


Corporate Governance Statement

The Corporate Governance Statement is in accordance with §§ 289 f, 315 d of the German Commercial Code (HGB). It is an unaudited part of the Combined Management Report. In the Corporate Governance Statement, the Executive Board and Supervisory Board also report on the company's corporate governance. The JENOPTIK AG Executive Board and Supervisory Board affirm their commitment to responsible corporate governance and control, geared towards lasting value creation. They see good corporate governance as the foundation for sustained corporate success and, at the same time, an important contribution to strengthening the trust in Jenoptik on the part of shareholders, business partners, employees, and the general public.

Corporate Governance

In the reporting year, the Executive Board and Supervisory Board again dealt in detail with corporate governance issues, in particular the new version of the German Corporate Governance Code ("Code"), which came into force in March 2020. The Executive and Supervisory Boards issued the current Declaration of Conformity in adherence with § 161 of the German Stock Corporation Act (AktG) in December 2020. It is permanently available to shareholders on the company's website. If, in the future, changes arise at Jenoptik which have an impact on compliance, the Declaration of Conformity will be updated during the year. 

Declaration of Conformity by the Executive Board and Supervisory Board of JENOPTIK AG in the 2020 Fiscal Year

According to § 161, Para. 1, Sent. 1 of the German Stock Corporation Act (AktG), the Executive and Supervisory Boards of a listed company are required to issue a declaration once a year that the recommendations of the "Government Commission on the German Corporate Governance Code" as published by the Federal Ministry of Justice in the official section of the Federal Gazette [Bundesanzeiger] have been and are complied with, or to indicate which recommendations have not been or are not applied and why not.

The Executive and Supervisory Boards of JENOPTIK AG support the recommendations of the "Government Commission on the German Corporate Governance Code," and state that pursuant to § 161, Para. 1, Sent. 1 of the German Stock Corporation Act (AktG):

- I. Since the last Declaration of Conformity as of December 2019, the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated February 7, 2017 ("Code 2017") have been complied with with the following exception:

In accordance with Point 5.4.1 Para. 2 Sent. 2 of the Code 2017 the Supervisory Board shall specify a regular limit to the Supervisory Board members' term of office when naming concrete objectives regarding its composition.

This recommendation has not been complied with. The Supervisory Board has decided not to specify a regular limit regarding the Supervisory Board members' term of office. It is not consistently compatible with the procedure for elections of employee representatives to the Supervisory Board as stipulated in the German Co-Determination Act. The recommendation is no longer included in the current version of the Code dated December 16, 2019.

- II. JENOPTIK AG has complied with the recommendations of the Code in the version dated December 16, 2019, published in the Federal Gazette on March 20, 2020 ("Code 2019") and will comply with them with the following exception which is declared purely as a precautionary measure:

In accordance with recommendation C.4 of the Code a Supervisory Board member who is not a member of any Executive Board of a listed company shall not accept more than five Supervisory Board mandates at non-group listed companies or comparable functions, with an appointment as Chair of the Supervisory Board being counted twice.

Our Supervisory Board member, Ms. Doreen Nowotne, is also Chairwoman of the Supervisory Board of Franz Haniel & Cie. GmbH as well as of Brenntag AG and Supervisory Board



The Corporate Governance Statement as well as the current Declaration of Conformity, and those of previous years, are permanently accessible on our website at www.jenoptik.com under the category Investors/Corporate Governance

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member of Lufthansa Technik AG. If the mandate at Jenoptik, which from Jenoptik's point of view is an internal mandate, is counted in the addition of the mandates according to C.4 Ms. Nowotne has in total six mandates. Therefore, a deviation has been declared purely as a precautionary measure. The Supervisory Board has made sure that Ms. Nowotne has sufficient time available to discharge her duties.

According to the reasons stated in the Code 2019, the recommendations on Executive Board compensation need not to be taken into account in current Executive Board contracts until their next renewal or amendment, therefore, JENOPTIK AG does not deviate from the Code 2019 in this respect. In connection with the resolution on the remuneration system to be submitted to the 2021 Annual General Meeting for approval pursuant to §§ 87a, 120a of the German Stock Corporation Act (Aktien-gesetz) for the first time, the Supervisory Board will decide whether the recommendations of Chapter G of the Code 2019 should be fully complied with for Executive Board contracts to be concluded or amended in the future.

In the interest of transparent communication, we would like to inform that in the current compensation system for the Executive Board, approved by the Annual General Meeting 2018, no maximum compensation in the sense of recommendation G1 of the Code 2019 has been determined as there were no such requirements included in the Code 2017. In addition, although a peer group comparison was made with regard to market conformity of the Executive Board remuneration, the peer group was not disclosed as recommended in recommendation G3 of the Code 2019 – also due to the lack of corresponding requirements in the Code 2017.

