

## Corporate Governance Statement

The actions of Cherry SE's Management and Supervisory Boards are defined by the principles of good and responsible corporate governance. The Management Board and the Supervisory Board of Cherry SE report below on corporate governance in accordance with Principle 23 of the German Corporate Governance Code (GCGC) in the currently applicable version and Sections 289f and 315d of the German Commercial Code (HGB).

### A. Declaration of compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG)

On December 28, 2022, the Management Board and the Supervisory Board of Cherry SE issued the following declaration pursuant to Section 161 AktG:

"The Management Board and the Supervisory Board of Cherry SE jointly declare pursuant to Section 161 of the German Stock Corporation Act (AktG) that since issuing the last declaration of compliance on December 15, 2021, Cherry SE has complied with the recommendations of the German Corporate Governance Code ("GCGC") as amended on December 16, 2019, which became effective by publication in the Federal Gazette (Bundesanzeiger) on March 20, 2020 ("GCGC 2020"), and complies with the recommendations of the German Corporate Governance Code as amended on April 28, 2022, which became effective by publication in the Federal Gazette on June 27, 2022 ("GCGC 2022"), and will continue to comply with them in the future, with the following exceptions:

#### Recommendation A.2 sentence 2 GCGC 2020

The possibility of providing protected information about legal violations in the company in a suitable manner has only existed for employees and third parties since today. Cherry SE therefore now complies with the corresponding recommendation and suggestion A.4 GCGC 2022 and will continue to do so in the future.

#### Recommendation A.3 GCGC 2022

Cherry SE attaches great importance to also taking sustainability-related objectives into account appropriately in the corporate strategy and corporate planning in the future. The sustainability-related objects require careful coordination between the Management Board and the Supervisory Board before they can also be included in the internal control system and the risk management system in a next step. Since the recommendation was only made during the year with the amendment of the GCGC in April 2022 and its implementation is time-consuming, it is not yet complied with. Nevertheless, the internal control system and the risk management system of Cherry SE are to be extended to sustainability-related goals in the future.

Munich, December 28, 2022

Cherry SE

The Management Board

The Supervisory Board"

The Declaration of Compliance is available on the Company's website at <https://ir.cherry.de/home/corporate-governance/#declaration-of-compliance>.

### B. Remuneration system and remuneration report

The remuneration system for the members of the Management Board of the Company approved by the Annual General Meeting on June 8, 2022 pursuant to Section 87a AktG and the resolution adopted by the Annual General Meeting pursuant to Section 113 (3) AktG regarding the remuneration of the members of the Supervisory Board of the Company have been made publicly accessible on the Company's website at <https://ir.cherry.de/home/corporate-governance/#remuneration>. The remuneration report and the auditor's report pursuant to Section 162 AktG will also be made publicly available at the same internet address.

## C. Relevant disclosures regarding corporate governance practices

### Sustainability

Sustainability is a strategically relevant topic at Cherry SE, which is to be integrated in the business model with the respective impacts on the economic, ecological, and social environment. An ongoing dialog with sustainability stakeholders is considered both relevant and important. On the one hand, this involves requirements, expectations, and information flowing into the Company from the outside and, on the other hand, the Company itself communicating information to the outside.

In fiscal year 2022, a sustainability strategy was adopted by the Management Board as part of the corporate strategy. In the area of the environment, the strategic sustainability goals include in particular the reduction of greenhouse gas emissions, the use of renewable energies, the use of sustainable materials and the promotion of a sustainable supply chain. In the social area, the sustainability strategy is intended to meet the needs and expectations of the most important stakeholders. The second focus here is a comprehensive consideration of people, taking into account human rights, diversity, occupational safety, and corporate values and culture. Another focus is on product safety and product quality as well as data security and data protection. The governance area covers the focal points of compliance, risk management and corporate governance. These topics will be reported on separately in an annual non-financial report (referred to as a Sustainability Report). The sustainability reports are available on the company's website at <https://ir.cherry.de/home/corporate-governance/> under Sustainability Reports.

### Principles of lawful conduct

From its humble beginnings as a family business founded by Walter Cherry in 1953, the Company has grown to become an international leader in the field of computer input devices. The Cherry brand is synonymous with outstanding quality, innovation, and technological expertise in a spirit of open, fair partnership.

Legality is one of the Company's steadfast values and of elementary importance to society. Cherry SE expects its employees to comply fully with all legal requirements at all times and any violations of applicable law will not be tolerated. The principle of "zero tolerance" applies at all times. To underline the importance of this principle, Cherry SE has stated its position regarding legal requirements and ethical issues in its Code of Business Conduct. Cherry SE provides its employees with the Code of Business Conduct as a binding guide to ensure compliant behavior. It outlines the basic standards to which the employees of Cherry SE and the Group are expected to adhere. Should employees of Cherry SE have any doubts in individual cases as to whether a decision complies with the requirements of the Code of Business Conduct, they are requested to ask their manager or the Compliance Officer in their country for advice.

The Code of Business Conduct was published in December 2022 and is available on the Cherry SE website at <https://www.cherry-world.com/code-of-business-conduct>.

