

INVESTING IN THE FUTURE

Compensation report

Extract
from the Annual Report 2023

Compensation report

The following compensation report complies with the requirements of Section 162 of the German Stock Corporation Act (AktG) as amended by the Act Implementing the Second Shareholders' Rights Directive (ARUG II). The compensation report was prepared jointly by the Executive Board and Supervisory Board and adopted by both bodies on March 8, 2024. The unqualified report on the audit is printed at the end of the compensation report. The 2022 remuneration report was submitted to the Annual General Meeting on May 5, 2023 for approval and approved with 98.86 percent of the votes.

Overview of Executive Board compensation system

A full description of the compensation system applicable for the financial year 2023 can be found in the invitation to the 2023 Annual General Meeting, which is available on our corporate website.

The compensation system contributes to furthering Siltronic AG's business strategy of sustainably consolidating its position as one of the leading manufacturers of semiconductor wafers by defending its technology position, expanding its capacity in line with market growth, and thereby generating profit and cash flow across all market cycles by continuously improving its cost position.

Compensation 2023

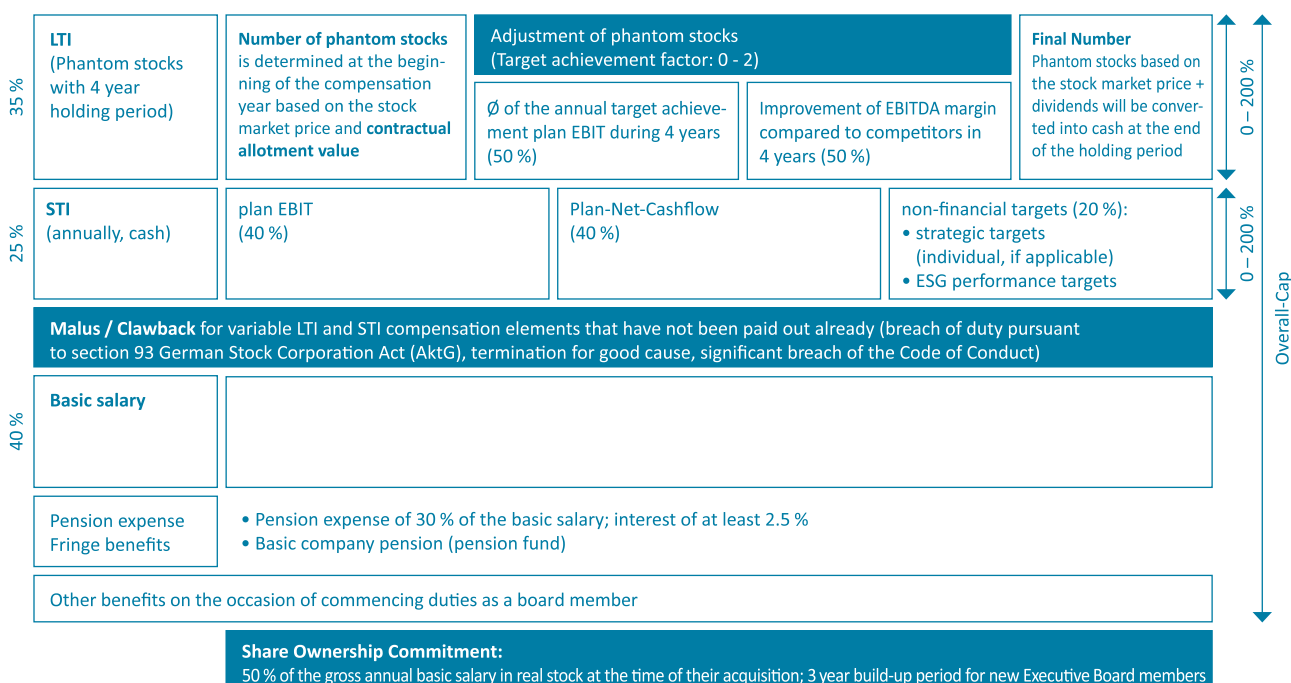
Important events in the compensation year 2023

With effect from May 6, 2023, the Supervisory Board appointed Dr. Michael Heckmeier as a member of the Executive Board and Chairman of the Executive Board of Siltronic AG. Dr. Christoph von Plotho was accordingly dismissed as a member of the Executive Board and Chairman of the Executive Board of Siltronic AG. With effect from July 1, 2023, Ms. Claudia Schmitt was appointed as a member of the Executive Board as Chief Financial Officer of Siltronic AG. Accordingly, Mr. Rainer Irle was dismissed as a member of the Executive Board and Chief Financial Officer.

On the recommendation of the Executive Committee, the Supervisory Board resolved to adjust the compensation system for members of the Executive Board with effect from January 1, 2023. The compensation system was subsequently approved by the Annual General Meeting on May 5, 2023 with a majority of 98.27 percent of the votes cast. The changes to the Executive Board compensation system include the option for the Supervisory Board to grant benefits for future new appointments of Executive Board members on the occasion of the commencement of their Executive Board activities. Furthermore, the basic pension plan via the Wacker Chemie VVaG pension fund will no longer apply to Executive Board members appointed from January 1, 2023, unless they are already members of the pension fund.

The following chart provides an overview of the main components of the compensation system, the targets set and their strategic relevance in the financial year 2023.

