

CORPORATE GOVERNANCE REPORT

Kontron AG is a joint stock company listed on the officially regulated Prime Standard market of the Frankfurt Stock Exchange (FSE) under Austrian law. In accordance with the Austrian Stock Corporation Act, the Executive Board manages the company independently and it exercises this responsibility in the best interests of the company, taking into consideration the interests of the shareholders and employees. The Supervisory Board supervises the management and supports the Executive Board in significant decisions.

§ 243c and § 267b of the Austrian Commercial Code stipulates that a joint stock company whose shares have been authorised for trading on a regulated market is required to compile a Corporate Governance Report. To fulfil this obligation the following Corporate Governance Report is provided:

Corporate Governance Code

As an Austrian company and a stock corporation listed in Germany, Kontron AG voluntarily complies with the German Corporate Governance Code (§ 243c Paragraph 1 N 1 and § 267b UGB). The German Corporate Governance Code is publicly available at <https://www.dcgk.de/> in the version dated April 28, 2022.

Declaration of Compliance with the German Corporate Governance Code

The Executive Board and Supervisory Board of Kontron AG make the following declaration in accordance with § 243c and § 267b UGB with regard to the recommendations of the "Government Commission on the German Corporate Governance Code":

Kontron AG complies with all recommendations of the German Corporate Governance Code ("DCGK") as amended on April 28, 2022 and published by the Federal Ministry of Justice in the official section of the Federal Gazette, complied with them and will continue to comply with them in the future, with a few exceptions, the reasons for which are explained in detail in the following report.

Principles of business management

For a number of years, Kontron AG has been pursuing a strategy designed to yield a sustained and long-term increase in corporate value. The Executive Board and the Supervisory Board have committed themselves to managing and controlling Kontron AG and its subsidiaries in a responsible way. The value-based principles of proper business management constitute an essential component of these policies. In their actions, the company and its governing bodies are conscious of the company's role in society and its social responsibility. Social and environmental factors influence the company's success and the company's activities have an impact on people and the environment. The Executive Board and Supervisory Board take this into account when managing and monitoring in the context of the company's interests. The Principles laid down in the Corporate Governance Code have been part of Kontron AG's corporate and leadership culture for many years. They facilitate the increasing of value and the strengthening of investor confidence. The foundations of the German Corporate Governance Code are the rules contained in German law pertaining to shares, securities and capital markets, and in the OECD directives on Corporate Governance. The Code becomes effective through the company's voluntary commitment to it. This commitment entails the necessity of justifying any nonconformity with recommendations ("comply or explain").

Fundamentals of the corporate structure

Together with its affiliated companies, Kontron AG forms the Kontron Group. Kontron AG is a stock corporation under Austrian law. Its head offices are in Linz. It has three boards: Annual General Meeting, Supervisory Board and Executive Board. Their duties and powers arise from the Austrian Stock Corporation Act and the Articles of Association of Kontron AG. This includes, in particular, the following duties and powers:

- › As owners of the company, the shareholders exercise their rights at the Annual General Meeting. In particular, these rights include decisions on the appropriation of retained earnings, the election of Supervisory Board members, the discharge of the Executive Board and Supervisory Board, the election of the auditors of the annual accounts and the auditors of the legally required sustainability report, any capital decisions arising, the definition of the remuneration policy and the annual review of the compensation report for the Executive Board and Supervisory Board. The Chair of the Supervisory Board, or her deputy if she is unable to attend, chairs the



Annual General Meeting and is responsible for ensuring that the Meeting runs smoothly and for an appropriate length of time, while taking shareholders' interests into account. One share in Kontron AG entitles the holder to one vote. No special rights are granted to particular shareholders or classes of shares.