### Code of Business Conduct

The Code of Business Conduct of Cherry SE defines the lawful conduct of all employees of the Cherry Group and the responsibility of each employee to protect the reputation of the enterprise as elementary principles. The Code of Business Conduct contains rules and explanations on the following topics:

- Avoiding conflicts of interest
- Handling information, particularly the confidential handling of documents
  - Consideration of data protection and information security requirements
  - Compliance with money laundering regulations
  - Handling insider information
- Conduct towards business partners and third parties, particularly compliance with competition and antitrust law requirements
  - Relationships with suppliers and customers
  - Bribery, corruption, inducements
  - Donations and sponsoring
  - Media and public
- Conduct towards associates, particularly
  - Mutual respect and anti-discrimination

- Human rights, child labor, and forced labor
  - Employee rights
- Product quality and product safety
- Occupational health and safety, fire and environmental protection
- Compliance with applicable export and customs regulations

The employees of the Cherry Group are regularly informed on current issues relating to the Code of Business Conduct and made aware of individual topics through suitable training.

If employees have any questions or suspicions, they can contact their line manager or the Compliance department at any time.

### **Risk management and control system**

Corporate activity is constantly exposed to risks that can be detrimental to achieving the objectives of the enterprise. For this reason, Cherry has implemented a risk management system for the purpose of identifying and counteracting any risks potentially capable of negatively impacting or jeopardizing the enterprise as swiftly as possible.

Cherry also has an efficient planning and reporting system in place, as well as a tool for monitoring product and customer profitability. Monthly, weekly, and daily reports provide regular information on the Cherry Group's net assets, financial position, and results of operations. In order to assess risks, corporate planning considers alternative scenarios for the possible development of the Group's individual subsidiaries as well as for the enterprise as a whole. Liquidity and outstanding receivables are monitored on the basis of regular assessments and reports.

Analyses of the market and the competition serve to make risks more transparent. Moreover, regular internal meetings ensure that risks can be identified promptly and managed in an appropriate manner.

Business and financial developments as well as any potential risks and possible countermeasures are all discussed at regular fortnightly management meetings, monthly financial meetings with the Group's subsidiaries, and Supervisory Board meetings (at least four times a year), as well as at four meetings of the Audit Committee annually. In addition, regular conference calls (bi-weekly) are held between the Chairman of the Supervisory Board and the Chairman of the Management Board as well as between the Chairman of the Audit Committee and the CFO and monthly update calls are held between the Supervisory Board and the Management Board to discuss any undesirable developments and risks that may arise.

Internal control mechanisms include strict compliance regulations and the use of dual control principles. Further, the possibility to comprehensive risk limitation by means of appropriate hedging instruments is part of the internal control mechanisms; no hedging transactions took place in the fiscal year 2022, but Cherry SE engaged in such transactions in 2023 already.

As a basic principle, the Cherry Group cultivates an open risk culture. Any potential risks, whether existing or anticipated, are dealt with in a timely manner, including in particular any threats resulting from the advance of digitalization. With this point in mind, Cherry places great emphasis on measures such as targeted training designed to mitigate cyber risks and defend against hacker attacks.

## D. Description of the working procedures of the Management Board and Supervisory Board and the composition and working procedures of their committees

In the fiscal year 2022, the Company completed a form-changing conversion from the legal form of a stock corporation under the name Cherry AG to the legal form of a European Company (Societas Europaea, SE) under the name Cherry SE. The change of legal form became effective upon registration of Cherry SE in the commercial register on December 13, 2022. Prior to that time, the Company operated as Cherry AG and the Management Board and Supervisory Board were the two corporate bodies of the stock corporation. Since December 13, 2022, the Company has operated as Cherry SE and, pursuant to Art. 38 lit. b) of Council Regulation (EC) No. 2157/2001 dated October 8, 2001 on the Statute for a European company (SE) ("SE Regulation"), has a two-tier system consisting of the Management Board as the executive body and the Supervisory Board as the monitoring body. Tasks and responsibilities are clearly divided between the Management Board and the Supervisory Board.

### I. The Management Board of Cherry SE

#### 1. Working procedures of the Management Board

The members of the Management Board are required to manage the business with the due care and diligence of a prudent and conscientious manager in accordance with applicable law, the GCGC, the Articles of Incorporation and the Management Board's Rules of Procedure. The Management Board of Cherry SE comprised two members at the beginning of fiscal year 2022 and has comprised three members since April 1, 2022, who are appointed by the Supervisory Board. Rolf Unterberger was Chairman of the Management Board until December 31, 2022 and resigned as a member of and Chairman of the Management Board with effect from December 31, 2022. Oliver Kaltner has been a member of and Chairman of the Management Board since January 1, 2023. The Management Board is governed by the Rules of Procedure issued by the Supervisory Board and the Schedule of Responsibilities for the allocation of duties attached thereto as an annex. The three members of the Management Board are individually accountable for managing their areas of responsibility.

Notwithstanding the allocation of duties, a resolution of the full Management Board is required in matters for which the law, the Articles of Incorporation of Cherry SE, or the Rules of Procedure require a decision by the full Management Board.

The Management Board is required to hold regular meetings, which are convened by the Chairman of the Management Board. Meetings must also be held if the welfare of the Company so requires or if a member of the Management Board requests that a meeting be convened, stating the subject matter of the meeting.

