior Director of Metals & IC, TE Medical, TE Connectivity Germany GmbH (Bensheim, Germany); age: 54; first appointed in 2020, appointed until 2025; no other supervisory board mandates

Members of the Supervisory Board:

Stephan Itter; profession: CEO, Lápplé AG (Heilbronn, Germany); age: 55; first appointed in 2020, appointed until 2025; other supervisory board mandates: Lápplé Automotive GmbH (Teublitz, Germany); FIBRO GmbH (Weinsberg, Germany)

Rob Tilmans; profession: Director of Commercial Excellence, TE Connectivity Ltd. (Berwyn, PA, USA); age: 44; first appointed in 2021, appointed until 2026; no other supervisory board mandates.

Christoph Findeisen; profession: Development Engineer at First Sensor Microelectronic Packaging GmbH (Dresden, Germany); age: 38; substitute member as employee representative since 2021, appointed until 2024; no other supervisory board mandates.

Olga Wolfenberg; profession: Quality Assurance at First Sensor AG (Berlin-Weissensee, Germany); age: 57; first appointed in 2019, appointed until 2024; no other supervisory board mandates.

The Supervisory Board of First Sensor AG has prepared a skills and requirements profile which it regularly reviews. The skills profile takes into account the specific business situation and specific business activities, the size of the company, the regional distribution of its activities and its ownership structure. In order to perform its control function and to assess and monitor the company's business activities, the following expertise and skills are required for the composition of the Supervisory Board and assigned to its current members accordingly:

|   | Michael Gerosa | Peter McCarthy | Stephan Itter | Rob Tilmans |
|---|----------------|----------------|---------------|-------------|
| <b>Personal criteria/skills</b>                               |                |                |               |             |
| Less than 70 years old  | X              | X              | X             | X           |
| Maximum affiliation of 10 years                               | X              | X              | X             | X           |
| Independence (at least 1 member must be entirely independent) |                |                | X             |             |
| - Financially   | X              | X              | X             | X           |
| - No personal relationship                                    | X              | X              | X             | X           |
| - No business relationship                                    |                |                | X             |             |
| Business/management experience                                | X              | X              | X             | X           |
| Not a former member of the Management Board                   | X              | X              | X             | X           |
| No supervisory or advisory functions at competitors           | X              | X              | X             | X           |
| Basic knowledge of corporate governance                       | X              | X              | X             | X           |
| Team player   | X              | X              | X             | X           |
| International experience (at least 1 member)                  | X              | X              | X             | X           |
|   |                |                |               |             |
| <b>Industry expertise</b>                                     |                |                |               |             |
| Sensor systems (at least 1 member)                            | X              | X              |               | X           |
| Automotive (at least 1 member)                                |                | X              | X             |             |
| Medical (at least 1 member)                                   |                | X              | X             |             |
| Industry (at least 1 member)                                  | X              | X              | X             | X           |



|  | Michael Gerosa | Peter McCarthy | Stephan Itter | Rob Tilmans |
|--|----------------|----------------|---------------|-------------|
| <b>Technical and specialist expertise</b>            |                |                |               |             |
| R&D (at least 1 member)                              |                | X              |               |             |
| Accounting, auditing (HGB, IFRS) (at least 1 member) | X              |                | X             |             |
| Controlling (at least 1 member)                      | X              |                | X             |             |
| Risk management/compliance (at least 1 member)       | X              |                | X             |             |
| Finance (at least 1 member)                          | X              |                | X             |             |
| M&A (at least 1 member)                              | X              | X              | X             | X           |
| ESG (at least 1 member)                              |                |                | X             |             |

As a whole, the members of the Supervisory Board therefore possess all the key knowledge, skills and experience needed for the proper performance of their duties.

The independent member of the Supervisory Board is Stephan Itter, CEO of Lápplé AG, Heilbronn. The indications of a lack of independence listed in the Code do not apply to him. In TE Connectivity Sensors Germany Holding AG, three members of the Supervisory Board have a personal and business relationship with a material shareholder in First Sensor AG that must be disclosed in accordance with the German Corporate Governance Code, though this does not constitute a conflict of interests.

In searching for qualified personnel for the Supervisory Board who optimally enhance the body as a whole with technical and management skills, attention must be paid to diversity. When devising proposals for members, specific consideration must be given to the extent to which different, mutually complementary professional profiles, professional and life experience, including international experience, and appropriate gender representation in the Supervisory Board are conducive to the work of the Supervisory Board. The consideration of women in the composition of the Supervisory Board is the responsibility of all those entitled to nominate and vote.

