

Siltronic AG

Munich

WKN: WAF300

ISIN: EN000WAF3001

**Notice of the Annual General Meeting 2020
as virtual Annual General Meeting**

Dear Shareholders,

We hereby convene the Annual General Meeting of Siltronic AG as a virtual general meeting without the physical presence of shareholders or their proxies on

Friday, June 26, 2020, at 10:00 a.m.

The Annual General Meeting will be broadcasted live on the internet for shareholders or their proxies. The shareholders' voting rights will be exercised - by the shareholders themselves or by proxies - exclusively by way of postal vote or by granting power of attorney to the proxies appointed by the Company. The place of the Annual General Meeting pursuant to the German Stock Corporation Act (AktG) is the Haus der Bayerischen Wirtschaft, Max-Joseph-Str. 5, 80333 Munich.

Agenda

- 1. Presentation of the adopted annual financial statements and the approved consolidated financial statements together with the combined management report of Siltronic AG and the Group as of December 31, 2019, as well as the report of the Supervisory Board for the fiscal year 2019 and the explanatory report of the Executive Board on the disclosures pursuant to Sections 289a and 315a of the German Commercial Code (HGB)**

With the exception of the approved annual financial statements, the documents mentioned above are an integral part of the Annual Report 2019. They are available on the Siltronic AG homepage at

<https://www.siltronic.com/en/investors/annual-general-meeting.html>.

They will also be available online to shareholders during the Annual General Meeting.

The Supervisory Board has already approved the annual financial statements and consolidated financial statements prepared by the Executive Board; the annual financial statements are thus adopted. Therefore, in accordance with the applicable legal provisions, no resolution on Agenda Item 1 is proposed to be adopted.

2. Resolution on the appropriation of the net income of Siltronic AG for distribution of a dividend

The Supervisory Board and Executive Board propose that Siltronic AG's unappropriated net income for the previous fiscal year 2019 amounting to € 141,129,396,50 be appropriated as follows:

- | | |
|--|-----------------|
| - Distribution of a dividend of € 3.00 per share entitled to receive a dividend
(as of May 4, 2020: 30,000,000) | € 90.000.000,00 |
| - Profit carried forward: | € 51.129,396.50 |

Should the number of no-par value ordinary shares entitled to the dividend for the past fiscal year 2019 change before the date of the Annual General Meeting, the above proposal will be amended accordingly and presented for resolution at the Annual General Meeting, with an unchanged dividend of € 3.00 per no-par value share entitled to the dividend as well as suitably amended amounts for the sum to be distributed and the carryforward.

Pursuant to Section 58 (4) sentence 2 of the German Stock Corporation Act (AktG), the entitlement to the dividend is due for payment on the third business day following the resolution of the Annual General Meeting, i.e. on July 1, 2020.

3. Resolution on the discharge of the members of the Executive Board

The Executive Board and Supervisory Board propose that the acts of the members of the Executive Board in office during the fiscal year 2019 be ratified for that period.

4. Resolution on the discharge of the members of the Supervisory Board

The Executive Board and the Supervisory Board propose that the acts of the members of the Supervisory Board in office during the fiscal year 2019 be ratified for that period.

5. Election of the auditor

The Supervisory Board proposes - based on the recommendation of the Audit Committee - that KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, be appointed as auditor of the annual financial statements and the consolidated financial statements for the fiscal year 2020 and as auditor for the review of the condensed financial statements and the interim management report for the Group for the first half of the fiscal year 2020.

The Audit Committee has stated that its recommendation is free from undue influence by third parties and that no clause restricting the choice within the meaning of Article 16(6) of the EU Regulation on statutory auditors or audit firms (Regulation (EU) No 537 / 2014 of the European Parliament and of the Council of April 16, 2014 on specific requirements for the statutory audit of public interest entities and repealing Commission Decision 2005/909/EC) has been imposed on it.

6. Resolution on the cancellation of the Authorized Share Capital 2015, the creation of a new Authorized Share Capital 2020 with the option to exclude subscription rights and corresponding amendment of the Articles of Association

By resolution of the Extraordinary General Meeting on June 8, 2015, the Executive Board was authorized, with the consent of the Supervisory Board, to increase the share capital once or several times on or before June 7, 2020 by up to € 60,000,000.00 by issuing new registered shares against cash contributions or contributions in kind ("**Authorized Share Capital 2015**"). The Authorized Share Capital 2015 has not been utilized to date.

The Executive Board and the Supervisory Board consider it sensible to continue enabling the Company to increase the share capital at short notice in the future by utilizing authorized share capital and, if necessary, also to exclude the subscription rights of shareholders. Since this authorization will be expired on the day of the Annual General Meeting, the Authorized Share Capital 2015 shall be formally cancelled and replaced by a new Authorized Share Capital ("**Authorized Share Capital 2020**"). However, the Authorized Share Capital 2020 shall only have a volume of up to € 36,000,000.00 (corresponding to 30% of the current share capital). In addition, the option to issue new shares from the Authorized Share Capital 2020 under exclusion of shareholders' subscription rights is to be limited to shares representing no more than 10% of the share capital existing at the time the authorization takes effect or - if this is lower - of the share capital existing at the time the authorization is exercised.

In consideration of this background, the Executive Board and Supervisory Board propose the following resolution to be adopted:

a) Cancellation of the existing Authorized Share Capital 2015

The authorization of the Executive Board to increase the share capital of the Company, with the consent of the Supervisory Board, by up to € 60,000,000.00 once or several times on or before June 7, 2020 (Authorized Share Capital 2015) is hereby cancelled.

b) Creation of a new Authorized Share Capital 2020 with the option to exclude subscription rights

The Executive Board is authorized, with the consent of the Supervisory Board, to increase the share capital once or several times on or before June 25, 2025 by up to a total amount of € 36,000,000.00 (in words: thirty six million Euros) by issuing new no-par value ordinary registered shares against cash contributions or contributions in kind ("**Authorized Share Capital 2020**").

The sum total of shares issued under the Authorized Share Capital 2020 and the shares issued, that can be issued or are to be issued during the term of this authorization to service conversion and/or option rights or to fulfil conversion or option obligations from bonds with option and/or conversion rights or obligations, profit participation rights and/or participating bonds (or a combination thereof) (together hereinafter also referred to as "**Bonds**"), shall not exceed an amount of the share capital of € 36,000,000.00 (corresponding to 30% of the current share capital) (mutual offset).

In general, the shareholders are to be granted a subscription right. The shares may also be subscribed in whole or in part by one or more credit institution(s) or companies within the meaning of Section 186 (5) sentence 1 German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders of the Company for subscription (so called indirect subscription right).

The Executive Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' subscription rights for one or more capital increases from the Authorized Share Capital 2020,

- (i) to exclude fractional amounts from the subscription right;
- (ii) in case of capital increases in return for cash contributions, if the issue price of the new shares is not significantly below the stock exchange price for the shares of the same class already listed and the aggregate pro rata amount of the share capital attributable to the new shares issued with the exclusion of the subscription right does not exceed 10% of the share capital existing on the date on which this authorization takes effect and on the date in which the authorization is being exercised.

This limit of 10% of the share capital shall include shares that were issued or sold during the term of this authorization in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG); it shall also include shares that can be or are to be issued by the Company to service conversion or option rights or to fulfil conversion or option obligations arising from Bonds, provided that the Bonds are issued during the term of the Authorized Share Capital 2020 under exclusion of shareholders' subscription rights in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) (mutual offset);

- (iii) to the extent necessary to be able to grant new shares in the Company to holders or creditors of Bonds that were or will be issued by the Company or by its subordinate group companies upon exercise of conversion or option rights or upon fulfilment of a conversion obligation, and insofar as necessary to grant a subscription rights to new shares in the Company to holders of conversion or option rights or to creditors of conversion bonds with conversion obligations that were or will be issued by the Company or its subordinated group companies, to the extent that they would be entitled to such rights as shareholders after exercising their option or conversion rights or after fulfilling conversion obligations;
- (iv) in the event of a capital increase against contributions in kind, in particular in the context of corporate mergers or for the (also indirect) acquisition of businesses, operations, parts of businesses, equity interests, investments or other assets or claims to the acquisition of assets, including claims against the Company or its Group companies; and
- (v) in order to implement a scrip dividend where shareholders are entitled to tender their dividend rights (in whole or in part) as a contribution in kind against issuance of new shares under the Authorized Share Capital 2020.

The sum total of shares issued on the basis of the Authorized Share Capital 2020 under exclusion of shareholders' subscription rights, taking into account other shares of the Company that are sold or issued during the term of the Authorized Share Capital 2020 under exclusion of subscription rights or are to be issued on the basis of Bonds issued during the term of the Authorized Share Capital 2020 under exclusion of subscription rights, may not exceed a calculated proportion of the share capital of 10%, neither at the time the Authorized Share Capital 2020 takes effect nor at the time it is utilized (mutual offset).

The Executive Board is authorized to determine the further details of the capital increase and its implementation with the consent of the Supervisory Board.

The Supervisory Board is authorized to amend the wording of the Articles of Association accordingly after utilization of the Authorized Share Capital 2020 or expiry of the period for utilization of the Authorized Share Capital 2020.

c) Amendment of the Articles of Association

Article 4 (6) of the Articles of Association is amended and restated as follows:

“(6) The Executive Board is authorized, with the consent of the Supervisory Board, to increase the share capital once or several times on or before June 25, 2025 by up to a total of € 36,000,000.00 (in words: thirty six million Euros) by issuing new no-par value ordinary registered shares against cash contributions or contributions in kind (“**Authorized Share Capital 2020**”).

The sum total of shares issued under the Authorized Share Capital 2020 and the shares issued, that can be issued or are to be issued during the term of this authorization to service conversion and/or option rights or to fulfil conversion or option obligations from bonds with option and/or conversion rights or obligations, profit participation rights and/or participating bonds (or a combination thereof) (together hereinafter also referred to as “**Bonds**”), shall not exceed an amount of the share capital of € 36,000,000.00 (corresponding to 30% of the current share capital) (mutual offset).

In general, the shareholders are to be granted a subscription right. The shares may also be subscribed in whole or in part by one or more credit institution(s) or companies within the meaning of Section 186 (5) sentence 1 German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders of the Company for subscription (so called indirect subscription right).

The Executive Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders’ subscription rights for one or several capital increases from the Authorized Share Capital 2020,

- (i) to exclude fractional amounts from the subscription right;
- (ii) in case of capital increases in return for cash contributions, if the issue price of the new shares is not significantly below the stock exchange price for the shares of the same class already listed and the aggregate pro rata amount of the share capital attributable to the new shares issued with the exclusion of the subscription right does not exceed 10% of the share capital existing on the date on which this authorization takes effect and on the date in which the authorization is being exercised.

This limit of 10% of the share capital shall include shares that were issued or sold during the term of this authorization in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG); it shall also include shares that can be or are to be issued by the Company to service conversion or option rights or to fulfil conversion or option obligations arising from Bonds, provided that the Bonds are issued during the term of the Authorized Share Capital 2020 under exclusion of shareholders' subscription rights in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) (mutual offset);

- (iii) to the extent necessary to be able to grant new shares in the Company to holders or creditors of Bonds that were or will be issued by the Company or by its subordinate group companies upon exercise of conversion or option rights or upon fulfilment of a conversion obligation, and insofar as necessary to grant a subscription rights to new shares in the Company to holders of conversion or option rights or to creditors of conversion bonds with conversion obligations that were or will be issued by the Company or its subordinated group companies, to the extent that they would be entitled to such rights as shareholders after exercising their option or conversion rights or after fulfilling conversion obligations;
- (iv) in the event of a capital increase against contributions in kind, in particular in the context of corporate mergers or for the (also indirect) acquisition of businesses, operations, parts of businesses, equity interests, investments or other assets or claims to the acquisition of assets, including claims against the Company or its Group companies; and
- (v) in order to implement a scrip dividend where shareholders are entitled to tender their dividend rights (in whole or in part) as a contribution in kind against issuance of new shares under the Authorized Share Capital 2020.

The sum total of shares issued on the basis of the Authorized Share Capital 2020 under exclusion of shareholders' subscription rights, taking into account other shares of the Company that are sold or issued during the term of the Authorized Share Capital 2020 under exclusion of subscription rights or are to be issued on the basis of Bonds issued during the term of the Authorized Share Capital 2020 under exclusion of subscription rights, may not exceed a calculated proportion of the share capital of 10%, neither at the time the Authorized Share Capital 2020 takes effect nor at the time it is utilized (mutual offset).

The Executive Board is authorized to determine the further details of the capital increase and its implementation with the consent of the Supervisory Board. The Supervisory Board is authorized to amend the wording of the Articles of Association accordingly after utilization of the Authorized Share Capital 2020 or expiry of the period for utilization of the Authorized Share Capital 2020.”

7. Resolution on the cancellation of the authorization resolved by the Extraordinary General Meeting on June 8, 2015 to issue bonds with option and/or conversion rights or obligations, profit participation rights and/or participating bonds, the granting of a new authorization to issue convertible and/or option bonds, profit participation rights and/or participating bonds with the option of excluding subscription rights, the cancellation of the Conditional Capital 2015 and creation of a new Conditional Capital 2020 and on the corresponding amendment to the Articles of Association

By resolution of the Extraordinary General Meeting of June 8, 2015 under Agenda Item 3, the Executive Board was authorized, with the consent of the Supervisory Board, to issue once or several times on or before June 7, 2020 holder and/or registered convertible bonds and/or option bonds, profit participation rights and/or participating bonds (or a combination thereof) (together hereinafter also referred to as “**Bonds**”) with a total nominal amount of up to € 750,000,000.00 (the “**2015 Authorization**”). The 2015 Authorization has not yet been utilized.

The Executive Board and Supervisory Board consider it sensible to continue enabling the Company to issue Bonds in the future, if necessary also under exclusion of subscription rights in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). Since the existing 2015 Authorization will be expired on the day of the Annual General Meeting, the 2015 Authorization shall be formally cancelled and replaced by a new authorization to issue Bonds with the possibility of excluding subscription rights (the “**2020 Authorization**”). However, the 2020 Authorization shall only authorize the issue of Bonds with a total nominal value of up to € 500,000,000.00, those Bonds entitling or obliging their holders or creditors to subscribe to or convert them into shares not to exceed a calculated proportion of 10% of the Company’s current share capital and the share capital existing at the time the authorization is exercised.

Therefore, the Executive Board and Supervisory Board propose that the following resolution be adopted:

a) Cancellation of the existing 2015 Authorization to issue Bonds

The 2015 Authorization to issue Bonds resolved by the Extraordinary General Meeting on June 8, 2015 under Agenda Item 3 is hereby cancelled.

b) Authorization to issue convertible bonds and/or option bonds, profit participation rights and/or participating bonds (or a combination thereof)

(1) Nominal amount, term of authorization, share capital amount

The Executive Board is authorized, with the consent of the Supervisory Board, to issue once or several times on or before June 25, 2025 holder and/or registered convertible bonds and/or option bonds, profit participation rights and/or participating bonds (or a combination thereof) (together hereinafter also referred to as “**Bonds**”) for a total nominal amount of up to € 500,000,000.00 and to grant the holders or creditors of Bonds conversion and/or option rights or obligations of up to 3,000,000 new no-par value ordinary registered shares of the Company with a proportionate amount of the share capital of up to € 12,000,000.00 according to the more detailed terms and conditions of the Bonds (“**Bond Terms and Conditions**”) (“**2020 Authorization**”).

The sum total of the shares which are, can be or are to be issued to service conversion and/or option rights or to fulfil conversion or option obligations arising from the Bonds, and the shares issued during the term of this 2020 Authorization using authorized share capital (in particular the Authorized Share Capital 2020 to be resolved upon under Agenda Item 60 shall not exceed an amount of the share capital of € 36,000,000.00 (corresponding to 30% of the current share capital) (mutual offset).

The Bonds may be issued against cash contributions or contributions in kind, in particular for the purpose of acquiring (also indirectly) businesses, operations, parts of businesses, equity interests and other assets, including receivables from the Company or its Group companies; in case of an issue against contributions in kind, Bonds can be issued to the extent that the value of the contributions in kind corresponds to the issue price of the Bonds.