- › The Supervisory Board appoints the members of the Executive Board and is entitled to ask them to stand down at any time if there is just cause for doing so. For particular significant business transactions, the Executive Board is required either by law, the Articles of Association of Kontron AG or the internal by-laws of the Executive Board or the Supervisory Board to seek the approval of the Supervisory Board. However, the Supervisory Board is not entitled to take any management measures. The close cooperation between the Executive Board and the Supervisory Board is called the dual management system.
- › The Executive Board manages the company independently. The Supervisory Board exercises a supervisory and advisory function. The Executive Board reports to the Supervisory Board and supplies it with regular, prompt and complete information in accordance with the principles of conscientious and accurate reporting, pertinent legislation and the reporting directives laid down by the Supervisory Board. The Chair of the Supervisory Board is informed immediately of all events that are of material importance for assessing the situation and current developments as well as for managing the company.

Executive Board

The Executive Board manages the company independently and in the best interests of the company with the aim of sustainable value creation. This includes taking into account the interests and well-being of shareholders, employees, customers and suppliers as well as other groups associated with the company (stakeholders).

§ 7 Paragraph 1 of the Articles of Association stipulates that the Executive Board of Kontron AG consists of a minimum of one and a maximum of seven members. The exact number of members within these parameters is determined by the Supervisory Board. As of December 31, 2023 the Executive Board consisted of the following four members:

- › Mr. Hannes Niederhauser, born November 25, 1962, CEO/Chair of the Executive Board: Overall Strategy, Research and Technology Development, Corporate Development, M&A, Corporate Communications, Internal IT, coordination of the individual Executive Board remits and representation of the Executive Board to the Supervisory Board;
- › Dr. Clemens Billek, born on May 19, 1980, CFO: Accounting & Tax, Controlling, Legal & Compliance, Treasury & Finance, IR & Corporate Marketing, Environmental Social Governance (ESG) and Internal Audit;
- › Mr. Michael Riegert, born July 9, 1963, COO: Overall responsibility for operations, production, purchasing & logistics, sales for the Industrial Division (excluding CEE), which he also managed at operational level;
- › Dr. Peter Sturz, born on October 31, 1958, COO CEE: Kontron business in Eastern Europe and the IT & IoT Services divisions, which he also managed at operational level.

The mandate of Dr. Peter Sturz as a member of the Executive Board of Kontron AG expired with effect from December 31, 2023 due to the expiry of the employment contract and the reaching of retirement age. Dr. Peter Sturz remains employed by the company.

The Executive Board reaches decisions together with the management of Kontron AG, determines the strategic orientation of the Kontron Group, coordinates it with the Supervisory Board and carries it out. Together with the Supervisory Board, the Executive Board is responsible for long-term succession planning. Potential candidates for the Executive Board require not only appropriate professional qualifications for the duties they are to assume, but also the necessary leadership qualities and international experience. Appointment to the Executive Board of Kontron AG and renewal of a seat on it are for a maximum of three years. The Supervisory Board decides whether to renew a position on the Executive Board six months before it is due to expire. Contrary to Principle 9, Recommendation B.5 of the DCGK, a fixed upper age limit was not imposed, as this is not considered useful and appropriate and the required qualifications of a board member are considered more relevant in the composition of the Executive Board. Contracts for members of the Executive Board generally end no later than the date on which a member becomes eligible for retirement.

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With regard to the composition of the Executive Board, the Supervisory Board has introduced a diversity scheme which also takes account of recommendations in the German Corporate Governance Code. Its objective is to increase diversity both on the Supervisory Board and the Executive Board, as well as in management positions. When a new member of the Executive Board is appointed, Kontron AG's Compliance officer informs the new member of the essential parameters relating to performance of the duties involved, the by-laws to be observed, the internal policies and directives, the legal framework and the German Corporate Governance Code. The composition of the Executive Board of Kontron AG as of December 31, 2023 does not yet comply with this diversity concept due to the lack of a female Executive Board member. The overriding consideration in the composition of the current Executive Board was the members' qualifications, and the Nomination Committee and the Supervisory Board gave these precedence in the interests of the company. For future new appointments, the Supervisory Board should take account of diversity on the Executive Board provided that this is appropriate.