Model compensation system



Main components of the compensation system

Component	Strategic Reference	Implementation
Remuneration not linked to performance		
Annual basic salary	Attraction/retention of qualified management personnel	<ul style="list-style-type: none"> • CEO: 600,000 EUR • CFO: 390,000 EUR • fixed salary in 12 monthly instalments
Fringe benefits	Granting of compensation at market rates and assumption of costs in connection with Executive Board activities	<ul style="list-style-type: none"> • Commitment to assume costs or non-cash benefits, including inter alia for a company car, health care, legal fees and subsidies to build up a private pension plan
Pension benefit	Adequate benefit as part of competitive remuneration	<ul style="list-style-type: none"> • 30 % of the basic salary is added to a fictitious capital account and bears interest at 2.5 % to a maximum of 5 % • Basic company pension (pension fund) for members who joined before 1 January 2023 • Pension cap: 50 % of the last monthly basic salary received before the insured event
Remuneration linked to performance		
Annual bonus STI	Focusing on profitability and generating positive cash flow. Supporting the strategic development of the Company, which also includes social and environmental aspects.	<p>Financial KPIs:</p> <ul style="list-style-type: none"> • plan EBIT (40 %) • Plan-Net-Cashflow (40 %) <p>Non-financial KPIs</p> <ul style="list-style-type: none"> • strategic target (10 %): progress FabNext • ESG (10 %): <ul style="list-style-type: none"> • work safety, silicon yield, Greenhouse Gas Emission, water consumption, recycling <p>Cap: 200 %</p>
Long-term share-based compensation LTI	Strengthening the long-term sustainability and sustainable development of the Company	<ul style="list-style-type: none"> • 4 year performance period for phantom stocks (stock market price + dividends) • KPIs for multiplication of the phantom stocks: <ul style="list-style-type: none"> • Ø of the plan EBIT target achievement (50 %) • EBITDA margin of the Company compared to the competitor market (50 %) • Cap: 200 %
Benefits in case of termination		
Mutual termination	Avoidance of unreasonably high severance payments	<ul style="list-style-type: none"> • Cap: compensation payment limited to remaining term, max. 2 years' compensation (in accordance with GCGC)
Post-contractual non-competition clause	Knowhow protection, competitiveness	<ul style="list-style-type: none"> • Compensation for waiting: 12 months in the amount of basic annual salary
Further regulations of the compensation system		
Other benefits in connection with the commencement of the service on the Executive Board	Part of a competitive compensation and securing the best available candidates for the Executive Board	<ul style="list-style-type: none"> • One-off payment at the due discretion of the Supervisory Board, in particular to compensate for the forfeiture of benefits by the previous employer
Share Ownership	Alignment of interests of the Executive Board and shareholders	<ul style="list-style-type: none"> • Shareholding obligation in the amount of 50 % of the annual basic salary (gross amount) in shares • Relevant date for current Executive Board members: Sept. 14, 2017
Malus/Clawback	Sanctions/incentives against compliance violations	<ul style="list-style-type: none"> • Payment amount for STI/LTI may be withheld: <ul style="list-style-type: none"> • good cause pursuant to section 93 of the German Stock Corporation Act (AktG) • significant breach of the Code of Conduct
Max. remuneration	Avoidance of unreasonably high payouts	<ul style="list-style-type: none"> • CEO EUR 2,650,000 • Executive Board member EUR 1,810,000

Determination of the target compensation and maximum compensation for 2023

Based on the compensation system, the Supervisory Board has set the following specific target compensation for the financial year 2023 upon recommendation of the Executive Committee of the Supervisory Board.

Members of the Executive Board in office as of December 31, 2023

	Dr. Michael Heckmeier, CEO (from May 6, 2023)				Claudia Schmitt, CFO (from July 1, 2023)			
	2023				2023			
	Target	in %	Minimum	Maximum	Target	in %	Minimum	Maximum
Basic salary	400,000	24%	400,000	400,000	195,000	24%	195,000	195,000
Short term variable compensation								
STI for 2023	250,000	15%	0	500,000	121,875	15%	0	243,750
Long term variable compensation								
LTI 2023 – 2026	350,000	21%	0	700,000	170,625	21%	0	341,250
Target compensation	1,000,000	61%	1,600,000		487,500	59%	780,000	
Fringe benefits	23,300	1%			17,500	2%		
Pension expense (service cost)	121,000	7%			71,744	9%		
Other: Commencement of board activities	500,000	30%	500,000		250,000	30%	250,000	
Total target compensation	1,644,300	100%	2,266,667		826,744	100%	1,155,000	

Members of the Executive Board who left during the financial year

	Dr. Christoph von Plotho, CEO (until May 5, 2023) ¹				Rainer Irle, CFO (until June 30, 2023)			
	2023				2023			
	Target	in %	Minimum	Maximum	Target	in %	Minimum	Maximum
Basic salary	600,000	35%	600,000	600,000	195,000	34%	195,000	195,000
Short term variable compensation								
STI for 2023	375,000	22%	0	750,000	121,875	21%	0	243,750
Long term variable compensation		0%						
LTI 2023 – 2026	525,000	31%	0	1,050,000	170,625	30%	0	341,250
Target compensation	1,500,000	87%	2,400,000		487,500	85%	780,000	
Fringe benefits	35,000	2%			17,500	3%		
Pension expense (service cost)	183,802	11%			65,684	12%		
Total target compensation	1,718,802	100%	2,650,000		570,684	100%	905,000	

¹ Dr. von Plotho's mandate as a member of the Executive Board and Chairman of the Executive Board of Siltronic AG was terminated prematurely by mutual agreement with effect from the end of May 5, 2023. His employment relationship continued unaffected until the end of December 31, 2023.