The respective Bond Terms and Conditions may establish conversion or option obligations at the end of the term or at any other point in time and may provide for a tender right of the issuer to deliver shares (in any combination).

The authorization includes the option to grant shares in the Company to the extent that holders or creditors of convertible bonds or warrants from option bonds exercise their conversion or option rights or fulfill their conversion or option obligations or shares are tendered.

The Bonds may be issued once or several times, in whole or in part or simultaneously in different tranches. All Bonds of one tranche must be provided with rights and obligations ranking equally among themselves.

The Bonds as well as the option and conversion rights can be issued with a limited or unlimited maturity period. The Bonds may carry a fixed or variable interest rate. Furthermore, as with a profit participation bond, the interest rate can also be made fully or partially dependent on the amount of the Company's dividend.

In addition to Euros, the Bonds may also be issued in the legal currency of an OECD country, limited to the appropriate equivalent amount in Euros.

They may also be issued by domestic or foreign companies in which the Company directly or indirectly holds a majority of the votes and capital ("**Subordinated Group Companies**"). In such case, the Executive Board is authorized, with the consent of the Supervisory Board, to assume a guarantee for the issuing company for the repayment of the Bonds and to grant the holders or creditors of the conversion or option rights or obligations shares in the Company as well as to make further declarations and take other actions necessary for the successful issue of the Bonds.

(2) Convertible Bonds

If convertible bonds are issued, the holders or creditors of the Bonds are given the right to exchange them for new shares in the Company according to the more detailed Bond Terms and Conditions. The Bond Terms and Conditions may also provide for mandatory conversions at the end of the term or at an earlier date. In this case, the Bond Terms and Conditions may provide that the Company is entitled to compensate in cash, in whole or in part, for any difference between the nominal amount of the Bonds and a conversion price to be specified in more detail in the Bond Terms and Conditions - as described below under (5) - multiplied by the conversion ratio.

(3) Option bonds

If option bonds are issued, one or more warrants are attached to each partial bond that entitle or oblige the holder to subscribe to shares in the Company according to the Bond Terms and Conditions or which grant the issuer a tender right.

(4) Conversion and subscription ratio

In case of convertible bonds, the exchange ratio is calculated by dividing the nominal amount of a partial bond or an issue price of a partial bond that is below the nominal amount by the fixed conversion price for a share in the Company.

If the nominal amount or issue price of the partial bonds and the conversion price are denominated in different currencies, the exchange rates resulting from the reference rates published by the European Central Bank on the day on which the issue price of the partial bonds is finally fixed shall be used for the conversion.

The Bond Terms and Conditions may provide that the option price may also be paid in full or in part by transferring partial bonds.

The Bond Terms and Conditions may also provide that the exchange or subscription ratio is variable and may be rounded up or down to a whole number; furthermore, an additional cash payment may be stipulated. It may be provided that fractional shares are combined and/or compensated in cash.

(5) Conversion or option price

The respective conversion or option price to be fixed for a share must - even in the case of a variable exchange ratio and taking into account rounding and additional payments - either

- (i) amount to at least 80% of the volume-weighted average value of the stock exchange prices of the Company's share in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the ten (10) trading days prior to the day of the resolution by the Executive Board on the issue of the Bonds, or
- (ii) if the shareholders have a subscription right to the Bonds, alternatively amount to at least 80% of the volume-weighted average of the stock exchange prices of the Company's share in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange in the period from the beginning of the subscription period up to and including the day before the announcement of the final determination of the Bond Terms and Conditions in accordance with Section 186 (2) German Stock Corporation Act (AktG).

In the case of Bonds with a conversion or option obligation or a tender right of the issuer for the delivery of shares, the conversion or option price may either correspond at least to the above-mentioned minimum price (80%) or to the volume-weighted average value of the stock exchange prices of the Company's shares on at least three trading days in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange immediately before the conversion or option price is determined in accordance with the more detailed provisions of the Bond Terms and Conditions, even if this average price is below the above-mentioned minimum price (80%). Section 9 (1) of the German Stock Corporation Act (AktG) and Section 199 (2) of the German Stock Corporation Act (AktG) remain unaffected.

If no volume-weighted average value of the stock exchange prices is determined for the relevant time in accordance with the above provisions, the conversion or option price must be at least 80% of the closing price of the shares of the Company in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last trading day before the day on which the final price of the Bond is fixed.

(6) Protection against dilution

The authorization shall also include the option, subject to the Bond Terms and Conditions, to provide dilution protection and / or other adjustments under certain circumstances. Dilution protection or other adjustments may be provided for in particular if changes in the capital of the Company occur during the term of the Bonds (such as a capital increase or capital reduction or a share split), but also in connection with dividend payments, the issue of additional convertible bonds or option bonds, conversion measures and in case of other events affecting the value of the option or conversion rights that occur during the term of the Bonds (such as a third party gaining control). Dilution protection or other adjustments may be provided in particular by granting subscription rights, by changing or granting cash components.

(7) Authorized Share Capital, treasury shares, cash compensation, right of replacement

The Bond Terms and Conditions may provide for or permit that, in addition to shares from a conditional capital, in particular Conditional Capital 2020 to be created in connection with this Authorization 2020, new shares from an authorized share capital or treasury shares of the Company may also be used at the Company's discretion to service the conversion or option rights or obligations.

The Bond Terms and Conditions may also provide or permit that the Company does not grant shares in the Company to the conversion or option beneficiaries or obligors, but that the Company pays the equivalent value in cash, in whole or in part, which, according to the more detailed provisions of the Bond Terms and Conditions, corresponds to the volume-weighted average value of the stock exchange prices of the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange during the ten to twenty stock exchange trading days following the announcement of the cash settlement.

The Bond Terms and Conditions may also provide for or permit the Company to grant the creditors of the Bonds new shares or treasury shares of the Company in whole or in part instead of paying a due amount of money.

The shares will be credited at a value which, in accordance with the more detailed Bond Terms and Conditions, corresponds to the volume-weighted average of the stock exchange prices of the Company's share in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange during the ten to twenty trading days after announcement of the exercise of the right to substitute (granting of shares instead of cash payment).

(8) Granting of subscription rights, exclusion of subscription rights

The shareholders are generally entitled to a subscription right to the Bonds. The Bonds may also be underwritten in whole or in part by one or more credit institution(s) or companies within the meaning of Section 186 (5) sentence 1 German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription (so called indirect subscription right). If the Bonds are issued by a Subordinate Group Company, the Company must ensure that its shareholders' subscription rights are granted in accordance with the above sentences.

However, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' statutory subscription right to the Bonds in the following cases:

- (i) for fractional amounts resulting from the subscription ratio;
- (ii) if the Bonds with option or conversion rights or obligations are issued against cash payment and are equipped in such a way that their issue price is not significantly lower than their theoretical market value determined in accordance with recognized principles, in particular those of financial mathematics. However, this authorization to exclude subscription rights only applies to Bonds with option or conversion rights or option or conversion obligations for shares with a proportionate amount of the share capital that may not exceed 10% of the Company's share capital. For the purpose of calculating the 10% limit, the amount of the share capital at the time this authorization takes effect or - if this value is lower - at the time this authorization is exercised, shall be decisive. This limit of 10% of the share capital shall include shares which (i) are issued or sold during the term of this authorization in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) up to the time of its utilization or (ii) are issued to service subscription rights or to fulfil conversion obligations arising from Bonds, provided that the corresponding Bonds are issued after this authorization takes effect in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), excluding shareholders' subscription rights;

- (iii) insofar as the Bonds are issued in return for a contribution in kind, in particular in the context of corporate mergers or for the (also indirect) acquisition of businesses or other assets, including receivables from the Company or its Group Companies, provided that the value of the contribution in kind is in reasonable proportion to the market value of the Bonds;
- (iv) insofar as this is necessary in order to grant the holders or creditors of previously issued Bonds a subscription right to the extent to which they would be entitled as shareholders after exercising an option or conversion right or after fulfilling an option or conversion obligation.

The total number of shares that can be issued on the basis of the utilization of the Authorization 2020 to issue Bonds with option or conversion rights or obligations with the exclusion of shareholders' subscription rights, taking into account other shares of the Company that are sold or issued during the term of the Authorization 2020 with the exclusion of subscription rights, may not exceed a calculated proportion of the share capital of 10%, either at the time the Authorization 2020 becomes effective or at the time it is utilized (mutual offset).

Insofar as profit participation rights or profit participating bonds without option or conversion rights or obligations are issued, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in its entirety if these profit participation rights or profit participating bonds are similar to obligations, i.e. do not establish membership rights in the Company, do not grant any participation in liquidation proceeds and the amount of interest is not calculated on the basis of the amount of the net income for the year, the balance sheet profit or the dividend. Furthermore, in this case, the interest rate and the issue amount of the profit participation rights or profit participating bonds must correspond to the current market conditions for comparable borrowings at the time of issue.

(9) Authorization to determine further details

The Executive Board within the scope of this Authorization 2020 is authorized, with the consent of the Supervisory Board, to determine the further details of the issue and terms of the Bonds and the option or conversion rights or obligations, in particular interest rates (including variable and profit-related interest rates), type of interest, issue price, term and denomination as well as option or conversion period and any variability of the exchange ratio, or to determine such details in agreement with the executive bodies of the Subordinate Group Companies issuing the Bonds.

c) Cancellation of the Conditional Capital 2015

The Conditional Capital 2015 resolved by the Extraordinary General Meeting of the Company under Agenda Item 3 on June 8, 2015 is hereby cancelled.

d) Creation of a new Conditional Capital 2020

The share capital of the Company shall be increased by up to € 12,000,000.00 (in words: twelve million Euros) by issuing up to 3,000,000 new no-par value registered shares (“**Conditional Capital 2020**”).

The conditional capital increase shall only be implemented to the extent that the holders or creditors of convertible bonds and/or option bonds, profit participation rights and/or participating bonds (or combinations thereof) (collectively “**Bonds**”), which are issued by the Company or by a Subordinate Group Company against cash payment on the basis of the Authorization 2020 and grant a conversion or option right or impose a conversion or option obligation, make use of their option or conversion rights or fulfil option or conversion obligations from such Bonds, and to the extent that no other forms of fulfilment of delivery are used.

The new shares shall be issued at the conversion or option prices to be determined in the Bond Terms and Conditions in accordance with the aforementioned Authorization 2020. The new shares participate in the profit from the beginning of the fiscal year in which they are created through the exercise of conversion or option rights or the fulfilment of conversion or option obligations. In deviation from Section 60 (2) of the German Stock Corporation Act (AktG), to the extent legally permissible, the Executive Board may, with the consent of the Supervisory Board, also determine the profit participation of new shares for a fiscal year that already ended.

The Executive Board is authorized to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to amend the new version of Article 4 (7) of the Articles of Association in accordance with the respective utilization of Conditional Capital 2020 and after expiry of all option and conversion periods.

e) Amendment of the Articles of Association

Article 4 (7) of the Articles of Association is amended and restated as follows:

“(7) The share capital of the Company is conditionally increased by up to € 12,000,000.00 (in words: twelve million Euros) by issuing up to 3,000,000 new no-par value registered shares (Conditional Capital 2020).

The conditional capital increase will only be implemented to the extent that the holders or creditors of convertible bonds and/or option bonds, profit participation rights and/or profit participating bonds (or combinations thereof) (collectively “**Bonds**”), which were issued on the basis of the 2020 Authorization resolved by the Annual General Meeting on June 26, 2020, are able to exercise their conversion or option rights. The Bonds may be issued by the Company or by a Subordinate Group Company against cash contributions or contribution in kind and grant a conversion or option right or impose a conversion or option obligation, make use of their option or conversion rights or fulfil option or conversion obligations from such Bonds, and to the extent that no other forms of fulfilment of delivery are used.

The new shares shall be issued at the conversion or option prices to be determined in the Bond Terms and Conditions in accordance with the aforementioned 2020 Authorization. The new shares participate in the profit from the beginning of the fiscal year in which they are created through the exercise of conversion or option obligations. In deviation from Section 60 (2) of the German Stock Corporation Act (AktG), to the extent legally permissible, the Executive Board may, with the consent of the Supervisory Board, also determine the profit participation of new shares for a fiscal year that already ended.

The Executive Board is authorized to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to amend this Article 4 (7) of the Articles of Association in accordance with the respective utilization of Conditional Capital 2020 and after expiry of all option and conversion periods.“

8. Authorization to acquire treasury shares in accordance with Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) and to their utilization with the authorization to exclude subscription rights

The authorization to acquire and utilize treasury shares resolved upon by the Annual General Meeting on May 7, 2015, which was limited until May 6, 2020 and has expired recently, is to be cancelled formally and to be replaced by a new authorization to acquire and utilize treasury shares in accordance with Section 71 (1) no. 8 of the German Stock Corporation Act (AktG), now limited until June 25, 2024.

The Supervisory Board and Executive Board propose that the following resolution be adopted:

- a) The Executive Board is authorized until June 25, 2024, with the consent of the Supervisory Board, to purchase for any permissible purpose treasury shares in an amount of up to 10% of the share capital existing at the time of the resolution or - if this value is lower - of the share capital existing at the time of exercising this authorization. Together with other treasury shares held by the Company or attributable to it in accordance with Sections 71d and 71e of the German Stock Corporation Act (AktG), the acquired shares may at no time account for more than 10% of the share capital.
- b) The authorization to acquire and utilize treasury shares resolved upon by the Annual General Meeting on May 7, 2015 is hereby cancelled.
- c) At the discretion of the Executive Board, the acquisition may be carried out through purchase on the stock exchange by means of a public invitation to submit offers of sale, by means of a public offer or by granting tender rights to shareholders.
 - (1) If the shares are acquired on the stock exchange, the purchase price per share paid by the Company (excluding incidental acquisition costs) may not be more than 10% higher or lower than the price determined by the opening auction in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the trading day.
 - (2) In the event of a public invitation to submit offers of sale, the purchase price per share paid by the Company (excluding incidental acquisition costs) may not be more than 10% higher or lower than the non-weighted average closing price of the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last three (3) trading days prior to the date of acceptance of the offers of sale.
 - (3) In the event of a public offer or acquisition by granting tender rights, the purchase price per share paid by the Company (excluding incidental acquisition costs) may not be more than 10% higher or lower than the non-weighted average closing price of the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last three (3) trading days prior to the cut-off date. The cut-off date is the date of the final decision of the Executive Board regarding the offer or the granting of tender rights.

If, after publication of a public invitation to submit offers of sale, after a public offer or after the granting of tender rights, there are no insignificant deviations of the relevant price from the offered purchase or sale price or from the limits of any purchase or sale price range, the invitation to submit offers of sale, the offer or the tender rights may be adjusted.

In this case, the non-weighted average closing price of the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last three (3) trading days prior to the Executive Board's decision on the adjustment is used as a basis; the 10% limit for exceeding or falling below this value is to be applied to this amount.

If, in the event of a public invitation to submit offers of sale or in the event of a public offer, the number of shares of the Company tendered or offered for sale exceeds the total volume intended for acquisition, the shareholders' tender right may be excluded to the extent that the acquisition is made in proportion to the respective shares tendered or offered per shareholder. Preferential consideration or acceptance of small numbers of up to 100 tendered shares of the Company per shareholder as well as rounding in accordance with commercial principles may be provided for.

The total volume of tender rights offered to shareholders may be limited. If tender rights are granted to shareholders for the purpose of acquisition, they will be allocated to shareholders in proportion to their shareholdings in accordance with the ratio of the volume of shares to be repurchased by the Company to the share capital. Fractions of tender rights do not have to be allocated; in this case, any partial tender rights shall be excluded.

The Executive Board determines the details of the respective acquisition, in particular any offer or invitation to submit offers of sale. This shall also apply to the further specification of any rights of tender, in particular with regard to the term and, if applicable, their tradability. In doing so, capital market and other legal restrictions and requirements must also be observed.