The Management Board adopts resolutions by a simple majority of the votes of its members, unless otherwise required by law. In the event of a tie, the Chairman of the Management Board has the casting vote.

The members of the Management Board are required to act solely in the best interests of the Company. In making their decisions, they may neither pursue personal interests nor exploit business opportunities relating to the Company for themselves, for a natural person or legal entity closely associated with them, or for any other institution or association in which or for which they work.

Article 9 of the Articles of Incorporation of Cherry SE stipulates that the Management Board may only undertake the following transactions and measures with the prior approval of the Supervisory Board:

- Significant changes to, expansions of, or restrictions to the Company's line of business or the addition of new lines of business that differ substantially from the Company's current range of products, services, and sales
- The conclusion, amendment, and termination of joint venture agreements, cooperation agreements, framework agreements, inter-company agreements as defined under Sections 291 et seq. AktG (including agreements on silent partnerships), participating loans, or similarly far-reaching agreements that go beyond the ordinary course of business
- The issuance and revocation of procurations and powers of attorney for the entire business operations

Furthermore, in the Rules of Procedure for the Management Board, the Supervisory Board has defined additional matters, the implementation of which require the express prior approval of the Supervisory Board. These include the following transactions and measures:

- The establishment, acquisition, closure, and disposal (including the commitment to do so) of operations, parts of operations, or branches of the Company or its subsidiaries
- The implementation of investment measures in fixed assets and the conclusion of corresponding contracts with a capital expenditure of more than EUR 250,000, if these measures have not already been adopted in the approved annual budget
- Disposals of individual items of fixed assets, if the relevant carrying amount exceeds EUR 250,000 or if the individual sale price exceeds EUR 250,000 and if this is not already included in the approved annual budget
- The acquisition of, or commitment to acquire, corporate interests in companies of any kind, as well as the founding of new companies
- The disposal of, or the commitment to dispose of, shares in subsidiaries, or any other type of disposition of such shares, or the commitment to do so, as well as the liquidation of subsidiaries and the closure of branches
- The acquisition, disposal, encumbrance, or other disposition of or over real estate and rights equivalent to real estate, or the commitment to do so

The Supervisory Board of Cherry SE may also make further transactions or measures subject to approval (see also section D.III).

## 2. Composition of the Management Board

On December 31, 2022, the Management Board of Cherry SE comprised the following members:

### **Rolf Unterberger (born 1966)**

- Chairman of the Management Board, Chief Executive Officer (CEO), and Chief Sales Officer (CSO)
- First appointment (with effect from): December 13, 2022 (previously Member and Chairman of the Management Board of Cherry AG since June 2021)
- Resigned from office with effect from December 31, 2022
- Memberships in legally required supervisory boards or comparable domestic or foreign supervisory bodies of business enterprises (as of December 31, 2022):
  - ASSMANN Holding GmbH, Lüdenscheid, Germany: Chairman of the Advisory Board

### **Bernd Wagner (born 1961)**

- Chief Financial Officer (CFO)
- First appointment (with effect from): December 13, 2022 (previously member of the Management Board of Cherry AG since June 2021)
- Appointed until: June 30, 2025
- Memberships in legally required supervisory boards or comparable domestic or foreign supervisory bodies of business enterprises (as of December 31, 2022): None

### **Dr. Udo Streller (born 1967)**

- Chief Operations Officer (COO)
- First appointment (with effect from): December 13, 2022 (previously member of the Management Board of Cherry AG since April 1, 2022)
- Appointed until: June 30, 2024
- Memberships in legally required supervisory boards or comparable domestic or foreign supervisory bodies of business enterprises (as of December 31, 2022): None

As of January 1, 2023, following the departure of Rolf Unterberger as of December 31, 2022, the Management Board of Cherry SE includes the following new member:

### **Oliver Kaltner (born 1968)**

- Chairman of the Management Board, Chief Executive Officer (CEO)

- First appointment (with effect from): January 1, 2023
- Appointed until: December 31, 2025
- Memberships in legally required supervisory boards or comparable domestic or foreign supervisory bodies of business enterprises:
  - Since appointment: none
  - Until June 1, 2022: orderbird AG, Berlin, Germany: Chairman of the Supervisory Board

The curricula vitae of the incumbent members of the Management Board are published and regularly updated on the Company's website at <https://ir.cherry.de/home/equity-story/#management-board>.

### 3. Age limit

The Rules of Procedure for the Management Board of Cherry SE stipulate that no member may be older than 67 years.

### 4. Long-term succession planning

Together with the Management Board, the Supervisory Board of Cherry SE ensures that a long-term succession plan is in place. The planning is based on discussions with members of the Management Board and impressions of executives presented at meetings of the Cherry SE Supervisory Board. The method enables the Supervisory Board of Cherry SE to form an impression of potential successors within the Group.

## II. The Supervisory Board of Cherry SE

### 1. Supervisory Board working procedures

The Supervisory Board of Cherry SE comprises seven members. The Chairman of the Supervisory Board is Marcel Stolk. The Supervisory Board appoints the members of the Management Board of Cherry SE and advises the Management Board on the proper management of the Company. The Supervisory Board and the Management Board have jointly established Rules of Procedure.