In addition to the caps for the individual variable compensation components (STI: 200 percent, LTI: 200 percent), the Supervisory Board has, in accordance with Section 87a (1) sentence 2 no. 1 of the German Stock Corporation Act (AktG), set a binding maximum compensation in the compensation system that comprises all compensation amounts paid for a given financial year (annual basic salary, variable compensation components, pension expenses or service costs, and fringe benefits). The maximum compensation amounts to EUR 2,650,000 for the CEO and EUR 1,810,000 for the CFO. The final inflow for the financial year 2023 can only be determined after the expiry of the four year holding period for the phantom stocks of the LTI at the beginning of the financial year 2027. If the total compensation determined thereafter for the financial year 2023 exceeds the defined maximum compensation, the cash settlement of the LTI for the financial year 2023 will be reduced accordingly.

Procedures for establishing, implementing and reviewing the appropriateness of the compensation system

Based on a proposal by the Executive Committee of the Supervisory Board, the Supervisory Board determines the system and the amount of the Executive Board compensation, including the maximum compensation. The Supervisory Board submits the resolved compensation system to the Annual General Meeting for approval.

The Supervisory Board regularly reviews the system and the level of the Executive Board compensation for appropriateness. To this end, it conducts an annual vertical comparison of the Executive Board compensation. In doing so, it considers the basic and target compensation in relation to the comparative groups of Executive and other employees. Secondly, the level and structure of the compensation is compared with a peer group of German listed companies defined by the Supervisory Board, which have similar key figures and whose composition is published (horizontal comparison). For the formation

of this peer group, it was not possible to draw on the wafer competitors, as they only publish insufficient compensation information and are not listed in Europe. The Supervisory Board therefore formed a peer group of German listed companies that are listed in the MDAX, TecDAX or SDAX and have similar key figures. This includes Carl Zeiss Meditec AG, Fuchs Petrolub SE, Gerresheimer AG, Jenoptik AG and Norma Group SE.

In case of significant changes, but at least every four years, the compensation system is again submitted to the Annual General Meeting for approval.

The system and the level of the Executive Board compensation are determined by the full Supervisory Board on the basis of a proposal by the Executive Committee of the Supervisory Board and regularly reviewed for appropriateness. The compensation system for the Executive Board was last adjusted for the financial year 2023. It was approved by the Annual General Meeting on May 5, 2023 with 98.27 percent of the votes cast and forms the basis for the Executive Board remuneration for 2023.

Fixed compensation components

Basic annual salary

The basic annual salary is a fixed cash payment for the year as a whole, which is based on the area of responsibility of the respective Executive Board member. The basic annual salary was paid as a salary in twelve monthly installments..

Company pension scheme

Executive Board members who were already members of Wacker Pensionskasse VVaG before January 1, 2023, are initially entitled to a basic company pension through the Pensionskasse der Wacker Chemie VVaG pension fund. For this purpose, the Company and the members of Wacker Pensionskasse VVaG make monthly contributions to the pension fund. As of January 1, 2023, new entrants to Siltronic AG will no longer be members of the Wacker Pensionskasse VVaG. Such a component will therefore no longer be granted for Dr. Heckmeier or for future appointments of new Executive Board members.

The Company also provides a pension expense of 30 percent of the basic annual salary each year. The pension expenses saved up to the time of retirement are credited to a notional capital account and earns interest in accordance with a 60-month average of the current yield published by the Bundesbank, but at a minimum of 2.5 percent and a maximum of 5 percent. The pension is calculated by multiplying this pension capital according to the status of the corresponding capital account at the time of the occurrence of the pension case by the pension factor applicable to the respective retirement age of the Executive Board member at the time of the occurrence of the pension case. Alternatively, in the event of a pension being payable, the member of the Executive Board can choose a lump-sum payment instead of the promised lifelong retirement and disability pension, which corresponds to the pension capital at the time of the pension payment.

The gross amount of the monthly pension to be paid after retirement (based on the employer-financed portion) is limited for the members of the Executive Board to 50 percent of the monthly installment of the basic annual salary last received by the respective Executive Board member from the Company (pension cap).

Members of the Executive Board who have been promised deferred compensation in the past may continue to receive this compensation to the same amount as before.

The Executive Board members Dr. von Plotho and Irlle also received a monthly amount (gross) from the company in the amount of the employer's contribution to the statutory pension insurance as a component for building up a private pension. Such a component will no longer be granted in the event of future appointments of new members of the Executive Board, i.e. Dr. Heckmeier and Ms. Schmitt are no longer entitled to such a component.

The following overview shows the pension expense and the present value of the defined benefit obligations for financial year 2023. The pension expense shown here is the pension expense according to the target compensation less own contributions.

EUR	Benefit obligations		Pension expense	
	2023	2022	2023	2022
<i>Members of the Executive Board in office as of December 31, 2023</i>				
Dr. Michael Heckmeier, CEO (from May, 6 2023)	117,561	–	117,561	–
Claudia Schmitt, CFO (from July, 1 2023) ¹	908,321	966,599	62,309	–
<i>Members of the Management Board who left during the financial year</i>				
Dr. Christoph von Plotho, CEO (until May 5, 2023) ²	2,969,864	2,463,268	182,577	202,317
Rainer Irlle, CFO (until June 30, 2023)	1,858,081	1,584,990	65,318	195,638

¹ Ms. Schmitt acquired vested rights from her employment relationship with Siltronic AG before taking up her office as a member of the Executive Board.

² Dr. von Plotho's mandate as a member of the Executive Board and Chairman of the Executive Board of Siltronic AG was terminated prematurely by mutual agreement with effect from the end of May 5, 2023. His employment relationship continued unaffected until the end of December 31, 2023. The defined benefit obligation comprises all entitlements until December 31, 2023.