The Executive Board is also responsible for ensuring that all legal regulations are adhered to and for implementing the in-house directives together with the central functions. The Executive Board is also responsible for appropriate risk management and risk control throughout the company. Kontron has an effective internal control system based on the internationally recognised COSO model. Adherence to this system and to all other legal and internal requirements is monitored by the Kontron Group internal Audit Committee. The essential outlines of the internal control system and the risk management system are described each year in the Kontron AG Management Report. The internal control system and the processes defined also cover risks and goals relating to sustainability. In addition, Kontron has established a whistleblower platform and a 24/7 hotline that can be used by third parties and employees to provide protected information about breaches of the law within the company.

The risks and opportunities for the company that are associated with social and environmental factors as well as the environmental and social effects of company activities are systematically identified and assessed by the Executive Board. In addition to long-term economic targets, environmental and social goals are also sufficiently considered and enshrined in the corporate strategy. Corporate planning includes appropriate financial and sustainability-related goals. In the social area, Kontron AG is targeting a Group-wide increase in the proportion of female employees to 50% and an increase in the proportion of women in management positions of 20% (compared to 2022) by 2030 as part of "Vision 2030". To attract, retain and train key employees for management positions, annual training is to be stepped up and training hours increased. The overarching environmental goal is to halve the Kontron Group's CO₂ emissions for Scope 1 and Scope 2 by 2030; beyond that, further environmental goals will be defined on a site-specific basis.

Members of the Executive Board are obliged to uphold and represent the interests of the company. Decisions they make must not serve their personal interests where these conflict with the activities of the Kontron Group, and they are debarred in particular from pursuing any business opportunities to which their employer would be entitled. They are permitted to assume additional responsibilities or positions, for example on the Management or Supervisory Boards of companies outside the Kontron Group or relevant holdings, solely with the permission of the Executive Board Nomination Committee. This is laid down in accordance with labour law in the Executive Board members' employment contracts in the form of a comprehensive non-competition clause.

With the approval of the Supervisory Board, the Executive Board has established by-laws and an organisational chart which governs allocation of the various responsibilities among the members of the Executive Board. The Executive Board's rules of procedure also set out the principle of joint responsibility of the Executive Board as well as cooperation with the Supervisory Board. The Executive Board members keep the Chair of the Executive Board and the other members regularly informed about important activities and the development of business in their respective departments. The Chair of the Executive Board coordinates developments in the individual areas of responsibility of the Board members with the company's overall targets and projects.

Meetings of the Executive Board are convened and chaired by the Chair of the Executive Board. If the Chair of the Executive Board is unavailable, he is represented by the deputy Chair. Whenever appropriate, associate members of the Executive Board or members of the Extended Management Team are also asked to attend the meetings. Resolutions of the Executive Board are passed either by the members in physical attendance at the Board meetings, in video conferences or in writing by circular letter.

In dealings with the Supervisory Board the Executive Board is represented by the Chair of the Executive Board or, in his absence, by his deputy. The latter maintains regular contacts with the Chair of the Supervisory Board and furnishes her with prompt reports on all relevant issues. The Supervisory Board has passed resolutions stipulating in the by-laws of the Executive Board that the Supervisory Board's approval is required for business transactions of fundamental importance. In reporting to the Supervisory Board, the Executive Board observes the principle of regular, timely and full information, especially with respect to the development of the business and deviations from the underlying plans, and to the risk situation, risk management and compliance.

In his capacity as a representative of the company, the Chair of the Executive Board provides his shareholders with frequent and detailed information – far beyond what is required by law. One of the most important principles of Kontron AG's capital market communication

is to inform institutional investors, private shareholders, financial analysts, employees and all other interest groups simultaneously and comprehensively about the company's situation through regular, open and up-to-date communication. In doing so, Kontron AG strictly follows the applicable legislation and the requirement of equal treatment of all shareholders: All the information and presentations received by financial analysts and investors, for example, are also immediately made available to all these interest groups in German and/or English.

Regular discussions and meetings with analysts and investors at conferences, roadshows and individual meetings are a central part of Kontron AG's investor relations work. Telephone conferences (earnings calls) are held in conjunction with the publication of quarterly and annual results, enabling analysts, investors or other interested parties to ask questions directly about the current development of the company. Company presentations are always available to all interest groups on the company's website.