The Supervisory Board of Cherry SE conducts its business in accordance with the law, taking into account the provisions of the Articles of Incorporation and the Rules of Procedure. The Supervisory Board of Cherry SE and its individual members also follow the recommendations of the GCGC. The Supervisory Board works closely and in a spirit of trust with the Management Board in the best interest of the Company.

The Supervisory Board of Cherry SE convenes at least twice per calendar half-year. As a rule, resolutions are passed during these meetings. The Supervisory Board is quorate if at least half of the members of which the Board is required to consist, and in any event at least three members, participate in the adoption of resolutions. The resolutions of the Supervisory Board are adopted by a simple majority of the votes cast, unless otherwise required by law. Abstentions are not considered as votes cast in this context. If a vote within the Supervisory Board results in a tie, any Supervisory Board member is entitled to demand a new vote on the same issue. If the renewed vote also results in a tie, the Chairman of the Supervisory Board shall have the casting vote. The Deputy Chair of the Supervisory Board does not have this right.

Each member of the Supervisory Board is required to disclose to the Supervisory Board any existing and/or potential conflicts of interest, in particular those that may arise due to the exercising of a consulting or board function with customers, suppliers, lenders, or other business partners.

The Supervisory Board is required to form an Audit Committee, a Nomination Committee, and a Personnel and Compensation Committee from among its members.

The Supervisory Board's Rules of Procedure, which contain detailed provisions on convening and holding Supervisory Board meetings as well as on the formation of its committees, are available on the Cherry SE website at <https://ir.cherry.de/home/corporate-governance/#rules-of-procedure-of-the-supervisory-board>.

### 2. Composition of the Supervisory Board

In fiscal year 2022, the following people were members of the Supervisory Board of Cherry SE:

**Marcel Stolk (born 1967)**

- Chairman of the Supervisory Board
- Member since: December 13, 2022 (previously Chairman of the Supervisory Board of Cherry AG since May 25, 2021)
- Elected until: End of the Annual General Meeting 2023
- Principal occupation: Independent consultant
- Memberships in legally required supervisory boards or comparable domestic or foreign supervisory bodies of business enterprises (as of December 31, 2021): None

#### **James Burns (born 1964)**

- Deputy Chairman of the Supervisory Board
- Member since: December 13, 2022 (previously Deputy Chairman of the Supervisory Board of Cherry AG since May 25, 2021)
- Elected until: End of the Annual General Meeting 2023
- Principal occupation: Independent consultant
- Memberships in legally required supervisory boards or comparable domestic or foreign supervisory bodies of business enterprises (as of December 31, 2022): None

#### **Joachim Coers (born 1965)**

- Member since: December 13, 2022 (previously member of the Supervisory Board of Cherry AG since May 25, 2021)
- Elected until: End of the Annual General Meeting 2023
- Principal occupation: Investor
- Memberships in legally required supervisory boards or comparable domestic or foreign supervisory bodies of business enterprises (as of December 31, 2022):
  - ensian group GmbH, Leutkirch im Allgäu, Germany: Member of the Advisory Board

#### **Heather Faust (born 1979)**

- Member since: December 13, 2022 (previously member of the Supervisory Board of Cherry AG since May 25, 2021)
- Elected until: End of the Annual General Meeting 2023
- Principal occupation: Managing Partner at Argand Partners, LP, New York, New York, United States of America
- Memberships in legally required supervisory boards or comparable domestic or foreign supervisory bodies of business enterprises (as of December 31, 2022):
  - Grosse Pointe Beacon Acquisition, Inc., Delaware, United States of America: Chairwoman of the Board of Directors
  - OASE Management GmbH, Hörstel, Germany: Chairwoman of the Advisory Board
  - Sigma Electric Manufacturing Corporation, Garner, North Carolina, United States of America: Member of the Board of Directors
  - Concrete Pumping Holdings, Inc., Thornton, Colorado, United States of America: Member of the Board of Directors

#### **Steven M. Greenberg (born 1970)**

- Member since: December 13, 2022 (previously member of the Supervisory Board of Cherry AG since May 25, 2021)
- Elected until: End of the Annual General Meeting 2023
- Principal occupation: Attorney and Advisor in Intellectual Property Law and Innovation Management, President of CRGO Global, Boca Raton, Florida, United States of America
- Memberships in legally required supervisory boards or comparable domestic or foreign supervisory bodies of business enterprises (as at December 31, 2022):
  - Ardent Medical Corporation, Boynton Beach, Florida, United States of America: President

#### **Tariq Osman (born 1978)**

- Member since: December 13, 2022 (previously member of the Supervisory Board of Cherry AG since May 25, 2021)
- Elected until: End of the Annual General Meeting 2023

- Principal occupation: Private Equity Investor
- Memberships in legally required supervisory boards or comparable domestic or foreign supervisory bodies of business enterprises (as at December 31, 2022):
  - Paladin Private Equity LLC, New York, New York, United States of America: Member of the Board of Directors