The authorizations may be exercised once or several times, in whole or in part, in pursuit of one or several purposes by the Company, but also by Subordinate Group Companies or by third parties for the account of the Company or its Subordinate Group Companies.

- d) The Executive Board is authorized, with the consent of the Supervisory Board, to use the treasury shares acquired on the basis of this authorization or an earlier authorization or on other legal bases for all legally permissible purposes, in particular as follows:
- (1) They may be sold via the stock exchange or by means of a public offer to all shareholders in proportion to their shareholding; in the event of an offer to all shareholders, subscription rights for fractional amounts are excluded.
 - (2) They may be sold for cash provided that the selling price is not significantly lower than the stock market price of the Company's shares at the time of the sale (Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG)). This includes the sale of shares in a way other than via the stock exchange or by means of an offer to all shareholders.

- (3) They may be sold for contributions in kind, in particular in the context of corporate mergers or for the (also indirect) acquisition of businesses, parts of businesses, equity interests or other assets, including receivables from the Company or its Group companies. The granting of conversion or subscription rights as well as call options and the transfer of shares within the framework of a securities lending transaction also constitute a sale in this sense.
 - (4) They may be used to fulfil or secure purchase rights or purchase obligations for shares in the Company in connection with Bonds issued or to be issued by the Company or a Subordinate Group Company. They may also be used to grant subscription rights to holders or creditors of conversion or option rights to shares in the Company or corresponding conversion or option obligations to compensate for dilution to the extent to which they would be entitled after exercising these rights or fulfilling these obligations.
 - (5) They may be used in connection with any share-based payment or employee share programs of the Company or any of its affiliates and may be issued to persons who are or were in an employment relationship with the Company or any of its affiliates as well as to members of the executive bodies of affiliates of the Company. Together with the treasury shares used in accordance with e), the total of the treasury shares used for these purposes may not exceed a calculated proportion of the share capital of 1%, either at the time the authorization takes effect or at the time it is exercised.
 - (6) Treasury shares may be redeemed without such redemption or its execution requiring a further resolution of the Annual General Meeting. The redemption may be effected by way of a capital reduction or without a capital reduction by adjusting the proportionate amount of the remaining shares in the share capital. In this case, the Executive Board is authorized to adjust the number of shares stated in the Articles of Association.
- e) The Supervisory Board is authorized to use the treasury shares acquired under this authorization to service purchase obligations or purchase rights to Siltronic shares agreed with members of the Executive Board of Siltronic AG as part of the compensation of the Executive Board. In particular, they may be offered, committed and transferred to the members of the Executive Board of Siltronic AG. The details of the compensation of the members of the Executive Board are determined by the Supervisory Board. Together with the treasury shares used for these purposes in accordance with d) No. (5), the total of the treasury shares used for this purpose may not exceed a calculated proportion of the share capital of 1%, either at the time the authorization takes effect or at the time it is exercised.

- f) The authorizations contained in this resolution may be exercised once or several times, in whole or in part, individually or jointly by the Company, but also by Subordinate Group Companies or by third parties for the account of the Company or its Subordinate Group Companies.
- g) The shareholders' subscription rights to the acquired treasury shares are excluded to the extent that they are used in accordance with the above authorizations in d)(1) to (5) or e)
- h) The calculated proportion of the share capital attributable to the shares used in accordance with the authorizations under d)(2) to (4) and e), taking into account other shares of the Company which are sold or issued during the term of this authorization with the exclusion of subscription rights or which are to be issued on the basis of Bonds issued during the term of this authorization with the exclusion of subscription rights, may not exceed a calculated proportion of the share capital of 10%, either at the time the authorization takes effect or at the time it is exercised (mutual offset).

Against the background of the authorization proposed under this Agenda Item 8 acquisition and use of treasury shares and the authorization proposed under Agenda Item 9 use of derivatives in this context, the Executive Board submits a written report on the reasons for which it is to be authorized to exclude the subscription rights of shareholders in certain cases (Section 186 (4) sentence 2 in conjunction with Section 71 (1) no. 8 sentence 5 of the German Stock Corporation Act (AktG)). The reports are printed at the end of the Agenda.

9. Authorization to use derivatives in connection with the acquisition of treasury shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) and to exclude subscription rights

In addition to the authorization proposed under Agenda Item 8 to acquire treasury shares in accordance with Section 71 (1) no. 8 of the German Stock Corporation Act (AktG), an authorization is to be granted to acquire treasury shares also using derivatives and to conclude corresponding derivative transactions. This is not intended to increase the total volume of shares that may be acquired; it is merely intended to provide additional alternatives to the acquisition of treasury shares.

To the extent this is permitted by law without the authorization of the Annual General Meeting, this authorization is not intended to restrict the Company in any way to use derivatives.

The Supervisory Board and Executive Board propose that the following resolution be adopted:

- a) Within the scope of the authorization to acquire treasury shares to be resolved under Agenda Item 8 the acquisition of treasury shares may also be effected by
- (1) the sale of options which commit the Company to acquire shares when such option is exercised ("**Put Options**"),
 - (2) the acquisition of options that entitle the Company to acquire shares when such option is exercised ("**Call Options**"),
 - (3) the execution of purchase agreements where more than two trading days lie between the execution of the purchase agreement for shares and the fulfilment by delivery of shares ("**Forward Purchases**"), or
 - (4) the use of a combination of Put Options and Call Options and Forward Purchases (hereinafter jointly referred to as "**Derivatives**").

The authorization may be exercised by the Company, but also by Subordinate Group Companies or, for their account or for the account of the Company or its Subordinate Group companies, by third parties commissioned by the Company or by a Subordinate Group Company. The acquisition of shares using Derivatives is to be carried out via a bank or another company fulfilling the requirements of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG).

- b) All Put Options sold, Call Options acquired and Forward Purchases executed under this authorization may in total relate to a number of shares that does not exceed a proportionate amount of 5% of the share capital, either at the time the authorization takes effect or at the time it is exercised. The term of the individual Derivatives may not exceed 18 months in each case, must end no later than June 25, 2024 and must be chosen in such a way that the acquisition of the shares upon the exercise or settlement of the Derivatives will take place no later than June 25, 2024.
- c) The Derivative conditions must ensure that the shares to be delivered to the Company upon exercise or fulfillment of the Derivatives have previously been acquired in compliance with the legal principle of equal treatment on the stock exchange at the current price in Xetra trading (or a comparable successor system) at the time of the purchase on the stock exchange.
- d) The price agreed in the Derivative (excluding incidental acquisition costs) for the acquisition of a share when exercising options or fulfilling Forward Purchases may not exceed or fall short of the price determined for Company shares in Xetra trading (or a comparable successor system) by more than 10% on the day the derivative transaction is concluded by the opening auction.

The purchase price paid by the Company for options may not be significantly higher, and the selling price received by the Company for options may not be significantly lower, than the theoretical market value of the respective options, determined in accordance with recognized financial mathematical methods which must take into account, among other things, the agreed exercise price. The forward price agreed by the Company for Forward Purchases may not be significantly higher than the theoretical forward price determined in accordance with recognized financial mathematical methods, the calculation of which must take into account, among other things, the current market price and the term of the Forward Purchase.

- e) In addition, an agreement may be reached with one or more of the banks named in a) or other companies meeting the requirements of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) that they will deliver to the Company within a predefined period a predetermined number of shares or a predetermined Euro equivalent of shares in the Company. The price at which the Company acquires treasury shares must be a discount to the arithmetic mean of the volume-weighted average price of the share in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange, calculated over a predetermined number of trading days. However, the price of the share may not fall below the aforementioned average by more than 10%. Furthermore, the bank(s) named in a) or other companies fulfilling the requirements of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) must undertake to purchase the shares to be delivered on the stock exchange at prices which are within the range which would apply if the shares were purchased directly on the stock exchange by the Company itself.
- f) If treasury shares are acquired using Derivatives in accordance with the above provisions, the shareholders' right to conclude such derivative transactions with the Company are excluded in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). Shareholders have a right to tender their shares to the Company only to the extent that the Company is obliged to purchase the shares from them under derivative transactions. Any further tender right is excluded.
- g) The provisions set out under Agenda Item 8d) to h) apply accordingly to the use of treasury shares acquired through Derivatives. The shareholders' subscription rights to treasury shares are excluded to the extent that these shares are used in accordance with the authorizations ind)(1) to (5) or e) of the resolution proposal under Agenda Item 8

Against the background of the authorization to acquire and use treasury shares proposed under Agenda Item 8 and the authorization to use Derivatives in this context proposed under Agenda Item 9, the Executive Board submits a written report on the reasons for which it is to be authorized to exclude shareholders' subscription and tender rights in certain cases (Section 186 (4) sentence 2 in conjunction with Section 71 (1) no. 8 sentence 5 of the German Stock Corporation Act (AktG)). The reports are printed at the end of the Agenda.

10. Resolution on the approval of the compensation system for the members of the Executive Board

Pursuant to Section 120a (1) of the German Stock Corporation Act (AktG), the Annual General Meeting decides on the approval of the compensation system for the members of the Executive Board submitted by the Supervisory Board for each material change to such compensation system, but at least every four years.

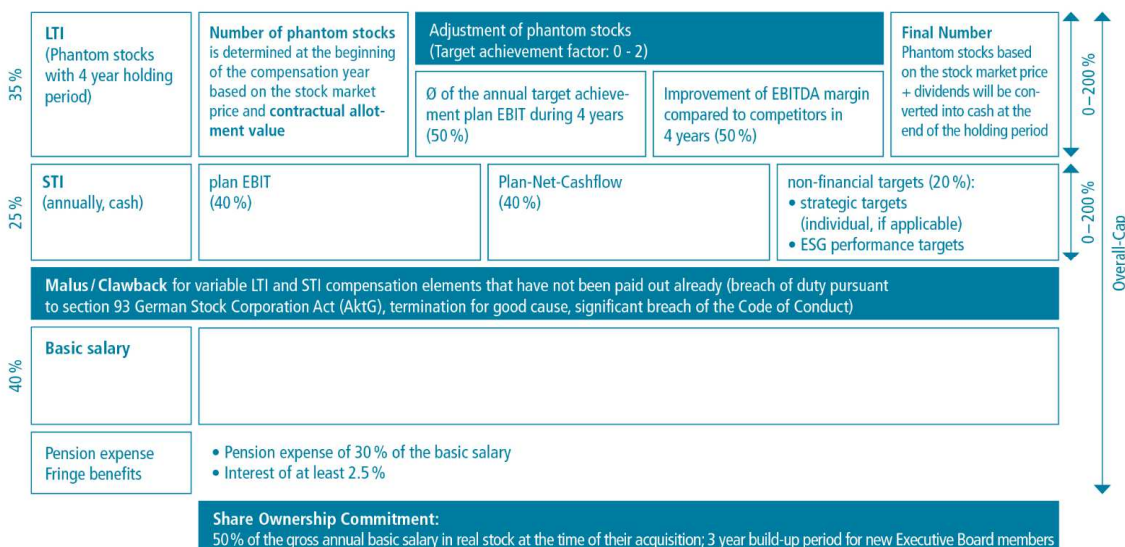
Based on the recommendation of its Executive Committee, the Supervisory Board proposes the following compensation system for the members of the Executive Board, which was adopted by the Supervisory Board with effect from January 1, 2020, to be approved.

A. MAIN FEATURES OF THE COMPENSATION SYSTEM FOR THE MEMBERS OF THE EXECUTIVE BOARD OF SILTRONIC AG

The system for the compensation of the members of the Executive Board is clear and comprehensible. It complies with the requirements of the German Stock Corporation Act (AktG) as amended by the Act Implementing the Second Shareholders' Rights Directive of December 12, 2019 (Federal Law Gazette Part I 2019, No. 50 of December 19, 2019).

The compensation system applies to all Executive Board members retroactively as of January 1, 2020, as well as to all new service contracts to be concluded with Executive Board members and reappointments.

Model adjusted compensation system



With the present compensation system, the Supervisory Board of Siltronic AG is taking up proposals from investors in order to provide even stronger incentives for sustainable, long-term corporate governance in line with market practice, and is adjusting it in particular with regard to the following aspects:

- the share of variable compensation elements of the target compensation (excluding pension and fringe benefits) increases from 50% to 60%;
- the possibility for the Supervisory Board to increase or reduce the bonus basis for the variable compensation at its reasonable discretion by a factor of maximum 0.7 - 1.3 is deleted;
- the variable compensation is now also based on the achievement of non-financial targets derived from the corporate strategy and the defined sustainability targets;
- the holding period for the share-based variable compensation is extended to four years and is subject to a performance factor that takes into account the Company's performance compared to its competitors; and
- a maximum compensation is determined, which includes retirement benefits and fringe benefits.

B. THE COMPENSATION SYSTEM IN MORE DETAIL

I. Maximum compensation (Section 87a (1) sentence 2 no. 1 of the German Stock Corporation Act (AktG))

The total compensation to be granted for a fiscal year (sum of all compensation amounts spent for the fiscal year in question, including basic annual salary, variable compensation components, pension expenses (service costs) and fringe benefits) of the members of the Executive Board (irrespective of whether it is paid in this fiscal year or at a later date) is limited to a maximum amount (“**Maximum Compensation**”). The Maximum Compensation for the Chairman of the Executive Board amounts to € 2,450,000.00 and for other members of the Executive Board to € 1,810,000.00 each. As explained in more detail below, the variable compensation components are also limited to twice their respective target amount.

II. Contribution of compensation to promoting the business strategy and long-term development of Siltronic AG (Section 87a (1) sentence 2 no. 2 of the German Stock Corporation Act (AktG))

The compensation system contributes to Siltronic AG’s business strategy of sustainably strengthening its position as a leading manufacturer of semiconductor wafers by defending its technological position, expanding its capacities in line with market growth and generating profit and positive cash flow through continuous improvement of its cost position throughout all market cycles.

The compensation system provides incentives that are consistent with and support this business strategy: Unless otherwise agreed, the financial targets of the short-term variable compensation (short-term incentive, “**STI**”) relate to the performance categories ‘plan EBIT’ and ‘plan net cash flow’, thus promoting the focus on profitability and the generation of positive cash flow. The non-financial objectives of the STI support the strategic development of the Company which also includes social and ecological aspects. As an important step towards linking compensation to the long-term development of the Company, the portion of the long-term variable compensation (long-term incentive, “**LTI**”) will be increased and the assessment basis extended. The performance factor in the LTI provides incentives for long-term profitability and operational improvement compared to competitors.

Finally, the compensation system helps to attract qualified executives and retain them in the long term.

III. Compensation components (Section 87a (1) sentence 2 no. 3 of the German Stock Corporation Act (AktG))

1. Overview of the compensation components and their respective relative share of the compensation

The compensation of the members of the Executive Board consists of fixed and variable components. The fixed components include the fixed annual salary, fringe benefits and the company pension scheme. Variable components are the STI and the LTI. The relative share of all fixed and variable compensation components is explained below in connection with the total target compensation. The total target compensation for the respective fiscal year is composed of the fixed annual salary, for the STI the target value in case of a 100% target achievement, for the LTI the allocation value that corresponds to 100% of the target achievement, the pension expense (service costs) and fringe benefits.

Without taking into account the Company pension scheme and fringe benefits, the share of the fixed compensation amounts to 40% of the total target compensation and the share of the variable compensation to 60% of the total target compensation.

Within the variable compensation, the STI (100% target achievement) represents 25% of the total target compensation and the LTI (allocation value corresponding to 100% of the target achievement) represents 35% of the total target compensation.

Taking into account the Company pension scheme and fringe benefits, the share of fixed compensation (fixed annual salary, pension expense (service costs) and fringe benefits) for the CEO Dr. von Plotho for the fiscal year 2020 amounts to 45% of the total target compensation and the share of variable compensation to 55% of the total target compensation. Within the variable compensation, the STI (100% target achievement) represents 23% of the total target compensation and the LTI (allocation value corresponding to 100% of the target achievement) represents 32% of the total target compensation.