Kontron AG's corporate website <https://www.kontron.com> serves as a central platform for providing up-to-date information about the company and its progress. The Kontron AG investor relations website <https://ir.kontron.com> also provides access to financial reports (annual reports, interim reports and announcements), current presentations from analyst and investor conferences, as well as press releases and ad-hoc announcements from the company. The dates of the main recurring publications and events (Annual General Meetings, press and analysts' conferences) are published in the corporate financial calendar at the beginning of each year and regularly updated.

With respect to remuneration of the Executive Board, the Supervisory Board, in conjunction with the Remuneration Committee, drew up the remuneration policy for the Executive Board and submitted it to the company shareholders at the Annual General Meeting on June 8, 2021, to be voted on. The Supervisory Board subsequently implemented the content of this amended remuneration policy. In addition to the overall target compensation, it also includes corresponding short-, medium- and long-term incentives as well as other benefits, such as a company car. This new remuneration policy also increasingly incorporates non-financial, medium-term objectives in line with the company's ESG tier scheme. Details of the benefits granted and received are published annually in the remuneration tables contained in the annual accounts. No private pension plan was taken out for any member of the Executive Board and no special agreements exist relating to benefits due following termination of contracts. Assumption of additional positions within the company does not give rise to any additional compensation. In accordance with the legal requirements, the Remuneration Report for financial year 2023 will be submitted to the next Annual General Meeting for approval on May 6, 2024.

The Supervisory Board

The Supervisory Board has the task of supervising and advising the Executive Board in the management of Kontron AG. In accordance with § 9 Paragraph 1 of the Articles of Association of Kontron AG, the Supervisory Board consists of three to five shareholder representatives who are elected by the Annual General Meeting. No employee representatives currently have a seat on the Supervisory Board of Kontron AG. The members of the Supervisory Board are elected by the Annual General Meeting on the basis of resolutions proposed by the company boards or by motions tabled on the initiative of shareholders. When putting forward candidates for the Supervisory Board, care is taken to ensure that all members of the Supervisory Board collectively have the knowledge, skills, professional experience and expertise required to properly perform their duties on sustainability issues that are important to the company. The Supervisory Board has defined specific targets with regard to its composition, adopted a diversity scheme and drawn up a qualifications profile. In its role as a supervisory and advisory body, the Supervisory Board attaches particular importance to addressing sustainability issues and has encouraged the Executive Board to take these into account in corporate objectives. The Executive Board has defined appropriate ESG goals. Any connections to related companies or shareholders of Kontron AG are disclosed at the Annual General Meeting.

In addition, diversity and the defined targets are taken into account. As of December 31, 2023 the Supervisory Board of Kontron AG consists of the following members:

- › Ms. Claudia Badstöber, born February 3, 1968, Chair of the Supervisory Board
- › Mr. Bernhard Chwatal, born October 12, 1970, 1. Deputy Chair of the Supervisory Board
- › Mr. Fu-Chuan Chu (Steve Chu), born June 18, 1962, 2. Deputy Chair of the Supervisory Board
- › Mr. Joseph John Fijak, born June 22, 1961, Member of the Supervisory Board
- › Ms. You-Mei Wu (Yolanda Wu), born July 10, 1964, Member of the Supervisory Board

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Ms. Claudia Badstöber and Mr. Bernhard Chwatal are proven financial experts who have served as auditors and tax consultants for international corporations or as CFOs for international corporations. Ms. Yolanda Wu is also an experienced financial expert who worked as CFO of Ennoconn Corporation and as a director at the Financial Market Supervisory Authority in Taiwan. The Supervisory Board currently includes two members, Ms. Badstöber (Chair of the Supervisory Board) and Mr. Chwatal (1. Deputy Chair of the Supervisory Board), who, by virtue of direct ownership of 1,992 shares (Ms. Badstöber) and 0 shares in Kontron AG (Mr. Chwatal) and indirect ownership of 416,219 shares (Ms. Badstöber as board member/managing director of Austro Holding AG and grosso Holding Gesellschaft mbH) are independent members of the Supervisory Board.