#### **Dino Sawaya (born 1983)**

- Member since: December 13, 2022 (previously member of the Supervisory Board of Cherry AG since May 25, 2021)
- Elected until: End of the Annual General Meeting 2023
- Principal occupation: until December 31, 2022 Investment Advisor at Argand Partners, LP, New York, New York, United States of America; since January 1, 2023 Private Equity Investor
- Memberships in legally required supervisory boards or comparable domestic or foreign supervisory bodies of business enterprises (as at December 31, 2022):
  - TeleGeography Corporation, Washington D.C., United States of America: Member of the Board of Directors
  - Seybert's Billiards Corporation, Coldwater, Michigan, United States of America: Member of the Board of Directors
  - Apartment Guardian Inc., Los Angeles, California, United States of America: Member of the Board of Directors
  - OASE Management GmbH, Hörstel, Germany: Member of the Advisory Board

The curricula vitae of the incumbent members of the Supervisory Board are published and regularly updated on the Cherry SE website at <https://ir.cherry.de/home/equity-story/#supervisory-board>.

### **3. Age limit**

The Rules of Procedure for the Supervisory Board of Cherry SE stipulate that Supervisory Board members may not hold office for longer than the end of the Annual General Meeting following their 72nd birthday.

### **4. Self-assessment**

The Supervisory Board of Cherry SE regularly assesses the efficiency of its work. In addition to the quality-related criteria defined by the Supervisory Board, the efficiency assessment focuses primarily on the Supervisory Board's procedures and the provision of sufficiently detailed information to the Supervisory Board in a timely manner. A self-assessment with the support of external advisors was performed in 2022 and completed in 2023.

The Supervisory Board conducts the self-assessment in an open discussion at a meeting of the full Supervisory Board. A company-specific questionnaire covering the essential aspects required for a self-assessment serves as a basis for the discussion.

The results of the self-assessment and any measures to be derived from it were discussed in detail by the Supervisory Board on 23 January 2023. Overall, the structure and composition of the Supervisory Board, including the structure of its committees, were assessed as effective and efficient. The organization and conducting of the meetings were judged to be efficient and the number of meetings was considered adequate. Further, the governance of the Supervisory Board and delegation to the committees were considered effective. A fundamental need for change was therefore not apparent. However, to further improve its efficiency and procedures, the Supervisory Board agreed to implement new digital solutions for the preparation and consummation of the meetings while also promoting in-person meetings. In addition, the Supervisory Board is committed to further improve diversity and retain an adequate overall mix of experience, skills and professional background in the Supervisory Board.

### **5. Audit Committee**

To increase the efficiency of its activities and in accordance with the statutory provision of Section 107 (4) sentence 1 AktG and the requirements of the GCGC, the Supervisory Board of Cherry SE has established an Audit Committee. In fiscal year 2022, the Audit Committee of Cherry AG comprised three members, namely James Burns, Heather Faust, and Dino Sawaya. For Cherry SE, the Audit Committee has since been enlarged to four members and Joachim Coers has been included as a further independent member. The Chairman of



the Audit Committee is James Burns. Thus the Supervisory Board ensures, taking into account the principles of modern governance and the expectations of institutional investors, that the Audit Committee of Cherry SE consists of a majority of independent members.

James Burns has expertise in financial accounting and auditing due to his Bachelor's degree in accounting and his years as an auditor with Ernst & Young where he earned his title as Certified Public Accountant (CPA), as well as a controller and CFO of both public and private companies. He has also been actively involved in sustainability reporting as part of his previous roles and regularly participates in the Silicon Valley Director Exchange in order to keep informed of current developments. In this context, James Burns has, among other things, participated in several workshops on sustainability in relation to environmental, social and governance (ESG) aspects. James Burns has vast experience in internal controls and risk management from his roles at Hewlett-Packard and Silver Spring Networks. Heather Faust holds a Master's degree in Business Administration and, due to her many years of experience as a managing partner and investment professional at various private equity firms, also has expertise in financial accounting. Dino Sawaya has expertise in the field of financial accounting and auditing due to his many years of experience as an analyst in investment banking at Deutsche Bank, where he was regularly involved in interpreting, auditing and analyzing in detail complex financial statements for multi-national corporations. Dino Sawaya built upon this accounting expertise subsequently as a global private equity investor at both CHAMP Private Equity and Argand Partners, where he also gained specialized expertise in assessing and improving internal control regimes, risk management protocols and internal reporting processes, particularly in complex companies with international operations. Joachim Coers, since January 2023 a new member of the Audit Committee, also has expertise in the fields of financial accounting and auditing. He holds a degree in economics and has several years of experience as Chief Financial Officer of a company listed in MDAX and as Chairman of the Audit Committee of a company listed in Prime Standard on the Frankfurt Stock Exchange.