In case of Mr. Irle, taking into account the Company pension scheme and fringe benefits, the share of fixed compensation (fixed annual salary, pension expense (service costs) and fringe benefits) is 52% (from 2021 expected to be 49% due to a change in the pension scheme) of the total target compensation and the share of variable compensation is 48% (from 2021 expected to be 51%) of the total target compensation. Within the variable compensation, the STI (100% target achievement) represents 20% (expected to represent 21% from 2021 onwards) of the total target compensation and the LTI (allocation value corresponding to 100% of the target achievement) represents 28% (expected to represent 30% from 2021 onwards) of the total target compensation.

The percentages stated may vary by a few percentage points for future fiscal years or for any new appointments. Deviations may result from the actuarial calculation of service costs updated for each fiscal year or relating to new appointments, as well as from any changes in fringe benefits.

2. Fixed compensation components

2.1 Basic annual salary

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

2.2 Company pension scheme

Executive Board members are initially entitled to a basic Company pension through the Wacker Chemie VVaG pension fund. For this purpose, the Company and the Executive Board make monthly contributions to the pension fund.

In addition, they are entitled to a supplementary Company pension from the Company. The claims for current appointments or for future re-appointments and new appointments are as follows:

The members of the Executive Board acquire already entitlements for the current appointment periods (the current Executive Board members Dr. von Plotho until further notice and Mr. Irle for the fiscal year 2020) as follows:

The agreed basic annual salary is regarded as pensionable income. The benefits under this supplementary Company pension scheme consist of retirement pensions, early retirement pensions, disability pensions and survivors' pensions.

The pension expense for a fiscal year amounts to 15% (above 150% of the applicable income threshold of the statutory pension insurance) or 12.25% of the annual basic salary (between 100% and 150% of the income threshold). The pension expense forms the basis of assessment for the amount of the pension benefit. The pension benefit payable annually after the occurrence of the pension event amounts to 18% of the total pension expense made available by the Company up to that point. Entitlement to a pension arises when the employment contract is terminated, but not before the age of 65, or when disability occurs.

Deviating from the above, the following applies to entitlements acquired following the re-appointment or appointment of members of the Executive Board (and thus also for Mr. Irle from January 1, 2021): The Company provides a pension expense of 30% 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 bear interest at the current yield, but at a minimum of 2.5% and a maximum of 5%. 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% 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 extent as before.

The current members of the Executive Board receive an additional monthly amount (gross) from the Company in the amount of the employer's contribution to the statutory pension scheme as a building block for building up a private pension scheme. Such a component will no longer be granted in the event of future appointments of new Executive Board members.

2.3 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. In addition, there is a D&O insurance policy with a deductible in accordance with the requirements of the German Stock Corporation Act (AktG) amounting to 10% of the damage up to one and a half times the basic annual salary. In addition, 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 lawyer 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. 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.

3. Variable compensation components

3.1 STI

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. Unless otherwise specified, the financial targets relate to the performance categories 'plan EBIT' (40%) and 'plan net cash flow' (40%). The non-financial targets relate to strategic targets (10%; in case of several strategic targets, the weighting between the targets is determined by the Supervisory Board), which may also include personal/individual targets for the member of the Executive Board, as well as environmental, social and prudent corporate management (governance) targets - so-called ESG targets - (10% in total; in case of several ESG targets, the weighting between the targets is determined by the Supervisory Board). The ESG targets are based on the targets defined by the Company in the Company's sustainability strategy, from which the Supervisory Board selects annually. The Supervisory Board is entitled to determine other or further suitable performance categories and targets for future assessment periods and to set a different weighting. The amount paid out for the STI is calculated by multiplying the total target achievement factor (sum of the target achievement factors in the performance categories and non-financial targets) for the compensation year by the contractually agreed target value. The STI is limited to a maximum of twice the target value. The STI is determined by the Supervisory Board within the first three months of the fiscal year following the year of compensation. If the Executive Board member does not work for the Company for a full twelve months in any one fiscal year, the STI is reduced accordingly on a pro rata basis. The STI becomes due for payment with the fixed salary for the month following the month of determination.

In the event of extraordinary events or developments, e.g. the acquisition or sale of a business unit, the Supervisory Board is entitled to make appropriate adjustments to the plan conditions of the STI at its reasonable discretion.

3.2 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). 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. Unless otherwise specified, the performance targets relate to the performance categories EBITDA margin improvement/deterioration in comparison with competitors over the performance period (50%) and average annual plan EBIT target achievement of the Company over the four year performance period (50%; each year of the performance period equally weighted). The Supervisory Board is entitled to determine other or further suitable performance categories and targets and a different weighting for future assessment periods. The LTI is settled in cash. For this purpose, the final number of phantom stocks is first calculated by multiplying the granted number of phantom stocks by the overall target achievement factor (sum of the target achievement factors in the performance categories). The amount of the cash settlement is based on 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 of the performance period and the sum of the dividends that would have been distributed for real shares during the performance period. The amount of the LTI is determined by the Supervisory Board within the first three months of the fiscal year following the last fiscal year of the performance period. The LTI becomes due for payment with the fixed salary for the month following the month of the determination. In the event of extraordinary events or developments, e.g. in the event of the acquisition or sale of a business unit, the Supervisory Board is entitled to adjust the plan conditions of the LTI at its reasonable discretion.

IV. Performance criteria for granting variable compensation components (Section 87a (1) sentence 2 no. 4 of the German Stock Corporation Act (AktG))

The financial and non-financial performance criteria already presented under 0 contribute to the promotion of the business strategy and the long-term development of the company and their achievement is measured as follows:

1. STI

The overall target achievement factor (performance factor) of the STI is based on financial and non-financial performance targets of strategic relevance to the Company.

The performance criterion 'plan EBIT' (40%) provides incentives to strengthen the Company's operational earning power. EBIT measures earnings before interest and taxes as defined in more detail in the Company's Annual Report. 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' (40%) 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 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, factors of a non-operating nature, such as inflows and outflows of customer prepayments and changes in non-operating current assets are not considered in the benefits category.

The non-financial targets contribute equally to promoting the business strategy: 10% of the overall target achievement factor will be based on one or two strategic targets. The Supervisory Board pays particular attention to the strategic focus issues for the compensation year. For the fiscal year 2020, for example, the Supervisory Board has set a quantitative target for increasing productivity in the wafer production lines.

A further 10% of the overall target achievement factor of the STI is based on one or more ESG targets. The ESG objectives are based on the sustainability targets defined by the Company as part of its business strategy.

For the fiscal year 2020, the Supervisory Board has set quantitative ESG targets for the prevention of occupational accidents (measured on the basis of occupational accidents with lost work time per million hours worked), for the efficient use of silicon in wafer production (measured on the basis of silicon growth), for reducing the consumption of energy and water (per cm² of wafer area) and for waste avoidance. The sustainability strategy and the Company's main non-financial objectives are published in the non-financial report, which contains further information on the sustainability strategy.

The overall target achievement factor is decisive for the STI payout amount. This is calculated by multiplying the overall target achievement factor for the compensation year by the contractually agreed target value. For each performance category and each non-financial target, the Supervisory Board sets a target value, a minimum value and a maximum value at the beginning of the fiscal year. The target value corresponds to a target achievement of 100% or a target achievement factor of 1. The annual overall target achievement factor corresponds to the weighted sum of the target achievement factors in the performance categories and non-financial targets.

The maximum overall objective achievement factor is 2 or 200%. For the purpose of setting the financial performance criteria, the Supervisory Board takes into account the budget approved by the Supervisory Board or the forecast values stored for the Siltronic Group. The achievement of targets is measured by means of the financial ratios published in the consolidated financial statements.

The measurements for the non-financial indicators are based on the Company's internal sustainability reporting, which also forms the basis for the indicators published in the Company's non-financial report.

2. LTI

The overall target achievement factor (performance factor) of the LTI is based on economic indicators that take into account the long-term viability of the Company. The overall target achievement factor is decisive for the number of phantom stocks to be finally settled in cash.

For the overall target achievement factor, a 50% change in the Company's EBITDA margin in comparison with competitors over the performance period is relevant, i.e. in comparison with the four most important wafer manufacturers worldwide. 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. At the beginning of the compensation year, the Supervisory Board sets a target value, a maximum value and a minimum value for the performance category EBITDA margin improvement/deterioration.

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 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 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% 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 annual overall target achievement factor corresponds to the weighted sum of the target achievement factors in the performance categories. The maximum overall target achievement factor is 2 or 200%.

In addition, the members of the Executive Board participate in the long-term share price development over the performance period: The contractually agreed allotment value for the LTI at the beginning of the performance period is based on the stock price of the Company's share on the last 30 trading days prior to the beginning of the performance period. The cash settlement at the end of the performance period depends on the share price of the Company on the last 30 stock exchange trading days of the performance period as well as the total dividends distributed during the performance period.

V. Options for the Company to reclaim variable compensation components (Section 87a (1) sentence 2 no. 6 of the German Stock Corporation Act (AktG))

The Supervisory Board may reduce the amount paid out under the STI and the LTI by up to 100% 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, 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.

VI. Share-based payment (Section 87a (1) sentence 2 no. 7 of the German Stock Corporation Act (AktG))

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% of a basic annual salary (gross amount) and to hold these shares for the duration of their appointment to the Executive Board. 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.

VII. Compensation-related legal transactions (Section 87a (1) sentence 2 no. 8 of the German Stock Corporation Act (AktG))

1. Terms and conditions for the termination of compensation-related legal transactions, including the respective notice periods (No. 8a)

The service contracts of the current members of the Executive Board have the following terms and termination provisions:

The service contract with Dr. von Plotho currently runs until December 31, 2021, while the service contract with Mr. Irle runs until December 31, 2025, following his reappointment for a period of five years from January 1, 2021.

In addition, the service contract ends without notice at the end of the quarter in which the permanent disability of an Executive Board member is determined.

There is no special right of termination in the event of a change of control, nor is there any promise of benefits in the event of premature termination of Executive Board activities due to a change of control.

2. Compensation for dismissal (No. 8b)

In the event of premature termination of the service contract, any payments to be agreed, including fringe benefits, may not exceed the value of two years' compensation or the value of the compensation for the remaining term of the service contract within the meaning of recommendation G.13 of the German Corporate Governance Code (GCGC) as amended on December 16, 2019 (severance payment cap). In the event of premature termination by the Company for good cause, a severance payment 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% 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 otherwise 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.

The main features of the pension and early retirement schemes are already explained in the information provided under B.III.2

VIII. Consideration of the compensation and employment conditions of employees when determining the compensation system (Section 87a (1) sentence 2 no. 9 of the German Stock Corporation Act (AktG))

The Supervisory Board annually reviews the target compensation of the Executive Board members in comparison with the average target compensation of senior management and management (senior management circle) as well as with the average target compensation of Siltronic AG's non-tariff and tariff employees in Germany (vertical comparison). Within the framework of this vertical comparison, the target compensation and basic salary of the members of the Executive Board (excluding pensions and fringe benefits) are each set in relation to the average target compensation of employees at the above-mentioned function levels.

IX. Procedures for determining, implementing and reviewing the compensation system (Section 87a (1) sentence 2 no. 10 of the German Stock Corporation Act (AktG))

The Supervisory Board determines the system and the amount of the compensation of the Executive Board, including the maximum compensation, on the basis of a proposal by the Executive Committee of the Supervisory Board.

The Supervisory Board submits the resolved compensation system to the Annual General Meeting for approval. The Supervisory Board regularly reviews the system and level of compensation of the Executive Board for appropriateness. To this end, it conducts an annual vertical comparison of the compensation of the Executive Board with that of the workforce (see VIII.). Secondly, the level and structure of 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.

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

If the Annual General Meeting does not approve the system submitted for voting, the Supervisory Board shall submit a reviewed compensation system to the Annual General Meeting for approval at the latest in the following Annual General Meeting.

The present compensation system applies to all members of the Executive Board with retroactive effect from January 1, 2020, as well as to all new service contracts to be concluded with Executive Board members and in the event of re-appointments.

The Supervisory Board may temporarily deviate from the compensation system (procedures and regulations on compensation structure) and its individual components as well as with regard to individual compensation components of the compensation system or introduce new compensation components if this is necessary in the interest of the long-term well-being of the Company.

11. Resolution on the compensation of the members of the Supervisory Board (also approval of the compensation system for the members of the Supervisory Board)

Pursuant to Section 113 (3) of the German Stock Corporation Act (AktG), the Annual General Meeting shall pass a resolution on the compensation of Supervisory Board members at least every four years.

The Supervisory Board and the Executive Board propose that the compensation - and thus also the existing underlying compensation system - for the members of the Supervisory Board be confirmed, as provided for in Article 13 of the Articles of Association of Siltronic AG.

“§ 13 Compensation of the Supervisory Board

- (1) The members of the Supervisory Board shall receive a fixed annual compensation of € 30,000.00 (in words: thirty thousand Euros) payable after the end of the fiscal year. Supervisory Board members who join or leave the Supervisory Board during the current fiscal year receive a corresponding pro rata compensation.
- (2) The compensation pursuant to Article 13 (1) shall be multiplied by a factor of 3 for the Chairman of the Supervisory Board, by a factor of 2 for his deputy and a committee chairman and by a factor of 1.5 for a committee member. Membership of the committee referred to in Article 12(1) shall not be taken into account, i.e. the members of this committee shall not receive any other factors relating to their functions in this committee. Double and multiple functions are not taken into account, i.e. the Chairman and his Deputy do not receive any further factors for functions in committees and functions in committees are only considered once for the members of the Supervisory Board.
- (3) In addition, the members of the Supervisory Board shall receive an attendance fee of € 2,500.00 (in words: two thousand five hundred Euros) for each physical meeting of the entire Supervisory Board and its committees in which they personally physically participate, but not exceeding € 2,500.00 per calendar day. Members who are connected to physical meetings by telephone or video transmission or who vote by proxy will not receive an attendance fee.

For meetings that are held in the form of a telephone or video conference, the members of the Supervisory Board receive an attendance fee of € 1,250.00 (in words: one thousand two hundred and fifty Euros) per meeting, but no more than € 1,250.00 per calendar day.

(4) Upon presentation of proof, the Company shall reimburse the members of the Supervisory Board for their necessary expenses. The value-added tax will be reimbursed by the Company to the extent that the members of the Supervisory Board are entitled to invoice the value-added tax to the Company separately and exercise this right.

(5) The Company shall grant the members of the Supervisory Board appropriate insurance coverage; in particular, the Company shall take out D&O insurance for the benefit of the members of the Supervisory Board.”

The compensation and the underlying compensation system for the Supervisory Board in detail:

- a) Contribution of the compensation to the promotion of the business strategy and the long-term development of Siltronic AG (Sections 113 (3) sentence 3 in conjunction with 87a (1) sentence 2 no. 2 of the German Stock Corporation Act (AktG))

Supervisory Board compensation promotes the business strategy and long-term development of the Company by enabling the Company to attract qualified individuals to assume Supervisory Board mandates in line with market conditions.

- b) Compensation components (Sections 113 (3) sentence 3 in conjunction with 87a (1) sentence 2 no. 3 of the German Stock Corporation Act (AktG))

The compensation of the Supervisory Board consists exclusively of fixed compensation components. The Articles of Association provide for a fixed annual compensation of € 30,000.00 (plus VAT) for the members of the Supervisory Board. Due to the additional expenses associated with the performance of certain functions, the compensation for the Chairperson of the Supervisory Board is multiplied by a factor of 3. For his or her deputy and chairperson of a committee, the factor 2 shall apply and for members of committees, the remuneration shall be multiplied by a factor of 1.5. However, membership of the Conciliation Committee to be formed by law is not taken into account, i.e. membership of this committee does not lead to an increase in annual compensation. In addition, duplicate and multiple functions are not taken into account, so that the Chairperson and Vice Chairperson do not receive additional factors for committee functions. Moreover, functions in committees are only considered once for the members of the Supervisory Board.