As at December 31, 2023, the pension obligations for former members of the Executive Board and their surviving dependants amounted to EUR 5,814,227.

Fringe Benefits

As a fringe benefit by the Company, the members of the Executive Board have a company car at their disposal, also for private use. The members of the Executive Board also receive a subsidy for health and long-term care insurance as well as costs in connection with a medical check-up. The fringe benefits also include the above-mentioned subsidies for building up a private pension or the non-cash benefit of the aforementioned benefits, if these are granted.

Insurance

In addition, a D&O insurance policy is in place with a deductible in accordance with the requirements of the German Stock Corporation Act (AktG) amounting to 10 percent of the damage up to one and a half times the basic annual salary. The members of the Executive Board are included in the criminal legal expenses insurance that the Company has taken out for its employees and members of its executive bodies. This insurance covers any lawyers' and court costs incurred in the defense in criminal or misdemeanor proceedings. In addition, the members of the Executive Board are included in an accident insurance policy for accidents on and off the job.

Variable compensation components

Performance related bonus

The STI is a performance-related bonus with a one-year assessment period. The basis for the STI is the achievement of the performance targets set by the Supervisory Board for each fiscal year at the beginning of the fiscal year. The performance targets consist of financial targets and non-financial targets relevant to the Company. The financial targets adopted for the fiscal year 2023 relate to the performance categories 'plan EBIT' (40 percent) and 'plan net cash flow' (40 percent).

The performance criteria further the long-term development of the Company as follows:

The performance criterion 'plan EBIT' sets incentives to strengthen the Company's operating earning power. EBIT measures earnings before interest and taxes. With regard to the tax relief from which the Singapore subsidiary benefits for its investments, it makes sense to choose a ratio that excludes local taxation and the financial structure of the Company. Furthermore, the key figure EBIT takes depreciation and amortization into account and – against the background of the capital intensity of the semiconductor sector— only promotes investments that achieve an appropriate return on capital employed.

The performance criterion 'plan net cash flow' is based on one of the key financial control parameters used to manage the Company. The

net cash flow shows whether the necessary investments in property, plant and equipment and intangible assets can be financed from the Company's own operating activities. In addition to profitability, the main influencing factors are effective management of net working capital and the level of capital expenditure. Net working capital is the sum of inventories and trade receivables plus contract assets less trade payables. A positive net cash flow is particularly important in a cyclical industry. Influencing factors for this performance category are in particular cost performance, good working capital management and an appropriate investment policy. On the other hand, inflows and outflows of customer and supplier prepayments are not considered, unless they relate to investments in property, plant and equipment and intangible assets.

The non-financial targets relate to strategic targets (10 percent as well as targets related to environment, social and prudent corporate management governance – so called ESG targets (10 percent in total)).

STI 2023

Various milestones for the FabNext project were agreed as strategic targets, which involves the construction of a second fab at the Group site in Singapore, such as construction progress and meeting budget targets. The Supervisory Board waived individualization of the strategic targets for the Executive Board members, which is possible under the compensation system, in order to take account of the collective responsibility of the Executive Board as a body for the important FabNext project.

The quantitative ESG targets set by the Supervisory Board (10 percent) comprise key figures measuring the avoidance of occupational accidents (measured on the basis of lost-time accidents per million hours worked), the efficient use of silicon in wafer production (measured on the basis of silicon yields), the reduction of specific water consumption, and the greenhouse gas emissions, the implementation of the adopted climate strategy and the recycling rate, which together form the ESG performance index.

In line with the compensation system, the targets set and the levels of target achievement are published ex-post, provided they do not contain any confidential or competition-relevant information, in order to further increase the transparency of Executive Board compensation. The target setting and target achievement in the bonus (STI) applicable for financial year 2023 are shown in the table below. The targets for the financial performance criteria were met. For the target measurement of the net cash flow performance category, variances between planned and actual investments (property, plant and equipment, intangible assets and investment grants) are not taken into account.

	Target value in EUR million	Target corridor in EUR million	Actual value in EUR million	Target achievement	Weighting in percent
Financial targets					
Plan EBIT	230	80 to 380	231	1.01	40
Plan net cashflow	-600	-750 to -450	-570	1.20	40
Non-financial targets					
Strategic target (FabNext project)	Contains competition-relevant information (confidential)			1.15	10
ESG performance index				0.51	10
Total STI				1.05	-

Long-term share-based compensation: LTI

The LTI is designed as a share-based performance share plan with a four-year performance period or holding period for the phantom stocks (performance shares) and is based on economic indicators that take into account the long-term sustainability of the Company.

LTI share-based compensation

Number of phantom stocks is determined at the beginning of the compensation year based on the stock market price and contractual allotment value	Adjustment of phantom stocks (Target achievement factor: 0 - 2)		Final Number Phantom stocks based on the stock market price + dividends will be converted into cash at the end of the holding period
	Ø of the annual target achievement plan EBIT during 4 years (50%)	Improvement of EBITDA margin compared to competitors in 4 years (50%)	

The allotment value agreed in the service contract is initially converted into granted phantom stocks on the basis of the average weighted closing price of the share of the XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last 30 trading days prior to the first day of the compensation year. The phantom stocks are held for a period of four years, calculated from the beginning of the compensation year. The basis for the LTI and the final number of phantom stocks is the achievement of the targets set by the Supervisory Board for each performance period. For each performance period, the performance targets are set by the Supervisory Board at the beginning of the performance period.