Second Deputy Chair of the Supervisory Board Mr. Steve Chu and the other members of the Supervisory Board Mr. Joseph John Fijak and Ms. Yolanda Wu, are proven industry and financial experts and have many years of management experience in large technology companies. Mr. Steve Chu, Mr. Joseph John Fijak and Ms. Yolanda Wu each have or have had a business relationship with Kontron AG shareholder Ennoconn Corporation, which at 27.5% holds more than 10% of the voting shares in Kontron AG. With a current share of 40% women on the Supervisory Board, the diversity target for the Supervisory Board in terms of the share of women in the Kontron Group was achieved in 2023. Neither the Chair of the Supervisory Board nor any other member of the Supervisory Board has ever served on the Executive Board of Kontron AG.

The competencies of the Supervisory Board of Kontron AG are summarised in the following quality matrix:

Competence Profile

BOARD MEMBER	CLAUDIA BADSTÖBER	BERNHARD CHWATAL	FU-CHUAN CHU (STEVE CHU)	JOSEPH JOHN FIJAK	YOU-MEI WU (YOLANDA WU)
Position	Chair of the Supervisory Board	1. Deputy Chair	2. Deputy Chair	Member	Member
Independence	independent	independent	Connection with shareholder Ennoconn Corp.	Connection with shareholder Ennoconn Corp.	Connection with shareholder Ennoconn Corp.
Control and risk management	X	X			X
Accounting	X	X			X
Audit (including Sustainability Reporting)	X	X			X
Industry know-how		X	X	X	
Sustainability issues	X	X	X	X	
Compliance	X				X

X > Competencies and professional experience in the field

The Supervisory Board is consulted on all decisions with relevance to Kontron AG. The Supervisory Board appoints the members of the Executive Board and determines their remuneration. In the event that there is just cause for doing so under the terms of the Austrian Stock Corporation Act, the Supervisory Board can cancel the appointment of a member to the Executive Board. Members of the Executive Board of Kontron AG are obliged to uphold and represent the interests of the company. Decisions they make must not serve their personal interests and they are not permitted to pursue any business opportunities to which the company is entitled. The members of the Supervisory Board are obliged to inform the Executive Board of any conflicts of interest, especially those that may arise from their membership of boards of suppliers, e.g. Ennoconn Corporation. If such a case arises, the Supervisory Board member concerned does not take part in votes pertaining to relevant topics.

The members of the Supervisory Board of Kontron AG must ensure that they have sufficient time to properly perform their duties on the

Supervisory Board. Consequently, no member shall accept a position on more than three supervisory boards of listed companies outside the Kontron Group or in supervisory bodies that make comparable demands on their time. When a new member of the Executive Board is appointed, the Compliance Officer informs the new member of the essential parameters relating to performance of the duties involved, especially the Kontron Code of Conduct and other relevant Group policies, the Corporate Governance Code and personal obligations to cooperate in the event of issues resulting in an obligation to report or requiring the approval of the Supervisory Board.

Modus operandi of the Supervisory Board: at the constituent meeting, the elected members of the Supervisory Board of Kontron AG elect the chairperson and their deputy chairs from among its members. At the same meeting, the members decide on the affiliated committees and choose the members of these. The following committees have been set up at Kontron AG to ensure efficient operations:

- › Audit Committee
- › Nomination Committee
- › Remuneration committee

The Supervisory Board of Kontron AG holds at least four meetings per calendar year. In addition, at least two meetings of the Audit Committee are held. Further, the Supervisory Board meets without the Executive Board whenever circumstances require. The main topics dealt with at the meetings each year are summarised in the Supervisory Board's annual reports. The Chair of the Supervisory Board coordinates the work of the Board, convenes its meetings and presides over them. The same applies to the Chair of the Audit Committee. The Chair of the Supervisory Board represents the interests of the Board externally and represents the Supervisory Board in its dealings with the Executive Board. This also includes contacts with investors providing the issues dealt with do not relate to operative management of the business, but to the annual audit, Corporate Governance or Compliance, for example. The Supervisory Board constitutes a quorum if all the members were invited to a meeting at least one week in advance and if at least three of its members participate in the vote. Resolutions in the Supervisory Board are generally passed by a simple majority of the votes cast. If an equal number of votes for and against a proposal has been cast, the Chair of the Supervisory Board has the casting vote ("casting vote right").