If a member joins or leaves the Supervisory Board or a committee during the current year, the principle of pro rata temporis compensation of Supervisory Board members applies. In addition, the members of the Supervisory Board receive an attendance fee of € 2,500.00 per meeting for each physical meeting of the entire Supervisory Board and its committees in which they participate in person, but no more than € 2,500.00 per calendar day. Members who participate in physical meetings by telephone or video conference or who vote by proxy will not receive an attendance fee. For meetings that are held in the form of a telephone or video conference, the participating members receive a reduced attendance fee of € 1,250.00. The Company also reimburses the Supervisory Board members for their necessary expenses, plus the corresponding value-added tax, upon presentation of proof. The Company provides the members of the Supervisory Board with appropriate insurance protection; in particular, the Company takes out D&O insurance without a deductible for the benefit of the Supervisory Board members.

- c) Procedures for determining, implementing and reviewing the compensation system (Sections 113 (3) sentence 3 in conjunction with 87a (1) sentence 2 No. 10 of the German Stock Corporation Act (AktG))

The compensation of the Supervisory Board is determined by the Annual General Meeting in the Articles of Association or by resolution, based on a proposal by the Executive Board and Supervisory Board. Currently, the compensation of the Supervisory Board is set forth in the Articles of Association.

Reports of the Executive Board to the Annual General Meeting

I. Report of the Executive Board on Agenda Item 6

In the future, the Executive Board shall continue to have the possibility, with the consent of the Supervisory Board, to use financing opportunities in the interest of the Company to take advantage of business opportunities and to strengthen the equity base. By resolution of the Annual General Meeting on June 8, 2015, the Executive Board was authorized, with the consent of the Supervisory Board, to increase the share capital of the Company once or several times on or before June 7, 2020 by up to € 60,000,000.00 by issuing new registered shares against cash or contributions in kind (“**Authorized Share Capital 2015**”). The Authorized Share Capital 2015 has not been utilized to date. The Executive Board and the Supervisory Board consider it reasonable to continue to enable the Company to increase the share capital at short notice by making use of an authorized share capital and, if necessary, to exclude shareholders’ subscription rights.

Since the Authorized Share Capital 2015 will be expired on the date of the Annual General Meeting, the Authorized Share Capital shall be formally cancelled and replaced by new authorized share capital (“**Authorized Share Capital 2020**”).

However, in order to protect the shareholders even further than before from a possible dilution of their shareholding, the Authorized Share Capital 2020 shall have a reduced volume of only up to € 36,000,000.00 (corresponding to 30% of the currently existing share capital) compared to the Authorized Share Capital 2015. In addition, the possibility of issuing new shares from the Authorized Share Capital 2020 under exclusion of shareholders’ subscription rights - also more extensive than before - is to be limited in general to shares which amount to a calculated proportion of no more than 10% of the share capital existing at the time the authorization takes effect or the share capital existing at the time the authorization is exercised, whichever is lower.

Against this background, the Executive Board and the Supervisory Board propose to the Annual General Meeting under Agenda Item 6 the cancellation of the Authorized Share Capital 2015 and the creation of new Authorized Share Capital in the total amount of up to € 36,000,000.00 by issuing new registered no-par value shares (Authorized Share Capital 2020). It is proposed that the Executive Board be authorized to issue new shares on the basis of Authorized Share Capital 2020 on or before June 25, 2025. The Authorized Share Capital 2020 is to be available for both capital increases by cash or contributions in kind.

The proposed Authorized Share Capital 2020 is intended to enable the Executive Board of the Company to adjust the equity base of Siltronic AG within the aforementioned limits to business requirements at any time and to act quickly and flexibly in the interests of the Company. To this end, the Company must always have the necessary instruments for raising capital, regardless of specific utilization plans.

Since decisions on the coverage of a capital requirement usually have to be made at short notice, it is important that the Company is not dependent on the dates of the ordinary general meetings and does not have to convene extraordinary general meetings. With the instrument of the authorized share capital, the legislator has taken account of the need for short-term capital procurement. Common reasons for using authorized share capital are to strengthen the equity base and to finance acquisitions.

When using the Authorized Share Capital 2020, shareholders generally have a subscription right. Pursuant to Section 186 (5) of the German Stock Corporation Act (AktG), the new shares may also be subscribed in whole or in part by one or more credit institutions or companies within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders of the Company for subscription (so called indirect subscription right). The proposed authorization provides that the Executive Board - in accordance with the statutory provisions - may, with the consent of the Supervisory Board, exclude the shareholders’ subscription rights in whole or in part in the cases described below.

(i) Exclusion of subscription rights for fractional amounts

The Executive Board shall be authorized, with the consent of the Supervisory Board, to exclude the shareholders' subscription right for fractional amounts. Such exclusion of the subscription right is intended to enable a practicable subscription ratio and thus facilitate the technical processing of a capital increase. The value of the fractional amounts is generally low, whereas the cost of issuing shares without excluding the subscription right for fractional amounts is generally much higher. The new shares excluded from shareholders' subscription rights as so-called "free fractions" will be utilized in the best possible way for the Company. The exclusion of the subscription right in these cases therefore serves the purpose of practicability and facilitates the execution of an issuance.

(ii) Exclusion of subscription rights for cash capital increases

The Executive Board, with the consent of the Supervisory Board, shall be able to exclude the subscription right in case of cash capital increases in accordance with Section 203 (1) sentence 1, (2), Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) if the issue price of the new shares is not significantly lower than the stock exchange price of the already listed shares of the same class.

The use of this statutory option to exclude subscription rights may be expedient in order to take advantage of favorable market conditions quickly and flexibly and, if necessary, to cover existing capital requirements even at very short notice. The two-week subscription period required when granting subscription rights to shareholders (Section 186 (1) sentence 2 of the German Stock Corporation Act (AktG)) does not allow for a comparably short-term reaction to current market conditions.

Furthermore, due to the volatility of the stock markets, conditions close to market conditions can generally only be achieved if the Company is not tied to them for a longer period of time. If a subscription right is granted, Section 186 (2) of the German Stock Corporation Act (AktG) requires that the final subscription price be announced at least three days before the end of the subscription period. Therefore, there is a higher market risk when granting a subscription right - in particular the price change risk existing over several days - than with an allocation free of subscription rights. For a successful placement, when granting a subscription right, corresponding safety discounts on the current stock exchange price are therefore regularly required; this generally leads to less favorable conditions for the Company than in the case of a capital increase carried out under exclusion of subscription rights. The exclusion of the subscription right enables a placement close to the stock exchange price. Furthermore, if a subscription right is granted, a complete placement cannot be guaranteed without further ado due to the uncertainty regarding the exercise of the subscription rights by the beneficiaries, and a subsequent placement with third parties generally involves additional expenses.

The proportion of the share capital attributable to the shares issued under such an exclusion of subscription rights may not exceed a total of 10% of the share capital either at the time of this authorization coming into effect or at the time of its exercise.

Within this framework, the legislator considers it reasonable for shareholders to maintain their shareholding quota by purchasing on the market. This limit of 10% of the share capital shall include shares that were issued or sold during the term of the authorization in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG); it shall also include shares that can be or are issued by the Company to service conversion or option rights or to fulfil conversion or option obligations arising from bonds, provided that the bonds are issued during the term of Authorized Share Capital 2020 under exclusion of shareholders' subscription rights in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) (mutual offset). These credits serve to protect the shareholders in order to keep the dilution of their participation as low as possible.

The imputation model makes it possible to ensure that even if capital measures and the issue of bonds with conversion or option rights or obligations and/or the sale of treasury shares are linked, the shareholders' participation quota is not diluted by more than 10%. Furthermore, due to the issue price of the new shares being close to the stock market price and due to the limitation of the size of the capital increase without subscription rights, the shareholders are generally able to maintain their participation quota by acquiring the necessary shares on the stock market at approximately the same conditions.

It is therefore ensured that, in accordance with the legal assessment of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), the asset and participation interests are appropriately safeguarded when using the Authorized Share Capital 2020 with the exclusion of subscription rights, while the Company is given further scope for action in the interests of all shareholders.

(iii) Exclusion of subscription rights for the issue of option bonds and convertible bonds

It is further proposed that the Executive Board be authorized, subject to the consent of the Supervisory Board, to exclude the shareholders' subscription rights also to the extent necessary to grant new shares in the Company to the holders or creditors of bonds which were or will be issued by the Company or by any of its Subordinate Group Companies upon the exercise of the conversion or option rights or the fulfillment of a conversion obligation, and to the extent necessary to grant holders of conversion or option rights or the fulfillment of a conversion obligation, which were or will be issued by the Company or its Subordinated Group Companies, a subscription right to new shares to the extent to which they would be entitled as shareholders after exercising the option or conversion rights or after fulfilling conversion obligations.

This has the following background: The economic value of the aforementioned conversion or option rights or of the bonds with conversion or option obligations depends not only on the conversion or option price, but also in particular on the value of the shares of the Company to which the conversion or option rights or conversion or option obligations relate.

In order to ensure a successful placement of the relevant bonds or to avoid a corresponding price reduction in the placement, it is customary to include so-called dilution protection provisions in the terms and conditions of the bonds, which protect the beneficiaries from a loss in value of their conversion or option rights due to a dilution in value of the shares to be subscribed; the inclusion of such dilution protection provisions in the terms and conditions of the Bonds is accordingly also provided for in the authorization proposed under Agenda Item 7 to issue bonds with option and/or conversion rights or obligations and/or participation rights. A subsequent share issue granting the shareholders' subscription rights would typically lead to such a dilution of value without protection against dilution. The aforementioned anti-dilution provisions in the terms and conditions of the bonds regularly provide for a reduction of the conversion or option price in this case with the consequence that, in the event of a subsequent conversion or option exercise or the subsequent fulfillment of a conversion or option obligation, the funds accruing to the Company are reduced or the number of shares to be issued by the Company is increased.

As an alternative, by which the reduction of the conversion or option price can be avoided, the dilution protection provisions usually allow the beneficiaries from bonds with conversion or option rights or conversion or option obligations to be granted a subscription right to new shares to the extent to which they would be entitled after exercising their own conversion or option rights or after fulfilling their conversion or option obligations.

They are thus placed in the same position as if they had already become shareholders prior to the subscription offer by exercising their conversion or option rights or by fulfilling any conversion or option obligations and were already entitled to subscribe to this extent; they are thus compensated for the dilution in value - like all other shareholders already involved - by the value of the subscription right. For the Company, this second alternative of granting protection against dilution has the advantage that the conversion or option price does not have to be reduced; it therefore serves to ensure the greatest possible inflow of funds in the event of a subsequent conversion or option exercise or the subsequent fulfillment of any conversion or option obligation, or reduces the number of shares to be issued in this case. This also benefits the shareholders involved, so that it also compensates for the restriction of their subscription rights. Their subscription right remains as such and is reduced only proportionately to the extent that, in addition to the shareholders involved, the holders of conversion or option rights or of bonds with conversion or option obligations are also granted a subscription right. The present authorization gives the Company the opportunity, in the event of a subscription right issue, to choose between the two alternatives for granting protection against dilution after weighing the interests of the shareholders and the Company.

(iv) Exclusion of subscription rights for capital increases against contributions in kind

Furthermore, the Executive Board is to be authorized, with the consent of the Supervisory Board, to exclude the subscription right of shareholders in case of capital increases against contributions in kind, in particular in the context of corporate mergers or for the (also indirect) acquisition of businesses, operations, parts of businesses, equity interests or other assets or claims to the acquisition of assets, including claims against the Company or its Group companies.

This is intended to enable Siltronic AG to offer shares in the Company quickly and flexibly in suitable individual cases to meet claims arising from the preparation, execution, completion or settlement of legal or statutory acquisition transactions and business combinations without having to resort to the stock exchange. The Company faces global competition. It must always be in a position to act quickly and flexibly on international and regional markets in the interests of its shareholders. This also includes the short-term acquisition of companies, plants, parts of companies, investments in companies or other assets or claims to the acquisition of assets, including receivables from the Company or its Group companies, in order to improve the Company's competitive position. As consideration, the granting of shares may be expedient or even required in order to conserve liquidity or to meet the expectations of the seller. Also from the point of view of an optimal financing structure, it can make sense to give shares instead of money. The Company does not suffer any disadvantage as the issue of shares against contributions in kind requires that the value of the contributions in kind be in reasonable proportion to the value of the shares.

When determining the valuation ratio, the Executive Board will ensure that the interests of the Company and its shareholders are adequately safeguarded and that an appropriate issue price for the new shares is achieved. In addition, the Company's stock exchange listing offers every shareholder the opportunity to increase his or her shareholding quota by purchasing additional shares or to protect it from dilution.

(v) Exclusion of subscription rights to execute a stock dividend

Furthermore, it should be possible to exclude the subscription right in order to execute a so-called stock *dividend* (*scrip dividend*), in the context of which shares of the Company are used (also partially and/or optionally) to satisfy dividend claims of the shareholders.

This should enable the Company to distribute a stock dividend on optimal terms. In the case of a stock dividend, the shareholders are offered the opportunity to deposit their claim for payment of the dividend, which has arisen in accordance with the resolution on the appropriation of profits passed by the Annual General Meeting, in whole or in part as a contribution in kind into the Company in order to receive new shares in the Company in return.

The distribution of a stock dividend can be carried out as a subscription right issue, in particular in compliance with the provisions of Section 186 (1) of the German Stock Corporation Act (AktG) (minimum subscription period of two weeks) and Section 186 (2) of the German Stock Corporation Act (AktG) (announcement of the issue price no later than three days before the end of the subscription period). In individual cases, however, depending on the capital market situation, it may be preferable to structure the distribution of a stock dividend in such a way that, although the Executive Board, in compliance with the general principle of equal treatment (within the meaning of Section 53a of the German Stock Corporation Act (AktG)), offers all shareholders entitled to dividends new shares for subscription against contribution of their dividend entitlement, thereby granting subscription rights to the shareholders in economic terms, the shareholders' subscription rights to new shares are excluded in their entirety by law.

Such an exclusion of subscription rights enables the distribution of stock dividends without the aforementioned restrictions of Section 186 (1) and (2) of the German Stock Corporation Act (AktG) and thus at more flexible conditions. In view of the fact that the new shares will be offered to all shareholders and any excess dividend amounts will be settled in cash, an exclusion of subscription rights in such a case appears justified and appropriate.

(vi) Utilization of the authorization

There are currently no concrete plans to use the Authorized Share Capital 2020. The anticipatory resolutions proposed here with the possibility of excluding subscription rights are national and international common practice. The approval of the Supervisory Board is required for all cases of exclusion of subscription rights proposed here.

In addition, the Executive Board will in each case carefully examine whether the utilization of the Authorized Share Capital 2020 is in the interest of the Company; in doing so, it will in particular also examine whether a possible exclusion of the subscription right is objectively justified in the individual case. The Executive Board will report to the next Annual General Meeting on each use of the authorization.

II. Report of the Executive Board on Agenda Item 7

Adequate capital resources and financing are essential for the further development of Siltronic AG and for a successful market presence. By issuing convertible bonds and/or option bonds, profit participation rights and/or profit participating bonds (or combinations of these instruments) (hereinafter collectively referred to as "**Bonds**"), the Company can, depending on the market situation and its financing needs, take advantage of attractive financing opportunities with comparatively low interest rates, for example to provide the Company with debt capital at favorable terms. In addition, new groups of investors can be tapped by issuing Bonds, if necessary in addition to using other instruments such as a capital increase. Furthermore, the Company benefits from the conversion and option premiums achieved when convertible bonds and/or option bonds or participation rights are issued.

The proposed authorization is intended to replace the authorization resolved by the Annual General Meeting of shareholders of June 8, 2015 (the “**2015 Authorization**”). With the 2015 Authorization, the Executive Board was authorized, with the consent of the Supervisory Board, to issue once or several times holder and/or registered convertible bonds and/or option bonds, profit participation rights and/or participating bonds (or combinations of these instruments) with a total nominal amount of up to € 750,000,000.00 on or before June 7, 2020. The 2015 Authorization has not yet been utilized.