The performance targets for the LTI 2023 relate to the performance categories EBITDA margin improvement/deterioration compared with competitors over the performance period and average of the Company's annual planned EBIT target achievement over the four-year performance period and promote the Company's long-term development as follows:

For the overall target achievement factor, a 50 percent change in the Company's EBITDA margin in comparison with competitors over the performance period is relevant, i.e. in comparison with important wafer manufacturers (currently ShinEtsu Electronic Materials, SUMCO, GlobalWafers and SK Siltron). The EBITDA margin is defined as earnings before interest, taxes, depreciation and amortization, including impairment losses and, where applicable, reversals of impairment losses. It is one of the Siltronic Group's financial control parameters for measuring profitability in comparison with competitors. With this performance criterion, the Supervisory Board would like to create incentives for a performance that is demanding by industry standards. To determine the EBITDA development, the Supervisory Board first determines the average EBITDA margin of the four reported quarters preceding the four-year performance period for the Company and for each peer company and compares it with the average EBITDA margin of the four reported quarters prior to the end of the performance period. In the second step, the EBITDA development thus determined is used to determine the percentage points by which the EBITDA margin has improved or deteriorated for the Company and for each comparable company; the average is then calculated for the comparable companies. The third step is to determine by what percentage points the Company's EBITDA margin deviates from the average EBITDA margin change of the peer companies. Based on the percentage determined, the achievement of the objectives is calculated in a fourth step.

A further 50 percent of the overall target achievement factor is based on the average Company performance over the four-year performance period, i.e. the average of the annual plan EBIT target achievement of the Company over the four-year performance period. The definition of objectives and the measurement of target achievement follows the STI's plan EBIT target. The setting of the target and the measurement of target achievement follow the STI's plan EBIT target. This indicator takes into account depreciation and amortization and - against the background of the capital intensity of the semiconductor sector - only promotes investments that generate an appropriate return on capital employed.

	Target (100%)	Weighted share price	Number of phantom shares (preliminary)
<i>Members of the Executive Board in office as of December 31, 2023</i>			
Dr. Michael Heckmeier, CEO (from May, 6 2023)	340,489	76.13	4,472
Claudia Schmitt, CFO (from July, 1 2023)	170,625	76.13	2,241
<i>Members of the Executive Board who left during the financial year</i>			
Dr. Christoph von Plotho, CEO (until May 5, 2023) ¹	525,000	76.13	6,896
Rainer Irle, CFO (until June 30, 2023)	170,625	76.13	2,241

¹ The mandate of Dr. von Plotho as a member of the Executive Board and Chairman of the Executive Board of Siltronic AG was terminated prematurely by mutual agreement with effect from the end of May 5, 2023.

The specific targets and target achievement (including the final number of phantom stocks) for the LTI tranche 2023 will be published in the Annual Report 2027 after the end of the four-year performance period.

Review of the maximum amounts for total remuneration in 2020

In order to verify compliance with the maximum amount limits of the 2020 financial year in which the tranche was awarded, the number of phantom shares including dividend payment is to be updated until the reporting date of December 31, 2023 and weighted with

the relevant weighted Xetra average price of the Siltronic share on the last 30 trading days of the 2023 financial year. This amounted to EUR 85.64 per share.

In view of the maturity of the 2020 - 2023 LTI tranche, a review was then carried out to ensure compliance with the maximum amount limits for the 2020 financial year in which the tranche was granted for the remuneration as a whole. The payout amount is not higher than 200% of the calculated LTI at the time of granting. The maximum limits were not exceeded for any member of the Executive Board. The final amount is shown in the overview below:

Payment in EUR	Calculated LTI at the beginning of the performance period	Number of phantom stocks at grant	Number of phantom stocks at Dec, 31 2023	Xetra price last 30 days 2023	Dividends (2020 – 2023)	Payment tranche 2020 – 2023	Remuneration paid out in 2020	Total remuneration 2020	Maximum remuneration 2020
Dr. Christoph von Plotho, CEO (until May 5, 2023)	481,250	5,887	6,453	85.64	11.00	623,618	1,247,937	1,871,555	2,450,000
Rainer Irle, CFO (until June 30, 2023)	315,000	3,853	4,224	85.64	11.00	408,207	954,361	1,362,568	1,810,000

Additional disclosures on share-based compensation instruments in the financial year 2023

The following overview shows the development of the portfolio of phantom stocks of the tranches not yet disbursed.

Portfolio	Tranche	Calculated LTI at the beginning of the performance period in EUR	Number of phantom stocks at the time of grant	Number of phantom stocks (preliminary) 31.12.2023	Value on the reporting date 31.12.2023 in EUR
<i>Members of the Executive Board in office as of December 31, 2023</i>					
Dr. Michael Heckmeier, CEO (from May 6, 2023)	2021 – 2024	–	–	–	–
	2022 – 2025	–	–	–	–
	2023 – 2026	340,489	4,472	4,232	344,894
Claudia Schmitt, CFO (from July 1, 2023)	2021 – 2024	–	–	–	–
	2022 – 2025	–	–	–	–
	2023 – 2026	170,625	2,241	2,121	172,854
<i>Members of the Executive Board who left during the financial year</i>					
Dr. Christoph von Plotho, CEO 1 (until May 5, 2023)	2021 – 2024	481,250	3,957	4,016	385,683
	2022 – 2025	525,000	3,861	3,407	321,356
	2023 – 2026	525,000	6,896	6,525	531,766
Rainer Irle, CFO (until June 30, 2023)	2021 – 2024	341,250	2,806	2,848	273,512
	2022 – 2025	341,250	2,510	2,215	208,924
	2023 – 2026	170,625	2,241	2,121	172,854

¹ The mandate of Dr. von Plotho as a member of the Executive Board and Chairman of the Executive Board of Siltronic AG was terminated prematurely by mutual agreement with effect from the end of May 5, 2023.