The Audit Committee is responsible for monitoring the financial reporting process, the effectiveness of the internal control system, the risk management system, the internal audit system, and the audit of the financial statements, including in particular the selection and independence of the auditor and the additional services provided by the auditor. The Audit Committee discusses the assessment of audit risk, the audit strategy and audit planning, and the audit findings with the auditor. The Chairman of the Audit Committee, James Burns, also regularly discusses the progress of the audit with the auditor outside meetings and reports to the Committee accordingly. The Audit Committee regularly confers with the auditor, also without the participation of the Board of Management, and may make recommendations or suggestions to ensure the integrity of the financial reporting process. Furthermore, the Audit Committee monitors and reviews the compliance management system and the compliance measures taken by the Management Board and deals with any compliance cases in which the Management Board is personally involved. Moreover, it makes decisions on behalf of the Supervisory Board regarding the approval of contracts (with the exception of employment or service contracts), other legal transactions, and investments up to the limit of twice the amount that can, in certain cases, trigger the approval requirement under the Management Board's Rules of Procedure.

## 6. Nomination Committee

In fiscal year 2022, the Cherry AG Nomination Committee comprised three members. The Chairman of the Nominating Committee was Steven M. Greenberg and the other members were Tariq Osman and Dino Sawaya. For Cherry SE, the Nomination Committee has been reduced to two members and now consists of Steven M. Greenberg as Chairman and Dino Sawaya as an additional member.

The Nomination Committee meets as often as required and proposes suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting. Any proposals take into account the Company's international operations, any potential conflicts of interest, and diversity. The Nomination Committee also prepares the regular efficiency assessment of the Supervisory Board and assists the Chairman regarding internal matters of the Supervisory Board.

## 7. Personnel and Compensation Committee

In fiscal year 2022, the Cherry AG Personnel and Compensation Committee comprised three members, namely Heather Faust (Chairwoman), Joachim Coers, and Tariq Osman. For Cherry SE, the composition of the Personnel and Compensation Committee has been changed. In addition to Heather Faust, who continues to serve as Chairwoman, and Joachim Coers, the Personnel and Compensation Committee now includes Marcel Stolk as a further independent member. The Supervisory Board thus ensures that, in addition to the Audit Committee, the Personnel and Compensation Committee also comprises a majority of independent members.

The Personnel and Compensation Committee meets as often as required, determines and assesses the remuneration systems for the members of the Management Board, and proposes them to the shareholders for approval. The Personnel and Compensation Committee proposes specific targets and reviews the annual achievement of the short-term incentive and long-term incentive targets. These targets for the Management Board also include environmental, social and governance targets (ESG targets) to ensure that the supervision of the Supervisory Board includes sustainability aspects in accordance with the requirements of the German Corporate Governance Code. The Personnel and Compensation Committee reviews and, if necessary, proposes adjustments to the remuneration of the members of the Management Board. Furthermore, the Personnel and Compensation Committee proposes internal and external candidates for the potential succession of Management Board members and oversees any selection process for the appointment of further or new Management Board members. The Personnel and Compensation Committee decides on behalf of the Supervisory Board on the granting of approval to appoint new senior executives of the Cherry Group with an annual remuneration up to the limit of twice the amount that can, in certain cases, trigger the approval requirement under the Rules of Procedure for the Management Board.

## 8. Diversity

The Supervisory Board of Cherry SE endeavors to achieve sufficient diversity in terms of personality, gender, internationality, professional background, expertise, experience, and age.

In the process of selecting and nominating candidates for Supervisory Board membership, the Supervisory Board and the Nomination Committee take into account both the composition targets and the requirements set out in the competence profile and the diversity concept. In the opinion of the Supervisory Board, its current composition meets the composition targets and fulfills the requirements of both the competence profile and the diversity concept. The members of the Supervisory Board possess all the professional and personal qualifications deemed necessary. In their entirety, they are familiar with the sector in which Cherry operates and possess the knowledge, skills, and experience essential to both the Company and the Group, including in the area of sustainability. A considerable proportion of Supervisory Board members either work internationally or have many years of international experience.

## 9. Independence

More than half of the shareholder representatives on the Supervisory Board are required to be independent of the Company and the Management Board as defined in the GCGC. Furthermore, at least two shareholder representatives are required to be independent of a controlling shareholder as defined in the GCGC. In the opinion of the Supervisory Board of Cherry SE, all its members are independent of both the Company itself and the Management Board. More-over, Marcel Stolk, James Burns, Joachim Coers, Steven M. Greenberg, and Tariq Osman constitute five members of the Supervisory Board who are independent of a controlling shareholder. The Supervisory Board is therefore composed of what it considers to be an appropriate number of independent members. The Chairman of the Audit Committee, James Burns, is independent of the Company, the Management Board, and the controlling shareholder, and the Chairwoman of the Personnel and Compensation Committee, Heather Faust, is independent of the Company and the Management Board as defined in Recommendation C.10 GCGC. Furthermore, the Supervisory Board takes into account the expectations of institutional investors and the principles of modern governance in that both the Audit Committee and the Personnel and Compensation Committee of the Supervisory Board of Cherry SE comprise a majority of independent members.

## 10. Competence profile

In accordance with Recommendation C.1 GCGC, the Supervisory Board is required to specify concrete objectives for its composition and develop a competence profile for the entire body, paying due attention to the topic of diversity. The competence profile should also include expertise regarding sustainability issues of importance to the Company. Taking into account Recommendation C.1 GCGC, the Supervisory Board of Cherry SE has drawn up corresponding objectives for its composition and developed a competence profile.