One member of the Supervisory Board is a woman, hence the share of women is 16.7%. This is also the minimum share to be retained moving forward.

### 3.2 Procedures of the Supervisory Board

The Supervisory Board appoints the Management Board, monitors its management activities and advises the Management Board. The framework for its activities is formed by the law and the Articles of Association.

The Supervisory Board discusses business performance, planning, strategy and its implementation at regular intervals. It audits the annual and consolidated financial statements, the combined management report of First Sensor AG and the Group and any proposal for the appropriation of retained earnings. It adopts the annual financial statements of First Sensor AG and approves the consolidated financial statements, taking

into account the findings of the reports by the auditor. The Supervisory Board resolves the report of the Supervisory Board to the Annual General Meeting. The Supervisory Board also monitors the company's compliance with legal provisions, official regulations and internal guidelines.

Furthermore, the Supervisory Board's remit includes appointing the members of the Management Board and determining their departments. The Supervisory Board develops the remuneration system for the members of the Management Board and submits it to the Annual General Meeting for its approval. It then determines the actual remuneration in accordance with the system. It defines the specific targets for variable remuneration and the respective total remuneration for the individual members of the Management Board and reviews the appropriateness of total remuneration.

Key Management Board decisions are conditional upon the Supervisory Board's approval.

The Supervisory Board meets at least once per calendar quarter. Resolutions of the Supervisory Board are typically adopted at meetings and, in accordance with the Rules of Procedure, can also be adopted outside meetings. If an item of the agenda has not been properly announced, it can only be voted on if there are no objections from a member of the Supervisory Board. The Supervisory Board is quorate if at least three members take part in the resolution and it adopts its resolutions by a simple majority, unless stipulated otherwise by law. The Supervisory Board also meets regularly without the Management Board.

There are no consulting, service or other work agreements between the members of the Supervisory Board and the company. There are employment agreements between the employee representatives and the company.

The Chairman of the Supervisory Board coordinates the body's work. The meetings of the Supervisory Board are convened and chaired by the Chairman or, in his absence, by the Deputy Chairman in accordance with the Articles of Association and the Rules of Procedure of the Supervisory Board. The [Rules of Procedure of the Supervisory Board](#) have been published on the company's website.

The Chairman is also responsible for the minutes of the resolutions. Outside the regular meetings, he maintains a continuous dialog with the Management Board, in particular on the matters of strategy, planning, business development, the risk situation, risk management and compliance. Within reasonable limits, the Chairman of the Supervisory Board is also available to discuss issues concerning the Supervisory Board with investors. The Management Board and the Supervisory Board have formulated guidelines for this dialog. The decision to actually enter into such a dialog will be made by the Chairman of the Supervisory Board. He can invite other members of the Supervisory Board or members of the Management Board to participate in the dialog. He will inform the members of the Supervisory Board and the company about these dialogs afterwards.

The Supervisory Board regularly assesses how effectively it performs its duties. The most recent extensive self-assessment took place in the 2022 financial year. Multiple criteria were polled with external assistance using a structured questionnaire and the responses were analyzed conscientiously. The two suggestions for improving efficiency were implemented directly.

The Supervisory Board has created a list of transactions that require its approval. The Management Board submits such transactions to the Supervisory Board in the form of a draft resolution for discussion and approval.

New members of the Supervisory Board can meet with members of the Management Board and line managers to discuss basic and current issues, thereby forming an impression of the issues relevant to the company (onboarding).

### 3.3. Activities of the Supervisory Board in the reporting year

The Supervisory Board reports to the Annual General Meeting comprehensively on its activities in the reporting year. The report of the Supervisory Board is a component of the annual report for the respective financial year. It contains information on the dates of the meetings of the Supervisory Board, the matters discussed, attendance at meetings and key resolutions. By the time each Annual General Meeting is convened at the latest, this report can also be viewed or downloaded on the company's [website](#).

The members of the Management Board take part in the meetings of the Supervisory Board, but the Supervisory Board also regularly convened without the Management Board to discuss agenda items that concerned the Management Board itself or internal Supervisory Board matters. In the past financial year, there were no conflicts of interests on the part of Management Board or Supervisory Board members that would have to have been disclosed to the Supervisory Board without delay.

### 3.4. Committees and their procedures

In 2020, the Supervisory Board resolved to establish an Audit Committee and a Human Resources and Nomination Committee. The [Rules of Procedure](#) of the committees have been published on the website. The committees each comprise two members of the Supervisory Board and are tasked with preparing the resolutions of the Supervisory Board.