Option to reclaim (clawback/malus)

The Supervisory Board may reduce the amount paid out under the STI and the LTI by up to 100 percent upon termination of the Executive Board member's service contract due to termination by the Company for good cause, in the event of a breach of duty within the meaning of Section 93 of the German Stock Corporation Act (AktG) or a material breach of the Company's Code of Conduct by the Executive Board member during the assessment period – in case of the STI during the relevant one-year assessment period or, in case of the LTI during the relevant four year assessment period in each case. The reduction of the amount paid out is at the dutiful discretion of the Supervisory Board.

In the financial year 2023, the Supervisory Board did not make use of the option to reduce variable compensation.

Share ownership commitment

In addition to the LTI as a share-based performance share plan with a four-year performance period, the share ownership commitment for the Executive Board is another key component of the compensation system. The members of the Executive Board are obliged to acquire shares amounting to 50 percent of a basic annual salary (gross amount) and to hold these shares for the duration of their appointment to the Executive Board. New members to the Executive Board have a period of three years to fulfill the share ownership commitment. The value of the shares at the time of acquisition is decisive. The current members of the Executive Board, Dr. von Plotho and Mr. Irle, fulfil this share retention obligation by means of the shares held by them at the time of the conclusion of their service contract in March 2020, based on the value of the shares at the time of the first creation of a share retention obligation on September 14, 2017. In addition to the LTI, the share retention obligation provides an additional incentive for the long-term development of the enterprise value beyond the respective four-year performance period.

Loans and advances

No loans or advances are granted to members of the Executive Board.

Commitments in connection with the commencement of activities on the Executive Board

For new appointments of the Executive Board members, the compensation system provides for the possibility that the Supervisory Board may grant benefits on the occasion of the commencement of Executive Board activity, in particular to compensate for the forfeiture of benefits with the previous employer.

Commitments in connection with the termination of the activity as members of the Executive Board

In the event of premature termination of the service agreement, any payments to be agreed, including fringe benefits, may not exceed the value of two years' compensation and may not exceed the value of the compensation for the remaining term of the service agreement within the meaning of recommendation G.13 of the German Corporate Governance Code (GCGC) (severance payment cap). In the event of premature termination by the Company for good cause, severance pay is excluded.

The members of the Executive Board are each subject to a post-contractual non-competition obligation for a period of twelve months after termination of their service contracts. During this period, they are entitled to a waiting allowance amounting to 100 percent of the last annual basic salary received. Any benefits paid under the Company pension scheme and any income earned from activities not covered by the waiting period obligation are offset against the waiting period compensation if this additional income exceeds the total annual compensation (the amount paid out is decisive) of the last full year of service as a member of the Executive Board. If the Company pays a compensation for waiting periods, the severance payment will be credited against the compensation for waiting periods.

If the service relationship ends for any other reason than as a result of termination by the Company for good cause, the entitlement to the STI and the LTI remains subject to the general contractual provisions on settlement and payment.

Dr. von Plotho's mandate as a member of the Executive Board and Chairman of the Executive Board of Siltronic AG was terminated prematurely by mutual agreement with effect from the end of May 5, 2023. His employment relationship continued unaffected until the end of December 31, 2023. Mr. Irle's mandate as a member of the Executive Board of Siltronic AG was terminated prematurely by mutual agreement with effect from the end of June 30, 2023. Both the target value of the STI 2023 and the number of phantom shares granted under the LTI 2023-2026 were reduced pro rata temporis in proportion to the duration of the employment relationship in the 2023 remuneration year. In accordance with the applicable compensation system and the provisions of his employment contract, Mr. Irle is not entitled to a waiting allowance.

Compensation granted and owed in 2023

The following table shows the compensation granted and owed individually to members of the Executive Board in accordance with Section 162 (1) sentence 2 no. 1 of the German Stock Corporation (AktG). According to the pronouncements of the IDW, it is permissible and appropriate for the disclosure pursuant to Section 162 (1) sentence 2 of the German Stock Corporation (AktG) to disclose the compensation components in the financial year in which the activity on which the compensation is based (one or more years) was fully performed, even if the actual payment or inflow does not occur until after the end of the financial year. Accordingly, the table contains all amounts that were earned in the reporting period ("vesting principle"). Accordingly, the variable compensation to be reported for the financial year includes, in addition to the fixed compensation components paid out in the financial year (basic salary and fringe benefits), the variable compensation STI earned for the financial year 2023 and the LTI tranche 2023 - 2026. However, in accordance with IDW pronouncements, the addition to provisions for the pension obligation is not recognized as compensation granted and owed but is recognized separately as pension expense in the section 'Company pension scheme'.

The fixed and variable remuneration components granted are in line with the requirements of the compensation system.

	Fixed Components			Variable Components			Total Compensation in EUR	Fixed in %	Variable in %	
	Fixed Salary in EUR	Fringe Benefits in EUR	Benefit in connection with start Board activity in EUR	Total in EUR	STI 2023 in EUR	LTI 2023 – 2026 in EUR				Total in EUR
Members of the Executive Board in office as of December 31, 2023										
Dr. Michael Heckmeier, CEO (from May 6, 2023)	389,130	12,285	500,000	901,415	255,367	344,894	600,261	1,501,676	60	40
Claudia Schmitt, CFO (from July 1, 2023)	195,000	13,069	250,000	458,069	127,969	172,854	300,823	758,892	60	40
Members of the Executive Board who left during the financial year										
Dr. Christoph von Plotho, CEO (until May 5, 2023)	600,000	33,303	–	633,303	393,750	531,766	925,516	1,558,819	41	59
Rainer Irle, CFO (until June 30, 2023)	195,000	24,896	–	219,896	127,969	172,854	300,823	520,719	42	58

¹ Dr. von Plotho's mandate as a member of the Executive Board and Chairman of the Executive Board of Siltronic AG was terminated prematurely by mutual agreement with effect from the end of May 5, 2023. His employment relationship continued unaffected until the end of December 31, 2023.