The Supervisory Board as a whole is required to have competences that are deemed essential in view of Cherry SE's activities, including in particular in-depth experience and knowledge in the following:

- Management of a large or medium-sized company operating on an international basis
- Industrial business and value creation involving various value chains
- Research and development, particularly in technologies relevant to the Company
- Production, marketing, sales, and digitalization
- The main markets in which the Cherry SE Group operates
- Accounting and financial reporting
- Controlling and risk management
- Governance and compliance
- Sustainability (environmental and social) with regard to issues of significance for the Cherry SE Group.

In addition, pursuant to Art. 9 (1) lit. c) SE Regulation in conjunction with Section 100 (5) AktG, at least one member of the Supervisory Board of Cherry SE must have expertise in the area of accounting and financial reporting and at least one other member of the Supervisory Board must have expertise in the area of auditing. Moreover, the members of the Supervisory Board in their entirety must be familiar with the sector in which Cherry SE operates. The Chairman of the Audit Committee, James Burns, has expertise in both accounting/financial reporting and auditing. The members of the Audit Committee also have relevant expertise, namely Heather Faust in the areas of accounting/financial reporting and Dino Sawaya in the areas of both accounting/financial reporting and auditing. In addition, Joachim Coers, as a newly appointed member of the Cherry SE Audit Committee, also has expertise in the areas of accounting/financial reporting and auditing.

The following qualification matrix shows the implementation status of the competence profile:

	Marcel Stolk	James Burns	Joachim Coers	Heather Faust	Steven M. Greenberg	Tariq Osman	Dino Sawaya
Management of a large or medium-sized international company	✓	✓	✓	✓		✓	✓
Industrial business and along the value chain	✓	✓	✓	✓	✓	✓	✓
Research and development	✓	✓		✓	✓	✓	✓
Production, marketing, sales, and digitalization	✓	✓	✓	✓	✓	✓	✓
Major markets	✓	✓		✓	✓	✓	✓
Accounting/financial reporting, audit of financial statements		✓	✓	✓		✓	✓
Controlling and risk management	✓	✓	✓	✓	✓	✓	✓
Governance and compliance	✓	✓	✓	✓	✓	✓	✓
Sustainability (environmental and social)	✓	✓		✓	✓	✓	✓
Independence	✓	✓	✓		✓	✓	

### III. Cooperation between the Management Board and the Supervisory Board of Cherry SE

In accordance with statutory provisions, the Articles of Incorporation and the Rules of Procedure of the Supervisory Board and the Management Board, the Management Board is required to report to the Supervisory Board of Cherry SE as well as at the request of the Supervisory Board in certain cases. Management Board reports must be prepared with due care and provide a true representation of the situation.

At least once a year, the Management Board is required to report on its intended business policy and other fundamental issues of corporate planning for both the Company and the Group as a whole. This also includes aspects of the sustainability strategy and its implementation, in particular with respect to the targets set forth by the Personnel and Compensation Committee for the remuneration of the Management Board.

In connection with the Supervisory Board's resolution on the annual financial statements and the consolidated financial statements (the so-called "balance sheet meeting"), the Management Board is required to report on the profitability of both the Company and the Group, in particular on the return on equity.

The Management Board is required to report regularly, at least quarterly, on the course of business, in particular on revenue and the situation of the Company and the Group. This includes reporting on the current development of the results of operations, financial position and net assets, personnel development, significant risks to the Group and individual Group units, and compliance.

The Management Board is also required to report to the Supervisory Board on other key matters in a prompt manner. The Management Board's Rules of Procedure also set out further requirements regarding its reporting to the Supervisory Board.

The Management Board is required to report on all transactions that may be of significance regarding the profitability or liquidity of the Company and/or the Group. As a rule, these reports are to be submitted in text form and, to the extent possible, in sufficient time to give the Supervisory Board the opportunity to comment on them before the business is transacted.

Article 9 of the Articles of Incorporation of Cherry SE stipulates that the Management Board may only undertake certain transactions and measures with the prior approval of the Supervisory Board. In the Management Board's Rules of Procedure, the Supervisory Board of Cherry SE has determined further transactions or types of transaction that require the prior approval of the Supervisory Board (for transactions requiring approval, see the above section D.I.1). The Supervisory Board may grant approval for a specific category of transactions on a revocable basis in general, or in advance if an individual transaction meets certain requirements.

## E. Diversity

### I. Gender-related composition of the Supervisory Board, the Management Board, and executive levels below the Management Board

Pursuant to Section 111 (5) AktG, on June 14, 2021, the Supervisory Board set a target of at least 20% for the proportion of female members on the Supervisory Board by no later than June 13, 2026. On June 14, 2021, the Supervisory Board also set a target of at least 20% for the proportion of female members on the Management Board by no later than June 13, 2026.

Pursuant to Section 76 (4) AktG, the Management Board has set a target for the proportion of women in the first executive level below the Management Board at a minimum of 10% (this currently corresponds to 2 women), which must be achieved by the end of 2026. Cherry SE does not have a second executive level below the Management Board.

### II. Diversity concept regarding the composition of the Management Board and the Supervisory Board of Cherry SE

In accordance with Recommendation C.1 GCGC, the Supervisory Board of Cherry SE is endeavoring to achieve sufficient diversity in terms of personality, gender, internationality, professional background, expertise, experience, and age.