In the 2022 financial year, the members of the Human Resources and Nomination Committee were Peter McCarthy (Chairman) and Rob Tilmans; it did not meet in the reporting period. The members of the Audit Committee are Stephan Itter (Chairman) and Michael Gerosa. The Audit Committee met four times in the reporting period.

According to the German Corporate Governance Code, members of the Audit Committee should have expertise in the field of auditing in particular. This includes special knowledge and experience in the application of accounting principles and internal control and risk management systems as well as expertise in the field of auditing. Accounting and auditing also include sustainability reporting and its audit and assurance. The Chairman of the Audit Committee, Stephan Itter, CEO of Lápplé AG, has the appropriate expertise in both fields. He is familiar with the requirements of sustainability reporting as well. As a further member of the Audit Committee, Michael Gerosa also has years of experience in the field of finance, accounting, auditing (HGB, IFRS), controlling and risk management/compliance.

### 3.5. Supervisory Board remuneration and securities transactions

The remuneration for the members of the Supervisory Board is resolved by the Annual General Meeting and set out in the Articles of Association. According to the Articles of Association, the members receive remuneration of €20,000 for each full year of membership. This increases to €50,000 for the Chairman of the Supervisory Board and €30,000 for the Deputy Chairman. Through TE Connectivity's D&O insurance, the company provides the members of the Supervisory Board with coverage appropriate to their work on the Supervisory Board. The company reimburses each member of the Supervisory Board for any reasonable expenses incurred in the performance of their duties for which proof has been provided and for any VAT that is incurred on their remuneration. The remuneration

report on the past financial year, the auditor's opinion in accordance with section 162 AktG and the most recent remuneration resolution in accordance with section 113(3) AktG have been published on the company's website.

The members of the Supervisory Board who have a contract of employment with the main shareholder waive their remuneration as members of the Supervisory Board.

Transactions involving securities of the company by the members of the Supervisory Board are published on the company's website under "[Directors' dealings](#)". Its members did not hold any shares in the company as of the time of reporting.

## 4. CORPORATE REPORTING AND AUDIT OF FINANCIAL STATEMENTS

### 4.1. Corporate reporting

First Sensor not only satisfies the statutory disclosure requirements, but also complies with the high transparency requirements of the Prime Standard of the Frankfurt Stock Exchange. The company reports regularly on its financial and operating performance, and on current events and developments at the company and the Group. It communicates proactively and approaches questions and suggestions by third parties constructively.

The annual and consolidated financial statements, and the combined management report for the Group and the company for each financial year are prepared within the first four months of the following year. They are audited by the auditor elected by the Annual General Meeting and approved/adopted by the Supervisory Board. They are then published in German and English in the form of an annual report.

First Sensor prepares and publishes a half-year financial report on the course of the first six months of a financial year within two months of the end of the first half of the year. After the end of the first and third quarters, First Sensor also publishes a quarterly statement detailing the company's business results for the first or third quarter. The statement on the third quarter also includes a presentation of the course of business in the first nine months of the respective financial year.

The [wage transparency report](#) in accordance with section 21(1) of the *Entgelttransparenzgesetz* (EntgTranspG – German Transparency in Wage Structures Act) can be found on the Internet.

Recurring appointments, such as the date of the Annual General Meeting or the publication dates of the interim reports can be found in the financial calendar that the company also publishes on its [website](#).

### 4.2. Audits of financial statements

Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Berlin, was elected by the Annual General Meeting on March 15, 2022 and thus engaged by the Supervisory Board for the audit of the annual and consolidated financial statements for the 2022 financial year. The audit firm Ebner Stolz GmbH & Co. KG, was the auditor for First Sensor AG and the Group from the 2013 financial year. Ebner Stolz GmbH & Co. KG, Berlin, has been the auditor since 2020. Karsten Bender has signed as an auditor and Thorsten Sommerfeld has signed as the auditor responsible for the audit since the 2020 financial year.

The audit scope and engagement comprise the audit in accordance with the *Handelsgesetzbuch* (HGB – German Commercial Code) of the financial statements of First Sensor AG and First Sensor Lewicki GmbH. The audit further comprises the IFRS audit of the German Group companies. The focal points of the audit are determined on a risk-oriented basis and are, at Group level, the recoverability of goodwill and the valuation of inventories, and at the level of the individual company, revenue recognition and the forecast report.

Details of the auditor's fee can be found in the notes to the annual report.