In accordance with Section 162 (5) of the German Stock Corporation (AktG), personal details are not disclosed for former members of the Executive Board who left the Executive Board before December 31, 2013. A total of EUR 306,147 in benefits (pensions/retirement pay) which exclusively contains fixed components was paid to former members of the Executive Board who left before this date or their surviving dependents in the financial year 2023.

Compensation of Supervisory Board members

The compensation of the members of the Supervisory Board of Siltronic AG is governed by the Articles of Association of Siltronic AG.

The Articles of Association provide for a fixed annual compensation of EUR 50,000 for the members of the Supervisory Board.

Due to the additional expense associated with exercising certain functions, the compensation for the Chairman of the Supervisory Board is multiplied by a factor of 3. The factor 2 applies to his Deputy and the chairperson of a committee, and the compensation of members of committees is multiplied by a factor of 1.5. However, membership of the Conciliation Committee, which is required to be established by law, is not taken into account, i.e. membership of this committee does not lead to an increase in annual compensation. In addition, twin and multiple functions are not taken into account, so that the Chairman and Deputy Chairman do not receive any other factors for functions in committees and committee functions are only taken into account once for the members of the Supervisory Board.

Supervisory Board members who join or leave the Supervisory Board during the current financial year receive a corresponding pro rata compensation, rounded up to full months.

The Company reimburses the members of the Supervisory Board for their necessary expenses in the form of a lump sum. The lump sum amounts to EUR 10,000 (in words: ten thousand euros) for each calendar year. The Company also reimburses the members of the Supervisory Board for their necessary travel expenses upon presentation of receipts.

The Company provides Supervisory Board members with adequate insurance cover. In particular, the Company has taken out a D&O insurance policy without deductible for the benefit of Supervisory Board members.

No advances or loans were granted to members of the Supervisory Board during the reporting year.

Pursuant to section 113 (3) of the German Stock Corporation Act (AktG), the Annual General Meeting must pass a resolution on the compensation of the members of the Supervisory Board at least every four years. The compensation system outlined above was approved by resolution of the Annual General Meeting on May 5, 2023 with a majority of 99.84 percent of the votes.

The presentation of Supervisory Board compensation also follows the vesting principle.

Supervisory Board compensation in the financial year 2023

Supervisory Board member	Membership in months	Lump sum annual remuneration 2023 in EUR	Lump sum for expenses for 2023 in EUR ³	fixed in %	Total remuneration in EUR
Mandy Breyer ²	12	50,000	10,000	100	60,000
Prof. Dr. Gabi Dreo (until May 5, 2023)	5	20,833	4,167	100	25,000
Jos Benschop (from May 5, 2023)	8	33,333	6,667	100	40,000
Klaus-Peter Estermaier ¹	12	50,000	10,000	100	60,000
Sieglinde Feist	12	50,000	10,000	100	60,000
Dr. Hermann Gerlinger	12	70,833	10,000	100	80,833
Michael Hanke	12	91,667	10,000	100	101,667
Markus Hautmann ²	12	50,000	10,000	100	60,000
Johann Hautz ² (until May 5, 2023)	5	41,667	4,167	100	45,833
Daniela Berer ² (from May 5, 2023)	8	66,667	6,667	100	73,333
Bernd Jonas (until May 5, 2023)	5	41,667	4,167	100	45,833
Mariella Röhm-Kottmann (from May 5, 2023)	8	66,667	6,667	100	73,333
Dr. Tobias Ohler	12	150,000	10,000	100	160,000
Lina Ohlmann ²	12	50,000	10,000	100	60,000
Volker Stapfer ²	12	66,667	10,000	100	76,667

¹ For the representative of the executive employees on the Supervisory Board, the regulations of the Verband angestellter Akademiker und leitender Angestellter der chemischen Industrie e. V. apply. (VAA).

² These employee representatives on the Supervisory Board as well as the trade union representatives on the Supervisory Board have declared that their compensation will be paid to the Hans Böckler Foundation in accordance with the guidelines of the German Trade Union Federation.

³ Taking into account the applicable factors for specific functions.

Multi-year overview

Comparative presentation of compensation and earnings development

Pursuant to Section 162 (1) sentence 2 no. 2 of the German Stock Corporation Act (AktG), the following comparative presentation shows the annual change in the compensation granted and owed to current and former members of the Company's executive bodies, the Company's earnings performance and the average compensation of employees on a full-time equivalent basis. It is based on the average wages and salaries of Siltronic AG employees in Germany who were in active employment during the financial year (including persons in the active phase of partial retirement) and takes into account all collectively agreed and non-tariff salary levels up to senior

management level. Employees who left the Company during the financial year were included on a pro rata basis. In addition to fixed elements (salary, collectively agreed and job-related bonuses, top-up amounts for partial retirement, overtime and standby allowances), the compensation includes fringe benefits (company car allowance and other non-cash benefits) and variable components (bonuses, profit-sharing schemes, special payments, one-time payments, annual payments, inventor's bonus, paid leave, etc.) to improve comparability with the compensation of the Executive Board. The accrual value was used for variable compensation that relates to the compensation year but is not paid out until after the end of the financial year. Temporary employees are not included in the population, as they are not employed by Siltronic AG under labor law. Persons who work for us during their training or studies (e.g. interns, doctoral students, trainees, working students, diploma students, etc.) are also excluded accordingly.