The resolutions of the Supervisory Board and its committees are regularly passed in the corresponding meetings. These either take place in the company offices in Linz or Vienna with the members attending in person or as virtual meetings with a two-way visual and audio connection. Any member of the Supervisory Board unable to attend a meeting can vote by appointing a proxy who either casts the absent member's written vote during the meeting or has been given written authorisation by that member to vote on his or her behalf. This also applies to casting the second vote of the Chair of the Supervisory Board. In addition, resolutions adopted on certain topics are passed in writing by circular letter. The Supervisory Board's resolutions and meetings are recorded in minutes which are signed by the person who chaired the meeting. The Supervisory Board can invite experts such as accountants, lawyers or persons able to provide specific information to its meetings when particular topics are on the agenda.

The composition of the Supervisory Board and its committees complies with applicable legislation, the Articles of Association and rules of procedure as well as the principles of the German Corporate Governance Code, especially with regard to the professional qualifications of the members.

- › Ms. Claudia Badstöber is Chair of the Supervisory Board, the Nomination Committee and the Compensation Committee.
- › In accordance with the requirements of the German Corporate Governance Code, the Audit Committee is not chaired by the Chair of the Supervisory Board, but by Mr. Bernhard Chwatal.
- › The Audit Committee, Nomination Committee and Remuneration Committee each consist of three members, the majority of whom are independent members.

The Supervisory Board has adopted regulations for the rules of procedure for the work of the Supervisory Board and its committees. The committees only have a quorum if all their members participate. Resolutions of the committees are passed with a simple majority subject to legislation to the contrary.

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The responsibilities of the Audit Committee include monitoring the accounting process, the audit of the consolidated annual accounts and individual financial statements by the independent auditor, ensuring the efficacy of the internal control system and the risk management system and putting forward a recommendation for the proposed annual auditor and the auditors of the legally required Sustainability Report for submission to the Annual General Meeting. The Audit Committee prepares the vote of the Supervisory Board on the annual accounts and the consolidated annual accounts. Additionally, the Audit Committee is responsible for supervising the auditing system and compliance as well as examining and supervising any actions that may be necessary relating to possible neglect of duty on the part of members of the Executive Board as preparation for adoption of a resolution by the Supervisory Board.

If necessary, the auditor informs the Chair of the Audit Committee outside formal meetings about particular circumstances that may have arisen, risks that have been identified or changes in legislation. In accordance with the regulations of the German Corporate Governance Code, the Chair of the Audit Committee is independent and not a former member of the Executive Board of the company. Mr. Chwatal has particular knowledge and experience of applying invoicing principles and internal control procedures.

The Audit Committee was in regular contact with the auditors in financial year 2023. Apart from the audit results, the chief topics discussed included assessment of audit risk, the audit strategy and audit planning.

AUDIT COMMITTEE MEMBERS	POSITION	INDEPENDENCE
Bernhard Chwatal	Chair	independent
Claudia Badstöber	Deputy Chair	independent
You-Mei Wu (Yolanda Wu)	Member	Connection with shareholder Ennoconn Corp.