## 5. SHAREHOLDERS/ANNUAL GENERAL MEETING

### 5.1. Disclosures on shareholdings and changes in shareholdings

The share capital of the company amounts to €51,612,480 as of September 30, 2022 and is divided into 10,322,496 no-par value bearer shares that each have a notional interest in the share capital of €5.00. According to the voting rights notification published on March 13, 2020, TE Connectivity held 71.69% of the shares in First Sensor AG. As a result of new shares issued since that date, this percentage has been reduced to 71.56% as of September 30, 2022. For the subsequent financial years, the control and profit transfer agreement stipulates an annual compensation payment to minority shareholders in accordance with section 304 AktG of €0.56, gross, or €0.47, net, per First Sensor share. There were no corporate actions in the 2022 financial year.

### 5.2. Takeover disclosures in accordance with sections 289a, 315a HGB

#### 1. Composition of subscribed capital

The composition of subscribed capital is presented in note [11]. All shares grant identical rights in accordance with the German Stock Corporation Act.

#### 2. Restrictions on voting rights or the transfer of shares

The company's Management Board is not aware of any restrictions affecting voting rights or the transfer of shares. Otherwise only the statutory provisions in accordance with section 136(1) AktG and trading bans in accordance with Article 19(11) of the Market Abuse Regulation apply, in particular to members of the Management Board.

#### 3. Direct interests in the company's share capital of more than 10%

Disclosures on direct or indirect shareholdings exceeding 10% of the voting rights can be found in note [34].

#### 4. Holders of shares with special rights conferring control

There are no shares with special rights, in particular, there are no shares that confer control.

5. Type of voting right control when employees hold an interest in the share capital and do not exercise control directly

Employees who hold an interest in the share capital exercise their voting rights directly.

6. Statutory provisions and Articles of Association concerning the appointment and dismissal of members of the Management Board and amendments to the Articles of Association

The statutory provisions apply to the appointment and dismissal of members of the Management Board (sections 84 and 85 AktG) and amendments to the Articles of Association (section 179 AktG).

7. Authorization of the Management Board to issue and repurchase shares

The capital has been contingently increased for the issue of stock options to members of the Management Board and managers. Details of the option plans can be found in note [19] to the financial statements.

8. Agreements of the company subject to the condition of a change of control and compensation agreements of the company in the event of a takeover bid

The change of control took place in 2020; TE Connectivity now holds a majority of the shares in First Sensor AG. There are no agreements for the event of another change of control.

### 5.3. Shareholder rights at the Annual General Meeting

The shareholders of First Sensor AG exercise their rights at the Annual General Meeting of the company. The Chairman of the Supervisory Board, or another member of the Supervisory Board of his choosing, is appointed to chair the Annual General Meeting. If the Chairman of the Supervisory Board does not chair the Annual General Meeting and has not chosen another member of the Supervisory Board as his representative, the Supervisory Board will elect a Chairman of the Annual General Meeting. Persons who are not shareholders or members of the Supervisory Board or who otherwise do not belong to the company can also be elected.

The Annual General Meeting takes place once per year. Each share grants one vote. Shareholders can exercise their voting rights at the Annual General Meeting themselves, through a proxy of their choice or through a voting representative of the company bound by instructions. The Management Board is also authorized to allow shareholders to cast their votes in writing or by means of electronic communication even without taking part in the Annual General Meeting (postal voting). All documents and information on the Annual General Meeting will be available to shareholders on the company's website at an early stage.

They can also put their questions on these documents to employees of the Investor Relations department.

In connection with the COVID-19 pandemic, the German Act on Measures Combat the Effects of the COVID-19 Pandemic also allowed annual general meetings to be held without shareholders or their representatives attending in person for the first time in 2020 and in

2021 (virtual annual general meeting). A corresponding amendment of the Articles of Association created the conditions to allow the company to respond flexibly to certain situations in the future as well while also retaining its agency.

The remuneration system for the members of the Management Board was put to the 2021 Annual General Meeting for its approval. The corresponding remuneration report was put to the 2022 Annual General Meeting for its approval for the first time.

#### 5.4. Related parties

No agreements were entered into between members of the Supervisory Board and First Sensor AG in the 2022 financial year. Memberships of Management Board and Supervisory Board members in executive bodies of other companies and transactions with related parties are disclosed in the current annual report.

Berlin, January 23 2023

*For the Supervisory Board*

Michael Gerosa  
Chairman of the Supervisory Board

*For the Management Board*

Thibault Kassir

Robin Maly

Dirk Schäfer