Earnings performance

EUR million.	2019	2020	change in %	2021	change in %	2022	change in %	2023	change in %
Sales	1,270.4	1,207.0	-5	1,405.4	16	1,805.3	28	1,513.8	-16
EBITDA	408.7	332.0	-19	466.4	40	671.6	44	433.9	-35
Net income pursuant to the German Commercial Code (HGB)	58.5	75.0	28	96.1	28	93.7	-2	21.4	-77

Average compensation employees

EUR									
Employees in Germany	n.a.	75,575.0	n.a.	78,133	3	82,063	5	76,458	-7

Compensation Executive Board

EUR									
Dr. Christoph von Plotho	n.a.	n.a.	-	n.a.	-	n.a.	-	1,501,676	-
Rainer Irlé	n.a.	n.a.	-	n.a.	-	n.a.	-	758,892	-

Compensation Supervisory Board

EUR									
Current Supervisory Board members									
Mandy Breyer (since 04/2018)	40,000	38,750	-3	39,184	1	37,500	-4	60,000	60
Prof. Dr. Gabi Dreo (until 05/2023)	40,000	38,750	-3	37,500	-3	42,500	13	25,000	-41
Jo Benschop (since 05/2023)									
Klaus-Peter Estermaier (since 04/2018)	40,000	41,250	3	37,500	-9	42,500	13	60,000	41
Sieglinde Feist (since 12/2014)	40,000	41,250	3	37,500	-9	42,500	13	60,000	41
Dr. Hermann Gerlinger (since 03/2011)	56,250	73,750	31	68,750	-7	75,000	9	80,833	8
Michael Hankel (since 04/2018)	37,500	60,000	60	53,750	-10	60,000	12	101,667	69
Markus Hautmann (since 01/2021)	n.a.	n.a.	n.a.	37,500	n.a.	42,500	13	60,000	41
Johann Hautz (until 05/2023)	73,500	75,000	2	68,750	-8	85,000	24	45,833	-46
Daniela Berer (since 05/2023)									
Bernd Jonas (until 05/2023)	80,000	78,500	-2	75,000	-4	80,000	7	45,833	-43
Mariella Röhm-Kottmann (since 05/2023)									
Dr. Tobias Ohler (since 02/2013)	112,500	111,250	-1	106,250	-4	115,000	8	160,000	39
Lina Ohlmann (since 01/2021)	n.a.	n.a.	n.a.	37,500	n.a.	42,500	13	60,000	41
Volker Stapfer (since 01/2022)	n.a.	n.a.	n.a.	n.a.	n.a.	42,500	n.a.	76,667	80

Former board members

EUR									
Dr. Christoph von Plotho ¹	1,333,241	1,679,382	26	1,710,372	2	1,370,171	-20	1,558,819	14
Rainer Irlé ²	881,654	1,108,536	26	1,218,085	10	901,855	-26	520,719	-42
Compensation (pension) former board members (term ended before 12/2012)	221,253	262,373	19	287,436	10	292,310	2	306,147	5

¹ Dr. von Plotho's mandate as a member of the Executive Board and Chairman of the Executive Board of Siltronic AG was terminated prematurely by mutual agreement with effect from the end of May 5, 2023. His employment relationship continued unaffected until the end of December 31, 2023.

² Mr. Irlé's mandate as a member of the Executive Board of Siltronic AG was terminated prematurely by mutual agreement with effect from the end of June 30, 2023.

In accordance with the transitional rule in Section 26j (2) sentence 2 of the Introductory Act to the Stock Corporation Act (EGAktG), the average compensation of employees cannot be calculated retrospectively for previous years and is therefore only disclosed from 2020 onwards. For the financial year 2019 the grant value pursuant to DRS 17 was used to determine the Executive Board compensation.

Munich, March 8, 2024



Dr. Tobias Ohler
Chairman of the Supervisory Board of Siltronic AG



Michael Heckmeier
CEO



Claudia Schmitt
CFO

Independent Auditor's Report

To Siltronic AG, Munich,

REPORT ON THE AUDIT OF THE REMUNERATION REPORT

We have audited the attached remuneration report of Siltronic AG, Munich, for the financial year from January 1 to December 31, 2023, including the related disclosures, prepared to meet the requirements of Section 162 AktG [Aktengesetz: German Stock Corporation Act].

Responsibilities of Management and the Supervisory Board

The management and the Supervisory Board of Siltronic AG are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, including the related disclosures, in the remuneration report. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the internal control system relevant for the preparation of the remuneration report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from January 1 to December 31, 2023, including the related disclosures, complies in all material respects with the financial reporting requirements of Section 162 AktG.

Other matter – formal examination of the remuneration report

The substantive audit of the compensation report described in this audit opinion comprises the formal audit of the compensation report required by Section 162 (3) of the German Stock Corporation Act (AktG), including the issuance of an opinion on this audit. As we express an unqualified opinion on the content of the compensation report, this opinion includes the conclusion that the disclosures pursuant to Section 162 (1) and (2) of the German Stock Corporation Act (AktG) have been made in all material respects, in the remuneration report.

Limitation of liability

The terms governing this engagement, which we fulfilled by rendering the aforesaid services to Siltronic AG, are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on January 1, 2017. By taking note of and using the information as contained in this auditor's report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of EUR 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Munich, March 8, 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

[signature] Koeplin
Wirtschaftsprüfer
[German Public Auditor]

[signature] Schäfer
Wirtschaftsprüferin
[German Public Auditor]