Moreover, in accordance with Recommendation B.1 GCGC, the Supervisory Board of Cherry SE is giving due consideration to the topic of diversity in the composition of the Management Board.

A diversity concept has been drawn up for the Management Board and the Supervisory Board of Cherry SE, which is described below. Diversity is aspired to in terms of age, gender, education, professional background, and international experience.

#### 1. Age

A mixture of experience and new ways of thinking is required in order to serve on either the Supervisory Board or the Management Board. For this reason, the Management Board and the Supervisory Board of Cherry SE are required to consist of a mixture of experienced and new incoming members. The strategy will not only ensure an adequate transfer of knowledge, but also help to gain new insights.

#### 2. Gender

The fundamental aim is to encourage a mixture of women and men on the Management Board and the Supervisory Board of Cherry SE and to consider whether the proportion of women on the two boards can be increased by the addition of suitable female candidates. Ultimately, however, expertise and the relevant qualifications are the decisive criteria for membership in both of these bodies.

#### 3. Education and professional background

At least one member of the Cherry SE Management Board is required to have experience in fields essential to the Company, including:

- Management of a large or medium-sized company operating on an international basis

- Industrial business and value creation involving various value chains
- Research and development, particularly in technologies relevant to the Company
- Production, marketing, sales, and digitalization
- The main markets in which the Cherry SE Group operates

Furthermore, at least one member of the Management Board is required to have experience in the areas of corporate governance, law, compliance, and/or financial reporting and auditing to reflect the specific requirements of a capital market-oriented enterprise.

As a whole, the Supervisory Board of Cherry SE is required to have competences that are deemed essential to the activities of the Company, including in particular the experience and knowledge described in the competence profile of the Supervisory Board (see section D.II.10).

In future, at least one member of the Supervisory Board will be required to have expertise in the field of accounting/financial reporting and at least one further member must have expertise in the field of auditing. Furthermore, the members of the Supervisory Board as a whole must be familiar with the sector in which Cherry AG operates.

#### 4. International experience

As an international company, Cherry SE operates in a variety of markets worldwide. The members of the Cherry SE Management Board need to have gained international experience through their origin, their education, or their professional career.

An appropriate number of members of the Supervisory Board of Cherry SE must also have gained experience in internationally operating companies as a result of their education or their professional activities.

#### 5. Implementation status

The diversity concept for the Management Board is being implemented in the process of appointing its members. The Supervisory Board and the Personnel and Compensation Committee are required to take into account the prerequisites set out in the diversity concept for the Management Board when selecting or proposing candidates for appointment to the Management Board.

In its current composition, the Management Board meets the key requirements of the diversity concept. All in all, the members of the Management Board possess a broad range of knowledge and experience as well as educational and professional backgrounds and also have the requisite international experience. The Management Board as a whole possesses all the knowledge and experience deemed essential for the proper management of the Company's operations.

In the process of selecting and nominating candidates for Supervisory Board membership, the Supervisory Board and the Nomination Committee take into account the composition targets and the requirements set out in the competence profile and the diversity concept. In the opinion of the Supervisory Board, its current composition meets the composition targets and fulfills the requirements of both the competence profile and the diversity concept. The members of the Supervisory Board possess all the professional and personal qualifications deemed necessary. In their entirety, they are familiar with the sector in which Cherry operates and possess the essential knowledge, skills, and experience. A considerable proportion of Supervisory Board members either work internationally or have many years of international experience.

## F. Financial reporting, audit of financial statements

Cherry SE prepares its consolidated financial statements and interim financial statements in accordance with International Financial Reporting Standards (IFRS) as applicable within the European Union. After preparation by the Management Board, the financial statements are audited by the auditor elected by the Annual General Meeting. The election proposal of the Supervisory Board is preceded by a recommendation from the Audit Committee. For fiscal year 2023, the recommendation will be based on a tendering and selection process conducted in accordance with statutory requirements. Based on the audit reports and the documents relating to the consolidated financial statements, the Supervisory Board approves the consolidated financial statements, subject to a preliminary review by its Audit Committee if deemed necessary. The consolidated financial statements are then adopted accordingly. The Management Board discusses interim statements and half-year reports with the Audit Committee of the Supervisory Board of Cherry SE prior to publication.

## G. Transparency

Cherry SE places great importance on the uniform, comprehensive, and prompt disclosure of information. Cherry SE reports on its business performance and results in the form of annual reports, quarterly statements, and half-year reports, as well as at the annual analysts' and investors' conference and by means of regular conference calls. It also provides information in the form of press releases and ad hoc announcements as well as other mandatory publications to the extent required by law. Cherry SE maintains insider lists. The respective persons concerned either have been, or will be, informed of the legal obligations and sanctions.

Pursuant to Article 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council dated April 16, 2014 on market abuse, the members of the Management Board and the Supervisory Board as well as any persons closely associated with them are required to notify Cherry SE of any proprietary transactions in shares, debt instruments, and related derivatives or other financial instruments. The directors' dealings transacted in the year under report are available at <https://ir.cherry.de/home/corporate-governance/#directors-dealings>.