The Executive Board and Supervisory Board consider it reasonable to continue to enable the Company to issue Bonds in the future, if necessary also under exclusion of subscription rights in corresponding application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). Since the existing 2015 Authorization will be expired on the date of the Annual General Meeting, the 2015 Authorization shall be formally cancelled and replaced by a new authorization to issue Bonds with the possibility of excluding subscription rights (the “**2020 Authorization**”). However, in order to protect the shareholders even further than before from possible dilution, the 2020 Authorization shall only authorize the issue of Bonds with a total nominal amount of up to € 500,000,000.00, which entitle or oblige their holders or creditors to subscribe to or convert them into shares in accordance with the terms and conditions of the Bonds (hereinafter collectively referred to as “**Bond Terms and Conditions**”), up to a maximum of 10% of the Company’s current share capital and the share capital existing at the time the authorization is exercised. The authorization proposed under Agenda Item 7 also enables the Executive Board to issue the Bonds with or without a limited term and with a variable interest rate, whereby the interest rate may be dependent in whole or in part on the amount of the net income for the year, the net retained profit or the dividend of the Company.

The possibility provided for in the 2020 Authorization to also provide for a conversion or option obligation for Bonds at the end of the term or at other times increases the scope for structuring such financing instruments.

When issuing Bonds, the Company should be able to make use of the German or international capital markets, depending on the market situation, and issue the Bonds in the legal currency of an OECD country as well as in Euros - limited to the corresponding Euro equivalent. The Bonds may also be issued by domestic or foreign companies in which the Company directly or indirectly holds a majority of the votes and capital (hereinafter also referred to as “**Subordinate Group Companies**”); in this case, the Executive Board shall be authorized to assume the guarantee for the Bonds on behalf of the Company and to grant the creditors of such Bonds conversion or option rights to shares in the Company or to fulfil conversion or option obligations in shares in the Company as well as to make further declarations and take other actions required for a successful issue.

The proposed Conditional Capital 2020 is intended to enable the Company to issue shares to the creditors of Bonds issued in accordance with the new authorization to be created under Agenda Item 7.

The nominal amount of the Conditional Capital 2020 corresponds to 10% of the Company's current share capital. The new shares are issued from the Conditional Capital 2020 at the conversion or option price to be determined in each case in accordance with the Authorization 2020 in the Bond Terms and Conditions. In accordance with Section 193 (2) no. 3 of the German Stock Corporation Act (AktG), the Authorization 2020 merely defines the basis for determining the relevant minimum issue amount, thus providing the Company with the necessary flexibility in determining the conditions.

The conditional capital increase shall only be carried out to the extent that conversion or option rights from issued Bonds are exercised or conversion or option obligations from such Bonds are fulfilled and to the extent that the conversion or option rights or conversion or option obligations are not satisfied by other forms of performance, in particular the delivery of treasury shares or the issue of shares from authorized share capital.

Shareholders are generally entitled to a subscription right when issuing Bonds with conversion or option rights or conversion or option obligations (Section 221 (4) of the German Stock Corporation Act (AktG) in conjunction with Section 186 (1) of the German Stock Corporation Act (AktG)). If the Bonds are issued by a Subordinate Group Company of Siltronic AG, Siltronic AG must ensure that shareholders are granted subscription rights. In order to facilitate processing, the Bonds may be assumed by one or more credit institutions or companies within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) in accordance with Section 186 (5) of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription (so called indirect subscription right). If the Bonds are issued by a Subordinate Group Company, the Company must ensure that its shareholders' subscription rights are granted in accordance with the above sentences.

In this context, the Executive Board shall be permitted, with the consent of the Supervisory Board, to structure the subscription right as a direct subscription right in part and as an indirect subscription right in other respects. In particular, it may be expedient and in the interest of the Company for cost reasons to offer these Bonds directly for subscription to a major shareholder with subscription rights who has agreed to purchase a fixed number of (partial) Bonds in advance, in order to avoid the fees of the issuing banks that would be incurred for the Company in the event of an indirect subscription right. For shareholders to whom the Bonds are offered by way of indirect subscription rights, this does not constitute a substantive restriction of their subscription rights.

In accordance with the statutory provisions, the Executive Board - with the consent of the Supervisory Board - should be authorized to exclude the shareholders' subscription right in the cases described in detail in the authorization.

(i) Exclusion of subscription rights for fractional amounts

It is proposed that the Executive Board be initially authorized, subject to the consent of the Supervisory Board, to exclude the shareholders' subscription rights in respect of fractional shares. Such exclusion of subscription rights is intended to facilitate a practicable subscription ratio and thus facilitate the technical processing of the issue of Bonds. The value of the fractional amounts is generally low, whereas the expense for issuing Bonds without excluding the subscription right for fractional amounts is regularly much higher. The Bonds excluded from subscription rights due to the fractional amounts will be realized in the best possible way for the Company. The exclusion of the subscription right in these cases therefore serves the purpose of practicability and facilitates the execution of an issue.

(ii) Exclusion of subscription rights when issuing Bonds against cash payment

Furthermore, the Executive Board shall be authorized, with the consent of the Supervisory Board, to exclude the subscription right if, in the case of an issue of Bonds against cash payment, the issue price of the Bonds is not significantly lower than their theoretical market value determined in accordance with recognized, in particular financial mathematical methods.

The use of this statutory option to exclude subscription rights may be appropriate in order to take advantage of favorable market conditions at short notice and to be able to place Bonds on the market quickly and flexibly at attractive conditions. The two-week subscription period required when granting subscription rights to shareholders (in accordance with Section 186 (1) sentence 2 of the German Stock Corporation Act (AktG)) does not allow for a comparably short-term reaction to current market conditions. Furthermore, due to the volatility of the stock markets, conditions close to market conditions can generally only be achieved if the Company is not tied to them for a longer period of time.

If a subscription right is granted, Section 186 (2) of the German Stock Corporation Act (AktG) requires that the final subscription price or, in case of Bonds with conversion and/or option rights or with conversion or option obligations, the final terms and conditions of the Bonds be announced no later than three days before the end of the subscription period. There is therefore a higher market risk here - in particular the price change risk existing over several days - than in the case of an allocation without subscription rights. For a successful placement, when granting a subscription right, corresponding safety discounts are therefore regularly required when determining the conditions of the Bonds; this generally leads to less favorable conditions for the Company than in the case of a placement of the Bonds carried out under exclusion of the subscription right. Furthermore, if a subscription right is granted, a complete placement cannot be guaranteed without further ado due to the uncertainty regarding the exercise of the subscription rights by the beneficiaries and a subsequent placement with third parties is generally associated with additional expenses.

The interests of the shareholders are safeguarded in this exclusion of subscription rights by the fact that the Bonds may not be issued at a price significantly below their theoretical market value, which reduces the mathematical value of the subscription right to almost zero. The resolution therefore stipulates that the Executive Board must have come to the conclusion prior to issuing the Bonds that the proposed issue amount does not lead to a significant dilution of the value of the shares. Insofar as the Executive Board considers it appropriate in the respective situation to obtain expert advice, it may avail itself of the support of experts, e.g. the underwriting banks accompanying the issue, an independent investment bank or an expert, who will confirm in a suitable form that a significant dilution of the share value is not to be expected. Irrespective of the examination by the Executive Board, the determination of conditions in line with the market is guaranteed in the event of a book building procedure. Thus, a significant dilution of the value of the shares through the exclusion of subscription rights does not occur.

This authorization to exclude subscription rights only applies to Bonds with rights to shares or obligations to subscribe for shares which do not account for a proportionate amount of the share capital totaling more than 10% of the share capital, neither at the time this authorization comes into effect nor at the time it is exercised. Within this framework, the legislator considers it reasonable for shareholders to maintain their shareholding quota by purchasing on the market. This limit of 10% of the share capital shall include shares which (i) are issued or sold during the term of this authorization in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) up to the time of its utilization or (ii) are issued to service subscription rights or to fulfil conversion obligations arising from Bonds, provided that the corresponding Bonds are issued after this authorization takes effect in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), excluding shareholders' subscription rights. These credits serve to protect the shareholders in order to keep the dilution of their participation as low as possible.

(iii) Exclusion of subscription rights when issuing Bonds against contributions in kind

Furthermore, the Executive Board is to be authorized, with the consent of the Supervisory Board, to exclude the shareholders' subscription right in the event of the issue of Bonds against contributions in kind, in particular in the context of corporate mergers or for the (also indirect) acquisition of businesses or other assets, including receivables from the Company or its Group companies, provided that the value of the contributions in kind is in reasonable proportion to the market value of the Bonds.

This is intended to ensure that the Bonds can be used as an acquisition currency for the targeted acquisition of specific assets, companies, parts of companies or equity interests. This enables the Company to act flexibly, especially in combination with other financing instruments or an issue of Bonds against cash payment, and to react to corresponding claims of the sellers.

The issue of the Bonds against contributions in kind requires that the value of the contributions in kind at the time of the issue of the Bonds is at least equal to the issue price of the Bonds. Therefore, the Company does not suffer any disadvantage from the issue of Bonds against contributions in kind. Rather, this option creates additional flexibility and increases the Company's competitive chances in acquisitions. The Executive Board will carefully examine in each individual case whether it will make use of the issue of Bonds against contributions in kind. It will only use this opportunity if it is in the well-understood interests of the Company and thus its shareholders.

(iv) Exclusion of subscription rights for the issue of option and convertible bonds

It is further proposed that the Executive Board be authorized, subject to the consent of the Supervisory Board, to exclude the shareholders' subscription rights when issuing Bonds also to the extent necessary to grant subscription rights to holders or creditors of Bonds with conversion or option rights or with conversion or option obligations that were or will be issued by the Company or a Subordinate Group Company to the extent to which they would be entitled as shareholders after exercising their conversion or option rights or after fulfilling their conversion or option obligations.

This has the following background: The economic value of the aforementioned conversion or option rights or of the Bonds with conversion or option obligations depends not only on the conversion or option price, but also in particular on the value of the shares of the Company to which the conversion or option rights or conversion or option obligations relate. In order to ensure a successful placement of the relevant Bonds or in order to avoid a corresponding price discount on placement, it is therefore customary to include so-called dilution protection provisions in the Bond Terms and Conditions which protect the beneficiaries from a loss in value of their conversion or option rights due to a dilution in value of the shares to be subscribed;

the inclusion of such dilution protection provisions in the Bond Terms and Conditions is accordingly also provided for in the authorization proposed under Agenda Item 7 to issue convertible and/or warrant bonds and/or participation rights with conversion or option rights and/or conversion or option obligations (or a combination of these instruments). A subsequent issue of further Bonds with conversion or option rights or with conversion or option obligations with the granting of shareholders' subscription rights would typically lead to such a dilution of value without protection against dilution. This is because, in order to make the subscription right attractive for the shareholders and to ensure acceptance, the convertible bonds or option bonds in question are generally issued at more favorable conditions than their market value if a subscription right is granted. This leads to a corresponding dilution in value.

The aforementioned anti-dilution provisions in the Bond Terms and Conditions regularly provide for a reduction of the conversion or option price in this case with the consequence that, in the event of a subsequent conversion or option exercise or the subsequent fulfilment of a conversion or option obligation, the funds accruing to the Company are reduced or the number of shares to be issued by the Company is increased.

As an alternative, by means of which the reduction of the conversion or option price can be avoided, the dilution protection provisions usually allow the beneficiaries of Bonds with conversion or option rights or conversion or option obligations to be granted a subscription right to subsequently issued convertible and/or warrant bonds to the extent to which they would be entitled after exercising their own conversion or option rights or after fulfilling their conversion or option obligations. They are thus placed in the same position as if they had already become shareholders prior to the subscription offer by exercising their conversion or option rights or by fulfilling any conversion or option obligations and were already entitled to subscribe to this extent; they are thus compensated for the dilution in value - like all other shareholders already involved - by the value of the subscription right. For the Company, this second alternative of granting protection against dilution has the advantage that the conversion or option price does not have to be reduced; it therefore serves to ensure the greatest possible inflow of funds in the event of a subsequent conversion or option exercise or the subsequent fulfilment of any conversion or option obligation, or reduces the number of shares to be issued in this case. This also benefits the shareholders involved, so that it also compensates for the restriction of their subscription rights. Their subscription right remains as such and is reduced only proportionately to the extent that, in addition to the shareholders involved, the holders of conversion or option rights or of Bonds with conversion or option obligations are also granted a subscription right. The present authorization gives the Company the opportunity, in the event of a subscription right issue, to choose between the two alternatives for granting protection against dilution, weighing up the interests of the shareholders and the Company.

(v) Use of the authorization and miscellaneous

In order to protect the shareholders as far as possible from a dilution of their shareholding, the total of the shares which can be issued on the basis of the utilization of the 2020 Authorization for the issue of Bonds with option or conversion rights or obligations with the exclusion of the shareholders' subscription right, taking into account other shares of the Company which are sold or issued during the term of the 2020 Authorization with the exclusion of the subscription right, may not exceed a calculated proportion of 10% of the share capital, neither at the time of the 2020 Authorization becoming effective nor at the time of its utilization (mutual offset).

Insofar as profit participation rights or profit participating bonds without option or conversion rights or obligations are issued, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in its entirety if these profit participation rights or profit participating bonds are similar to obligations, i.e. do

not establish membership rights in the Company, do not grant any participation in liquidation proceeds and the amount of interest is not calculated on the basis of the amount of the net income for the year, the balance sheet profit or the dividend. Furthermore, in this case, the interest rate and the issue amount of the profit participation rights or profit participating bonds must correspond to the current market conditions for comparable borrowings at the time of issue.

There are currently no concrete plans to make use of the authorization to issue Bonds proposed under Agenda Item 7. The anticipatory resolutions proposed here with the possibility of excluding subscription rights are common national and international practice. The consent of the Supervisory Board is required for all cases of exclusion of subscription rights proposed here. In addition, the Executive Board will in each case carefully examine whether the use of the proposed authorization to issue Bonds is in the interest of the Company; in doing so, it will in particular also examine whether a possible exclusion of the subscription right is objectively justified in the individual case. The Executive Board will report to the next Annual General Meeting on each use of the authorization.

III. Report of the Executive Board on Agenda Item 8

By resolution of the Annual General Meeting on May 7, 2015, the Executive Board was authorized, with the consent of the Supervisory Board, to acquire treasury shares for any permissible purpose up to a total of 10% of the share capital existing at the time of the resolution or the share capital existing at the time of exercising the authorization, whichever is lower, and to use these shares for all legally permissible purposes. This authorization was valid until May 6, 2020. The Executive Board and the Supervisory Board consider it to be reasonable to continue to enable the Company to acquire and use treasury shares in accordance with Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) in line with standard corporate practice. Agenda Item 8 therefore contains the proposal to formally cancel the authorization from May 7, 2015 to acquire and use treasury shares and to grant a new authorization.

There are currently no concrete plans to make use of the proposed new authorization to acquire and use treasury shares. Rather, this is a stock authorization, which, in conjunction with the other authorizations proposed under Agenda Items 6, 7 and 9 for the implementation of capital measures, is intended to enable the Company to adjust the Company's capital structure to changing requirements, if necessary, even at short notice. In doing so, the Executive Board and the Supervisory Board will in each case carefully examine whether the use of the proposed authorization to acquire and/or use treasury shares is in the interest of the Company; in doing so, it will in particular also examine whether any exclusion of the subscription right is objectively justified in individual cases. More specifically:

(i) Purchase of treasury shares

The new authorization to acquire and use treasury shares is intended to authorize the Executive Board on or before June 25, 2024, with the consent of the Supervisory Board, to acquire treasury shares up to a total of 10% of the share capital existing at the time of the resolution or the share capital existing at the time the authorization is exercised, whichever is lower. This should enable the Company to exhaust the legal framework for the scope of such authorizations, but not in terms of time (pursuant to the law, the Executive Board could be authorized until June 25, 2025). Under the proposed authorization, the Company may exercise this authorization itself or via Subordinate Group Companies or via third parties acting on its or their behalf.