The Nomination Committee prepares the decisions of the Supervisory Board relating to the appointment and, if need be, dismissal of members of the Executive Board and is responsible for the long-term succession planning in association with the Supervisory Board and the Executive Board. In addition, the Nomination Committee, in consultation with the Remuneration Committee, prepares the decisions of the Supervisory Board relating to the remuneration, regular review of the remuneration system and the Remuneration Report to the Annual General Meeting. The Remuneration Committee is responsible for remunerating members of the Executive Board, concluding, amending and cancelling employment contracts with members of the Executive Board and preparing and concluding other contracts with members of the Executive Board wherever necessary. In particular, this includes granting loans to members of the Executive Board, which are only granted in exceptional circumstances, concluding certain contracts with members of the Supervisory Board, taking account of related persons or companies, and approving additional positions taken on by members of the Executive Board, especially positions accepted on the boards of companies outside the Kontron Group.

NOMINATION COMMITTEE MEMBERS	POSITION	INDEPENDENCE
Claudia Badstöber	Chair	independent
Bernhard Chwatal	Deputy Chair	independent
You-Mei Wu (Yolanda Wu)	Member	Connection with shareholder Ennoconn Corp.

REMUNERATION COMMITTEE MEMBERS	POSITION	INDEPENDENCE
Claudia Badstöber	Chair	independent
Bernhard Chwatal	Deputy Chair	independent
You-Mei Wu (Yolanda Wu)	Member	Connection with shareholder Ennoconn Corp.

The Supervisory Board regularly reviews the efficacy of its activities. To this end, discussions take place within the Supervisory Board and one-to-one discussions are held with the Chair of the Supervisory Board.

The Supervisory Board arrived at the following self-assessment as of December 31, 2023:

- › The Supervisory Board and its committees perform their duties effectively.
- › According to the assessment of the Supervisory Board, its composition as of December 31, 2023 meets the membership targets sets out above with the exception of the independence of the three members with business relationships with Ennoconn Corporation, contrary to Principle 12, Recommendation C.7. Ennoconn Corporation is to be regarded as the controlling shareholder. According to Principle 12 C.7, more than half of the shareholder representatives should be independent of the company and the Executive Board. This recommendation was not met here, as preference is given to the qualifications, expertise and experience of the non-independent members of the Supervisory Board. Potential significant conflicts of interest are met with the necessary diligence and effective measures, e.g. abstentions.
- › Information regarding professions practised and seats held on other Supervisory Boards to be constituted in accordance with legislation is disclosed on the company website. This reveals that the Supervisory Board is composed of a diverse range of members, including financial experts and branch experts, and possesses the requisite experience of supervising international corporations. Apart from the three representatives of Ennoconn Corporation, the 1. Deputy Chair of the Supervisory Board also has many years of experience in the field of future-oriented communications and security thanks to his work as an entrepreneur in the telecommunications sector, and can therefore be regarded as an industry expert. Furthermore, the Chair of the Supervisory Board, with her experience in tax consultancy and auditing and her previous position as CFO of a private bank, is a proven financial expert, as is Ms. Yolanda Wu, who was CFO of Ennoconn Corporation and a director at the Financial Market Supervisory Authority in Taiwan. Mr. Chwatal also has financial expertise thanks to his work for auditing companies and as a restructuring manager.
- › As of the reporting date, the Supervisory Board comprised two women (40%) and three men (60%). According to applicable legislation in Austria, Kontron AG is not subject to a mandatory quota for women. This 40% share of women on the Supervisory Board is higher than the average share of women in the Kontron AG workforce overall.
- › It is the view of Kontron AG that a statutory particular age limit for members of the Supervisory Board as stipulated in Principle 11, Recommendation C.2. is neither helpful nor appropriate. For Kontron AG, the qualifications and experience of candidates are more important than the recommended age limit, so that this deviation from Principle 11, Recommendation C.2 appears appropriate and justifiable. As of December 31, 2023, the longest period of membership of the Supervisory Board is ten years. Each member's length of membership is given below. As recommended by the German Corporate Governance Code, no member of the Supervisory Board has served on it for longer than 12 years or is a close relative of a member of the Executive Board.