When acquiring treasury shares, the principle of equal treatment as set forth in Section 53a of the German Stock Corporation Act (AktG) must be observed. The proposed acquisition of the shares via the stock exchange or by means of a public tender offer takes this principle into account. If, in case of a public tender offer, the number of shares tendered for purchase exceeds the total volume of shares which the Company intends to acquire, the proposed authorization allows the acquisition to be made in proportion to the number of shares tendered per shareholder instead of in proportion to the percentage of shares held. This way, the acquisition procedure can be simplified and technically handled within an economically reasonable framework. Furthermore, it should be possible to provide for preferential acceptance of smaller numbers of up to 100 shares per shareholder.

On the one hand, this option serves to avoid small, generally uneconomical residual holdings and the resulting possible de facto disadvantage for small shareholders. On the other hand, this possibility also serves to simplify the technical handling of the acquisition procedure. Finally, it should be possible in all cases to provide for rounding according to commercial principles in order to avoid arithmetical fractions of shares. This option also serves to simplify the technical processing. The Executive Board and the Supervisory Board consider the exclusion of any further-reaching right of shareholders to offer shares in all the forms set out in this paragraph to be objectively justified and reasonable vis-à-vis the shareholders.

(ii) Use of treasury shares

The treasury shares acquired under the proposed authorization may be used for all legally permissible purposes, including in particular the following, whereby in individual cases the subscription right of shareholders may be excluded for the reasons set out below

(1) Sale of the shares on the stock exchange or by public offer

The Executive Board may, with the consent of the Supervisory Board, sell the treasury shares on the stock exchange or by means of a public offer to all shareholders in proportion to their shareholding. This way, the principle of equal treatment of shareholders is complied with when selling shares.

To the extent that an offer to all shareholders should result in fractional amounts, subscription rights are excluded. Such exclusion of subscription rights is intended to facilitate a practicable subscription ratio and thus facilitate the technical processing of the sale of treasury shares. The value of the fractional amounts is generally low, whereas the cost of issuing treasury shares without excluding the subscription right for fractional amounts is generally much higher. The shares excluded from the subscription right due to the fractional amounts will be used in the best possible way for the Company. The exclusion of the subscription right in these cases therefore serves the purpose of practicability and facilitates the sale of treasury shares.

(2) Sale of shares against cash payment

In addition, under the proposed authorization, the Executive Board may, with the consent of the Supervisory Board, also sell the acquired treasury shares with the exclusion of subscription rights in a way other than via the stock exchange or by means of an offer to all shareholders if the shares are sold for cash at a price that is not significantly lower than the stock exchange price of shares of the Company at the time of the sale. This authorization makes use of the option for simplified exclusion of subscription rights permitted under Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). It serves the Company's interest in achieving the best possible price when selling treasury shares.

The Company is put in a position to take advantage of opportunities arising from the prevailing stock market conditions quickly and flexibly as well as cost-effectively. The sales proceeds achievable by setting a price close to the market generally lead to a significantly higher inflow of funds per share sold than in the case of a share placement with shareholders' subscription rights, which generally results in not only insignificant deductions from the stock market price. By dispensing with the time-consuming and costly processing of the subscription right, the equity capital requirement can also be covered promptly from short-term market opportunities. Finally, the authorization can also help the Company to tap new investor groups.

The idea of protecting shareholders against dilution is taken into account by the fact that the shares may only be sold at a price that is not significantly lower than the relevant stock exchange price. The final determination of the selling price for the treasury shares is made shortly before the sale. The Executive Board will endeavor to keep any discount on the market price as low as possible, taking into account current market conditions. Interested shareholders generally have the option of maintaining their participation quota by purchasing shares on the market.

The authorization is subject to the proviso that the shares sold under exclusion of subscription rights in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) may not exceed a total pro rata amount of 10% of the share capital, either at the time this authorization takes effect or at the time it is exercised. Shares issued during the term of this authorization from authorized share capital under exclusion of subscription rights in accordance with Sections 203 (2) Sentence 2, 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) shall be counted towards this limit. In addition, shares issued to service Bonds and/or profit participation rights with conversion or option rights or a conversion or option obligation shall be included in this limitation, provided that the Bonds and/or profit participation rights are issued during the term of this authorization under exclusion of subscription rights in corresponding application of Section 186 para. 3 sentence 4 of the German Stock Corporation Act (AktG). These deductions and the fact that the issue price must be based on the stock market price ensure that the shareholders' financial and voting interests are adequately protected.

(3) Disposal of the shares against contribution in kind

Furthermore, the Company's Executive Board shall be given the opportunity, with the consent of the Supervisory Board, to sell treasury shares under exclusion of shareholders' subscription rights, also against contributions in kind. This will enable the Company to offer treasury shares directly or indirectly as consideration in suitable individual cases, particularly in connection with the acquisition of businesses, parts of businesses, investments in companies or other assets, including receivables from the Company or its Group companies. The Company faces global competition. It must always be in a position to act quickly and flexibly in national and international markets. Practice shows that in negotiations shares are often demanded as consideration instead of money. The possibility of being able to offer treasury shares as consideration thus creates an advantage in the competition for interesting acquisition targets as well as the necessary room for maneuver to be able to take advantage of opportunities for acquisition that arise quickly, flexibly and in a manner that preserves liquidity. Consideration in the form of shares may also be appropriate from the perspective of an optimal financing structure. If such plans become more concrete, the Executive Board will carefully examine whether to make use of the authorization to grant treasury shares.

When determining the valuation ratios, the Executive Board will ensure that the interests of the shareholders are adequately safeguarded. As a rule, it will be based on the stock exchange price of the Company's shares when measuring the value of the shares given as consideration. However, a schematic link to the stock exchange price is not in the interest of the Company, in particular in order to prevent fluctuations in the stock exchange price from jeopardizing negotiation results once they have been achieved.

(4) Sale to fulfill conversion or option rights or conversion or option obligations

The authorization also provides that treasury shares may be used, subject to the exclusion of shareholders' subscription rights, to fulfil conversion or option rights or conversion or option obligations arising from Bonds and/or participation rights issued by the Company or a Subordinate Group Company. For example, it may be expedient to use treasury shares in whole or in part instead of new shares from a capital increase to service conversion or option rights or conversion or option obligations. For this reason, the authorization provides for such - customary - possibility of using treasury shares.

(5) Use for compensation and employee share programs

The acquired treasury shares are also to be used in connection with share-based payment or employee share programs of the Company or its affiliated companies and may be issued to persons who are or were in an employment relationship with the Company or one of its affiliated companies. The issue of employee shares may be in the interest of the Company and its shareholders, as it can promote the identification of employees with the Company and thus increase the value of the Company and encourage them to assume joint responsibility. In order to be able to offer own shares to employees for purchase, the shareholders' subscription rights to these shares must be excluded. When determining the purchase price to be paid by employees, an appropriate discount, which is customary for employee shares and oriented towards the success of the Company, may be granted.

The authorization also allows employees to be granted shares without consideration. The Executive Board will only make use of this option with the consent of the Supervisory Board. In order to protect shareholders from dilution of their shareholdings, the total of the treasury shares used for these purposes, together with the treasury shares used for the purposes of Executive Board compensation in accordance with Agenda Item 8 e) (see sub-Section (7) below), may not exceed 1% of the share capital, either at the time the authorization takes effect or at the time it is exercised.

(6) Redemption of shares

Furthermore, the proposed resolution contains the authorization of the Executive Board, with the consent of the Supervisory Board, to redeem the Company's treasury shares without any further resolution by the Annual General Meeting. This authorization allows the Company to react appropriately and flexibly to the respective capital market situation. The proposed authorization provides that the Executive Board may also retire the shares without reducing the capital in accordance with Section 237 (3) no. 3 of the German Stock Corporation Act (AktG).

By retiring the shares without a capital reduction, the proportionate amount of the remaining shares in the Company's share capital increases in accordance with Section 8 (3) of the German Stock Corporation Act (AktG). In this case, the Executive Board is authorized to amend the Articles of Association with regard to the changed number of shares.

(7) Use for Executive Board compensation

Finally, the proposed resolution contains an authorization for the Supervisory Board to use the treasury shares acquired under this authorization, excluding shareholders' subscription rights, to service purchase obligations or purchase rights to Siltronic shares agreed with members of the Executive Board of Siltronic AG in connection with the compensation of the Executive Board. In particular, they may be offered, committed and transferred to the members of the Executive Board of Siltronic AG. The details of the compensation of the members of the Executive Board are determined by the Supervisory Board, taking into account the provisions of the German Stock Corporation Act and the recommendations and suggestions of the German Corporate Governance Code in its currently valid version. In order to be able to use treasury shares for the purposes of Executive Board compensation, the shareholders' subscription rights to these shares must be excluded. In order to protect the shareholders from a dilution of their shareholding, the total of the treasury shares used for these purposes together with the treasury shares used in accordance with Agenda Item 8 d) no. (5) for compensation or employee share programs of the Company or its affiliated companies may not exceed a notional share of 1% of the share capital, either at the time the authorization takes effect or at the time it is exercised.

(iii) Further information

In order to protect the Company's shareholders from a dilution of their shareholding, the calculated portion of the share capital attributable to the shares used in accordance with the authorizations under d) (2) to (4) and e) above may not exceed the amount of the share capital, taking into account other shares of the Company that are sold or transferred during the term of this authorization under exclusion of subscription rights or that are issued on the basis of Bonds issued during the term of this authorization under exclusion of subscription rights, do not exceed a notional share of 10% of the share capital, neither at the time of the authorization coming into effect nor at the time of its utilization (mutual offset)

The aforementioned options for use may also be exercised with regard to shares acquired on the basis of earlier authorizations pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) or on another legal basis. The authorizations contained in this resolution may be exercised once or several times, in whole or in part, individually or jointly by the Company, but also by Subordinate Group Companies or by third parties for the account of the Company or its Subordinate Group Companies.

It is advantageous and creates further flexibility to be able to use these treasury shares as the shares acquired on the basis of this authorization resolution.

The Executive Board will inform the next Annual General Meeting of each use of the authorization.

IV. Report of the Executive Board on Agenda Item 9

In addition to the options for the conventional acquisition of treasury shares provided for in Agenda Item 8, a limited use of derivatives for the acquisition of treasury shares is to be permitted. Such a possibility is now common practice. The possible use of derivatives for the acquisition of treasury shares extends the Company's options for structuring the acquisition of treasury shares in an optimal way. Under certain circumstances, it may be advantageous for the Company to sell put options or acquire call options instead of directly acquiring treasury shares of the Company. It may also be advantageous to acquire shares by way of forward purchases. The Executive Board intends to use put and call options and forward purchases (hereinafter jointly referred to as "**Derivatives**") only in addition to the conventional share buyback. The acquisition of shares using Derivatives is to be carried out via a bank or another company fulfilling the requirements of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG). It should be possible for the authorization to be exercised by the Company, by Subordinate Group Companies or via third parties acting for the account of the Company or a Subordinate Group Company.

The term of the individual Derivatives may not exceed 18 months in each case, must end no later than June 25, 2024, and must be selected in such a way that the acquisition of Siltronic AG shares by exercising or settling the Derivatives shall not take place after June 25, 2024.

Thus, the authorization falls short of the legally possible framework of 5 years and also contains the restriction that the term of the individual Derivatives may not exceed 18 months in each case. This ensures that obligations arising from the individual Derivatives are limited in time in an appropriate manner. In addition, the total acquisition volume via Derivatives is limited to 5% of the share capital.

When selling put options, the Company grants the purchaser the right to sell Siltronic AG shares to the Company at an exercise price specified in the put option. In return, the Company receives an option premium that corresponds to the value of the right to sell, taking into account the exercise price, the term of the option and the volatility of Siltronic AG stock. If the put option is exercised, the option premium paid by the purchaser of the put option reduces the total consideration paid by the Company for the acquisition of the share. Exercising the put option generally makes economic sense for the option holder if the price of Siltronic AG shares at the time of exercise is below the exercise price, because it can then sell the shares at the higher exercise price.

From the point of view of the Company, the share buyback using put options can, for example, offer the advantage that the exercise price is already fixed when the option transaction is concluded, while liquidity is not withdrawn until the exercise date. In addition, the acquisition price of the shares for the Company as a whole is lower than the share price at the time of conclusion of the option transaction due to the option premium received. The use of put options in share buybacks may be appropriate, for example, if the Company intends to buy back own shares at low prices but is not sure about the optimum time for the buyback. If the option holder does not exercise the option because the share price during the exercise period is higher than the exercise price, the Company cannot acquire any treasury shares in this way, but it retains the option premium received.

When acquiring a call option, the Company receives the right to purchase a predetermined number of shares of Siltronic AG from the seller of the option at a predetermined exercise price in return for payment of an option premium. Exercising the call option makes economic sense for the Company if the price of Siltronic AG stock is higher than the exercise price, since it can then purchase the shares from the seller of the option at the lower exercise price. In this way, the Company can hedge against rising share prices. In addition, the Company's liquidity will not be burdened with the agreed exercise price until the fixed purchase price for the shares must be paid when the call options are exercised.

In the case of forward purchases, the Company agrees with the forward seller to purchase the shares at a specific date in the future at a forward price determined when the forward purchase is concluded. If the date is reached, the Company pays the forward seller the forward price and the forward seller delivers the shares in return. The conclusion of forward sales can be useful for the Company if it wishes to secure a need for treasury shares at a certain price level on a forward basis. Unlike an option transaction, a forward purchase creates obligations for both parties at the time of conclusion, the fulfilment of which is merely postponed.

The exercise price to be paid for a Siltronic AG share when put or call options are exercised or the forward price to be paid for a Siltronic AG share when the forward purchase is executed may be higher or lower than the stock market price of the share when the put option is sold or the call option is acquired or when the forward purchase is executed.

However, the exercise price or the forward price (excluding incidental acquisition costs) may not exceed or fall below the price of Siltronic AG stock determined by the opening auction in Xetra trading (or a comparable successor system) on the day the derivative transaction is concluded by more than 10%. The option premium agreed by the Company may not be significantly below the theoretical market value of the respective options on the trade date, as determined in accordance with recognized methods of financial mathematics, in the case of put options, or significantly above the theoretical market value of the respective options on the trade date, as determined in accordance with recognized methods of financial mathematics, in the determination of which, among other things, the agreed

exercise price must be taken into account. Similarly, the forward price agreed by the Company for forward purchases may not be significantly higher than the theoretical forward price determined in accordance with recognized financial mathematical methods, the calculation of which must take into account, among other things, the current market price and the term of the forward purchase.

The terms and conditions of the Derivatives must ensure that the shares to be delivered to the Company upon exercise or fulfillment of the Derivatives have previously been acquired on the stock exchange, in compliance with the principle of equal treatment, at the current price of Siltronic AG stock in Xetra trading (or a comparable successor system) at the time of acquisition.

The described determination of the option premium and exercise price or forward price as well as the obligation to service options and forward purchases only with shares that were acquired on the stock exchange in compliance with the principle of equal treatment, precludes shareholders from being placed at an economic disadvantage when acquiring treasury shares using derivatives. Since the Company receives or pays a fair market price, shareholders not participating in the derivatives do not suffer any disadvantage in terms of value. This corresponds to the position of the shareholders in the case of share buybacks via the stock exchange, where not all shareholders can sell shares to the Company. The specifications for the structure of the options and forward purchases and the requirements for the shares to be delivered ensure that the principle of equal treatment of shareholders is also observed in this method of acquisition.

For this reason, it is justified that a claim by shareholders to conclude the aforementioned derivative transactions with the Company is excluded in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG).

As a result of this and the fact that the Company can only conclude derivative transactions with a financial institution, the Company - in contrast to an offer to conclude derivative transactions to all shareholders - is in a position to conclude derivative transactions at short notice and thus to react quickly to favorable market situations.

When acquiring treasury shares using Derivatives, shareholders shall only be entitled to tender their shares to the extent that the Company is obliged to purchase the shares from the Derivatives. Otherwise, the use of Derivatives in connection with the repurchase of treasury shares would not be possible, and the associated benefits for the Company would not be achievable. Having weighed up the interests of the shareholders and the Company, the Executive Board considers the non-granting or restriction of the right to offer shares to be justified in view of the advantages resulting for the Company from the use of Derivatives.