Composition of the Supervisory Board until the end of the ordinary Annual General Meeting 2023

BOARD MEMBER	POSITION	INITIAL APPOINTMENT	END OF TERM	INDEPENDENCE
Claudia Badstöber	Chair of the Supervisory Board	June 16, 2020	AGM 2025	independent
Bernhard Chwatal	1. Deputy Chair	May 17, 2013	AGM 2025	independent
Fu-Chuan Chu (Steve Chu)	Member	June 27, 2017	AGM 2027	Connection with shareholder Ennoconn Corp.
Joseph John Fijak	Member	May 6, 2022	AGM 2027	Connection with shareholder Ennoconn Corp.
You-Mei Wu (Yolanda Wu)	Member	June 8, 2021	AGM 2026	Connection with shareholder Ennoconn Corp.

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BOARD MEMBER	POSITION	INITIAL APPOINTMENT	END OF TERM	INDEPENDENCE
Claudia Badstöber	Chair of the Supervisory Board	June 16, 2020	AGM 2025	independent
Bernhard Chwatal	1. Deputy Chair	May 17, 2013	AGM 2025	independent
Fu-Chuan Chu (Steve Chu)	2. Deputy Chair	June 27, 2017	AGM 2027	Connection with shareholder Ennoconn Corp.
Joseph John Fijak	Member	May 6, 2022	AGM 2027	Connection with shareholder Ennoconn Corp.
You-Mei Wu (Yolanda Wu)	Member	June 8, 2021	AGM 2026	Connection with shareholder Ennoconn Corp.

Supervisory Board meetings

BOARD MEMBER	POSITION	28/03/2023	24/04/2023	05/05/2023	22/05/2023	27/09/2023	07/12/2023
Claudia Badstöber	Chair of the Supervisory Board	P	P	P	P	P	P
Bernhard Chwatal	1. Deputy Chair	P	P	P	P	P	P
Fu-Chuan Chu (Steve Chu)	2. Deputy Chair	V	V	V	V	V	V
Joseph John Fijak	Member	V	V	V	V	V	V
You-Mei Wu (Yolanda Wu)	Member	V	V	V	V	V	V

P > Present in person | V > Video/telephone conference or proxy

Meeting of the Audit Committee

BOARD MEMBER	POSITION	28/03/2023	07/12/2023
Bernhard Chwatal	Chair	P	P
Claudia Badstöber	Deputy Chair	P	P
You-Mei Wu (Yolanda Wu)	Member	V	V

P > Present in person | V > Video/telephone conference or proxy

Meetings of the Nomination and Remuneration Committees

BOARD MEMBER	POSITION	24/04/2023
Claudia Badstöber	Chair	P
Bernhard Chwatal	Deputy Chair	P
You-Mei Wu (Yolanda Wu)	Member	V

P > Present in person | V > Video/telephone conference or proxy

Shares owned by members of corporate institutions

As of December 31, 2023, the Executive Board and Supervisory Board hold the following number of shares, stock options and warrants. The shares held (including shares held indirectly) represent around 5.57% of the company's share capital.

BOARD MEMBER	POSITION	NUMBER OF SHARES	NUMBER OF STOCK OPTIONS	NUMBER OF WARRANTS 2020
Claudia Badstöber*	Chair of the Supervisory Board	418,211	0	0
Bernhard Chwatal	1. Deputy Chair of the Supervisory Board	0	0	0
Fu-Chuan Chu (Steve Chu)	2. Deputy Chair of the Supervisory Board	0	0	0
Joseph John Fijak	Supervisory Board member	0	0	0
You-Mei Wu (Yolanda Wu)	Supervisory Board member	0	0	0
Hannes Niederhauser**	CEO	3,117,533	572,000	678,294
Dr. Clemens Billek	CFO	0	200,000	0
Michael Riegert	COO	10,625	215,000	151,000
Dr. Peter Sturz	COO	8,833	140,000	211,000

*1,992 shares held directly; 416,219 shares held indirectly as managing director of Austro Holding GmbH and grosso holding Gesellschaft mbH

** 1,366,629 shares held directly; 1,750,904 held indirectly as 47.5% shareholder of grosso tec AG

Linz, March 26, 2024

The Executive Board of Kontron AG



Dipl.-Ing. Hannes Niederhauser



Dr. Clemens Billek



Michael Riegert