The Executive Board will report to the next Annual General Meeting on each use of the authorization.

Further information and notes

Number of shares and voting rights

At the time the Annual General Meeting is convened, the Company's share capital is divided into 30,000,000 no-par value shares, each of which grants one vote. The Company does not hold any treasury shares at this time.

Information on conducting the virtual Annual General Meeting

With the consent of the Supervisory Board, the Annual General Meeting shall be held as a virtual annual general meeting without the physical presence of shareholders or their proxies, in accordance with the provisions of the Law on Measures in the Corporate, Cooperative, Association, Foundation and Home Ownership Law to Combat the Effects of the COVID 19 Pandemic (Article 2 of the Law on Mitigation of the Effects of the COVID 19 Pandemic in Civil, Insolvency and Criminal Proceedings, hereinafter Covid-19-Law).

The Annual General Meeting will be broadcasted live in sound and vision on June 26, 2020, starting at 10:00 a.m. (CEST) on our shareholder portal on the Company's website at <https://www.siltronic.com/en/investors/annual-general-meeting.html>. Shareholders that wish to exercise their voting rights must register in advance (see below under "Requirements for exercising voting rights in the virtual Annual General Meeting"). Physical participation by shareholders or their proxies is excluded. The voting rights of shareholders or their proxies are therefore exercised exclusively by way of postal vote or by granting power of attorney to the proxies appointed by the Company.

Requirements for exercising voting rights in the virtual Annual General Meeting

Only those shareholders - in person or by proxy - who are entered as shareholders in the Company' share register on the day of the Annual General Meeting and who have registered in good time are entitled to exercise their voting rights in the Annual General Meeting. The registration must be received by the Company no later than **June 19, 2020, 24:00 hours** (last day of registration).

The registration can be made via the shareholder portal on the website <https://www.siltronic.com/en/investors/annual-general-meeting.html> either by voting (postal vote) or by granting a proxy. The information required for accessing the shareholder portal (shareholder number and individual access password) will be sent by post to shareholders entered in the share register together with the registration documents. If shareholders do not receive the registration documents without being further asked - for example, because they are not yet entered in the share register on the day on which the documents are sent - the documents will be sent to the shareholders upon their request. Such a request must be sent to the registration address stated below.

Siltronic AG

c/o Computershare Operations Center

80249 Munich

fax: +49 89 3090 3746 75

e-mail: anmeldestelle@computershare.de

In addition to registering via the shareholder portal, registration can also be made in text form (Section 126b German Civil Code (BGB)) using the above address.

In view of possible delays in postal delivery due to the Corona pandemic, we recommend that you register electronically via the shareholder portal, as late registrations will not be considered.

Intermediaries (e.g. credit institutions) and - insofar as they are treated as equivalent to these pursuant to Section 135 (8) of the German Stock Corporation Act (AktG) – shareholders' associations, voting rights advisors and persons who offer to exercise voting rights in the Annual General Meeting in a businesslike manner vis-à-vis shareholders, may only exercise the voting rights for shares which do not belong to them but as the holders of which they are entered in the share register, on the basis of an authorization by the shareholder.

Registration for the Annual General Meeting has no effect on the transferability of the shares concerned. Please note, however, that in relation to the Company, only persons entered as such in the share register are deemed shareholders (Section 67 (2) sentence 1 of the German Stock Corporation Act (AktG)). The right to vote and the number of voting rights is therefore determined by the status of the share register on the day of the Annual General Meeting.

Please also note that in the period between **June 20, 2020, 00:00 hours**, and **June 26, 2020, 24:00 hours**, there is a so-called “**re-registration stop**” for organizational reasons, i.e. no entries or deletions will be made in the share register. In their own interest, all purchasers of shares not yet entered in the share register are therefore requested to submit applications for registration as soon as possible.

Broadcasting of the virtual Annual General Meeting on the internet

Shareholders can follow the entire Annual General Meeting in sound and vision in the shareholder portal with their appropriate access data at <https://www.siltronic.com/en/investors/annual-general-meeting.html>. Proxies of properly registered shareholders have the same option by entering their access data. The opening of the virtual Annual General Meeting by the chairman of the meeting and the speech by the Chairman of the Executive Board will also be broadcasted live in sound and vision at <https://www.siltronic.com/en/investors/annual-general-meeting.html> for everyone to access.

Procedure for voting by postal vote

Shareholders may cast their votes in writing or by means of electronic communication (postal vote). Only those registered shareholders - in person or by proxy - who have registered **no later than June 19, 2020** are entitled to exercise their voting rights by way of postal vote (as specified above under “Requirements for exercising voting rights in the virtual Annual General Meeting”). The registration status in the share register on the day of the Annual General Meeting is also decisive for voting rights exercised by postal vote; due to the above-mentioned re-registration stop, this registration status will correspond to the number of shares recorded in the share register at the end of **June 19, 2020**.

Votes can be cast either electronically in the shareholder portal at <https://www.siltronic.com/en/investors/annual-general-meeting.html> or on the registration form enclosed with the letter of invitation to the virtual Annual General Meeting and which is to be returned to the above address (for the registration, see above “Requirements for exercising voting rights in the virtual Annual General Meeting”).

Voting by postal vote on the above mentioned registration form must be received by the Company at the above address for registration no later than **June 25, 2020, 24:00 hours**.

Until immediately before the start of the vote count at the virtual Annual General Meeting, postal votes may also be cast in the shareholder portal with the respective access data at <https://www.siltronic.com/en/investors/annual-general-meeting.html>. Until this time, postal votes can also be changed and revoked there. This also applies to postal votes already cast using the registration form (as indicated above). As stated above, the requirement for casting and changing postal votes is always the timely registration for the virtual Annual General Meeting.

Authorized intermediaries, shareholders’ associations, voting consultants and other equivalent persons pursuant to Section 135 (8) of the German Stock Corporation Act (AktG) may also use postal votes in compliance with the specified deadlines. Upon request, the Company will provide them with an electronic voting channel or the corresponding registration forms.

Procedure for voting by proxy and proxy voting

Shareholders who are entered in the share register on the day of the Annual General Meeting may also have their voting rights exercised by a proxy, e.g. by a shareholders’ association or the proxies appointed by the Company. In this case, too, the shareholder or a proxy must ensure timely registration.

If the shareholder authorizes more than one person, the Company may reject one or more of them.

Proxies (with the exception of the Company’s proxies) may not physically participate in the virtual Annual General Meeting. They can only exercise the voting rights of shareholders they represent by means of a postal vote or by granting (sub-)proxy to the proxies appointed by the Company.

Separate access data to the shareholder portal is provided for proxies.

Authorization

If neither intermediaries (e.g. credit institutions) nor - insofar as they are treated as equivalent to these in accordance with Section 135 (8) of the German Stock Corporation Act (AktG) – shareholders' associations, voting rights advisors or persons who offer to exercise voting rights in the Annual General Meeting in a businesslike manner vis-à-vis shareholders are authorized, the granting of the power of attorney, its revocation and the proof of authorization vis-à-vis the Company must be in text form.

Proxy may be granted and revoked both by declaration to the Company and by declaration to the person to be authorized. However, if the authorization is given to the person to be authorized, the authorization must be proven to the Company in text form. When properly registered, proxies may be granted and revoked by declaration to the Company until immediately prior to the start of the vote count in the virtual Annual General Meeting via the shareholder portal using the relevant access data at <https://www.siltronic.com/en/investors/annual-general-meeting.html> or until **June 25, 2020, 24:00 hours**, at the address, fax number or e-mail address specified for registration in the preceding section. Please use the reply form enclosed with the registration documents to grant a proxy. Shareholders and their proxies may submit proof of authorization or revocation of a proxy by declaration to the person to be authorized to act as proxy to the Company by no later than **June 25, 2020, 24:00 hours**, at the address, fax number or e-mail address specified in the above section for registration.

When authorizing intermediaries (e.g. banks) and - insofar as they are treated as equivalent to them in accordance with Section 135 (8) of the German Stock Corporation Act (AktG) – shareholders' associations, voting rights advisors or persons who, in a businesslike manner, offer to exercise voting rights in the Annual General Meeting vis-à-vis shareholders, the special statutory provisions of Section 135 of the German Stock Corporation Act (AktG) apply, which provide, inter alia, that the proxy must be recorded in a verifiable manner. Exceptions to the text form requirement may therefore apply. The recipients of the power of attorney sometimes define their own rules for their authorization, which must be observed. We therefore recommend that you consult with the relevant proxy recipients in good time about the respective form and procedure for the authorization.

Exercise of voting rights by proxy of the Company

We offer our duly registered shareholders and their proxies the option of being represented by Company employees in the exercise of voting rights at the Annual General Meeting in accordance with your instructions. Our proxies can only vote according to instructions. For this reason, the proxy must be accompanied by mandatory instructions for the exercise of voting rights.

Please note that the proxies can therefore only exercise the voting right on those Agenda Items for which you have given instructions. Instructions to file an objection against resolutions of the Annual General Meeting or to ask questions or propose motions are also not possible.

If you wish to authorize one of our proxies, please either use the shareholder portal at <https://www.siltronic.com/en/investors/annual-general-meeting.html> with the access data sent to you or use the reply form enclosed with the registration documents. If you are not using the shareholder portal, please send the reply form together with the relevant instructions as well as any amendments or revocations in good time so that they reach the Company no later than **June 25, 2020, 24:00 hours**, at the address, fax number or e-mail address specified for registration in the section “Requirements for exercising voting rights in the virtual Annual General Meeting”.

On the day of the Annual General Meeting, the issue of a power of attorney and instructions to the Company’s proxies and their amendment or revocation can be made in the shareholder portal at <https://www.siltronic.com/en/investors/annual-general-meeting.html> until immediately before the counting of votes in the virtual Annual General Meeting begins.

Authorized intermediaries, shareholders’ associations, voting consultants and other persons equated pursuant to Section 135 (8) of the German Stock Corporation Act (AktG) may also be represented by the Company’s proxy in accordance with the specified deadlines. Upon request, the Company will provide them with an electronic channel for the authorization and instructions or the corresponding reply form.

Inquiries, motions, election proposals, requests for information

(Information on shareholders’ rights in accordance with Sections 122 (2), 126 (1), 127 of the German Stock Corporation Act (AktG), Section 1 (2) no. 3, 4 COVID-19-Law)

Requests for Additions to the Agenda at the request of a minority pursuant to Section 122 (2) of the German Stock Corporation Act (AktG)

Shareholders whose shares together represent a proportionate amount of the share capital of € 500,000.00 (this corresponds to 125,000 shares) may request that items be placed on the Agenda and be published. In addition, in accordance with Section 87 (4) of the German Stock Corporation Act (AktG) in conjunction with Section 122 (2) of the German Stock Corporation Act (AktG), they can request the General Meeting to pass a resolution on the reduction of the maximum compensation determined in accordance with Section 87a (1) sentence 2 no. 1 of the German Stock Corporation Act (AktG). Each new item must be accompanied by an explanation or a draft resolution.

The request must be addressed in writing to the Executive Board of Siltronic AG and must be received by the Company at least 30 days prior to the meeting, i.e. no later than **24:00 hours on May 26, 2020**. Please send your request to the following address:

Siltronic AG
Executive Board
Attn: Investor Relations
Hanns-Seidel-Platz 4
81737 Munich

The applicants must prove that they have held the shares for at least 90 days prior to the date of receipt of the request and that they will hold the shares until the decision of the Executive Board on the request, whereby Section 70 of the German Stock Corporation Act (AktG) applies when calculating the period of share ownership. The day of receipt of the request shall not be counted. A postponement from a Sunday, Saturday or public holiday to a preceding or following working day shall not be considered. Sections 187 to 193 of the German Civil Code (BGB) shall not apply mutatis mutandis.

Requests for additions to the Agenda that have to be published will be announced in the Federal Gazette immediately after receipt of the request. They are also published on the Internet at <https://www.siltronic.com/en/investors/annual-general-meeting.html> and communicated to the shareholders entered in the share register in accordance with Section 125 (2), (1) sentence 3 of the German Stock Corporation Act (AktG).

Motions and nominations by shareholders pursuant to Sections 126 (1), 127 of the German Stock Corporation Act (AktG)

Each shareholder is entitled to submit to the Company counter motions to a proposal of the Executive Board and/or Supervisory Board on a specific Agenda Item as well as proposals for the election of Supervisory Board members or auditors.

Counter motions (possibly accompanied by the reasons for the motion) and election proposals must be sent exclusively to the following address:

Siltronic AG
Investor Relations
Hanns-Seidel-Platz 4
81737 Munich
fax: +49 89 8564 3904
e-mail: investor.relations@siltronic.com

Counter motions and election proposals to be made accessible, which are received at the above address no later than 14 days prior to the Annual General Meeting, i.e. by **24.00 hours June 11, 2020**, will be published at <https://www.siltronic.com/en/investors/annual-general-meeting.html> without delay after receipt, including the name of the shareholder and the reasons to be made accessible - if applicable, together with the additional content to be provided pursuant to Section 127 sentence 4 of the German Stock Corporation Act (AktG). Any comments by the management will also be published on the Siltronic AG website.

Nominations do not have to be published if the nomination does not contain the information required under stock corporation law in accordance with Sections 124 (3) sentence 4 and 125 (1) sentence 5 of the German Stock Corporation Act (AktG) (name, profession and place of residence of the auditor or Supervisory Board candidate as well as information on the Supervisory Board candidate's membership of other statutory supervisory boards).

In addition, the Company may refrain from making a countermotion or election proposal accessible in the cases set out in Section 126 (2) or (3) of the German Stock Corporation Act (AktG).

Possibility of questions according to Section 1 (2) no. 3 COVID-19-Law

Shareholders and their proxies, with the exception of proxies appointed by the Company, have the option of asking questions by way of electronic communication in accordance with Section 1 (2) no. 3 of the COVID-19-Law. The opportunity to ask questions is only available to shareholders and their proxies who have registered for the virtual General Meeting in accordance with the above guidelines.

Questions can only be submitted electronically in the shareholder portal at <https://www.siltronic.com/en/investors/annual-general-meeting.html> with the access data by **June 24, 2020, 10:00 a.m.** There is no right to receive a reply associated with the possibility to ask questions. In accordance with Section 1 (2) of the COVID-19-Law, the Executive Board in its due, sole discretion decides which questions will be answered and how. The Executive Board is not required to answer all questions; rather, it may summarize questions and select questions that are meaningful in the interests of the other shareholders.

Possibility to raise an objection against resolutions of the virtual Annual General Meeting in accordance with Section 1 (2) no. 4 of the COVID-19-Law

Notwithstanding Section 245 no. 1 of the German Stock Corporation Act (AktG), shareholders who exercise their voting rights by postal vote or by proxy may - in person or by proxy - raise an objection to resolutions of the virtual Annual General Meeting during the virtual Annual General Meeting in the shareholder portal at <https://www.siltronic.com/en/investors/annual-general-meeting.html> using the access data sent to them, without physically appearing at the Annual General Meeting.

Publications on the Company's website (Section 124a of the German Stock Corporation Act (AktG))

This invitation to the Annual General Meeting as well as the documents and motions of shareholders to be made available by law and further explanations of the rights of shareholders pursuant to Sections 122 (2), 126 (1), 127 of the German Stock Corporation Act (AktG), Section 1 no. 3, 4 COVID-19-Law are also available on the Company's website at the following link: <https://www.siltronic.com/en/investors/annual-general-meeting.html>.

The voting results are published on the Company's website after the Annual General Meeting.

Information on data protection for shareholders

Your personal data will be processed for the purposes of maintaining the share register as required by the German Stock Corporation Act (AktG), for communicating with you as a shareholder, for holding our Annual General Meetings and for operating the shareholder portal.

In addition, your data will be used for related purposes and to fulfil further legal obligations (e.g. obligations to provide proof or to retain data). Further information on data protection for shareholders and shareholder representatives is available at <https://www.siltronic.com/en/investors/annual-general-meeting.html>.

Munich, May 2020

Siltronic AG

The Executive Board