December 15, 2020 | JENOPTIK AG

For the Executive Board

For the Supervisory Board


Stefan Traeger *Matthias Wierlacher*


Dr. Stefan Traeger
President & CEO

Matthias Wierlacher
Chairman of the
Supervisory Board

Information on Corporate Governance Practices

Code of Conduct, Opportunity and Risk Management, Compliance

We see success in business and responsibility for our actions as being two inseparable goals. For us, essential factors for responsible conduct with all stakeholders include respect, fairness, and openness. Jenoptik also considers compliance with statutory provisions and internal rules and regulations to be part of responsible corporate management. In order to guarantee the high level of integrity as well as ethical and legal standards within the Jenoptik Group, the most important principles of conduct have been compiled in a Code of Conduct which is equally binding on all employees of the Jenoptik Group. It sets out minimum standards and serves as a reference framework to establish maximum integrity as well as ethical and legal standards at Jenoptik. In the event of questions regarding the Code of Conduct or suspected illegal or unlawful matters, all Jenoptik employees may speak in confidence to the respective executive or the contact persons named in the Code of Conduct. All employees may also use the reporting system (whistleblowing system) on the Jenoptik intranet, by telephone or via email to report significant violations that must be handled confidentially. 

For Jenoptik, good corporate governance also involves continuously and responsibly evaluating opportunities and risks which may result from entrepreneurial activity. The goal of our risk and opportunity management is to support the implementation of the group strategy and to define actions which create an optimum balance between growth and return targets on the one side and the associated risks on the other. 




The Code of Conduct can be found at www.jenoptik.com, under the category Investors/Corporate Governance/Code of Conduct



Detailed information on risk and opportunity management can be found in the Risk and Opportunity Report from page 133

Observing nationally and internationally recognized compliance requirements is an integral part of our risk prevention and the processes of the Jenoptik Compliance Management System (CMS). The CMS is based on the Jenoptik values, the Code of Conduct, and various group guidelines and process descriptions from Jenoptik, compliance with which is a fundamental requirement for maintaining the trust of our business partners, shareholders, and the public in the performance and integrity of Jenoptik. The CMS is continuously developed and adapted to changing conditions. On the Executive Board, Dr. Stefan Traeger is responsible for the central Compliance & Risk Management department. Global compliance activities are coordinated by the Center of excellence in Germany and supported by local colleagues in the North America and Asia/Pacific regions.

The Jenoptik Group has a globally uniform framework with the group guidelines for key business processes. With this system of processes and controls any possible deficits in the company can be identified at an early stage and appropriate actions taken to minimize or eliminate them. Central departments, divisions, and regions can reinforce this set of rules with more detailed regulations in accordance with their respective requirements. The guidelines are regularly reviewed, and extended or updated as necessary.

In order to familiarize employees with these topics and to improve employee awareness, regular online training courses and classroom events on subjects relevant to compliance, such as anti-corruption, anti-trust law as well as data protection, are regularly held at both the German and foreign business units. The aim of this is to create company-wide uniform understanding of our compliance standards. In addition to the main training courses offered as part of onboarding training for new employees, everyone is also required to participate in mandatory e-learning refresher courses. The aim is to provide them with the content of important compliance topics on a continuous basis, but at least once a year, and to then verify this with a test. In addition, employees can contact the central Compliance & Risk Management department with any questions relating to compliance or risk issues at Jenoptik as well as use a help desk on the intranet or an app on their smartphones. 

Holding company: As the holding company and corporate center of the Group, JENOPTIK AG performs top-level functions: Jenoptik's operating business is divided into divisions and business units which are supported by the Corporate Center. The strategic decisions of the Executive Board are prepared by the central Corporate Development department. The Executive Board is also supported by the Executive Management Committee (EMC), which as of December 31, 2020 alongside the members of the Executive Board also included the head of Personnel, the head of Corporate Development, the heads of the North America and Asia/Pacific regions as well as the heads of the divisions. At comprehensive monthly meetings, this committee provides the Executive Board with information on all relevant events for the company and the economic situation of the divisions. The Jenoptik Management Days conference takes place once a year. It is attended by numerous group managers from within Germany and around the world along with the Executive Board and the other EMC members.

Sustainability

Jenoptik's understanding of sustainability is based on the conviction that the economic goals of the company and thus lasting profitable growth can only be achieved by behaving responsibly towards the environment and society. Together with our customers, we create forward-looking trends in the fields of energy efficiency, healthcare, the environment, mobility, and safety. The separate Non-financial Report from page 60 of the Annual Report contains detailed information on Jenoptik sustainability management in the areas of employee and environmental matters, human rights, anti-corruption and the supply chain, quality as well as social commitment of the Group.



Further information on compliance and supplier management can also be found in the chapter "Non-financial Report"

Composition and Mode of Operations of the Executive Board, Supervisory Board and its Committees

JENOPTIK AG is a stock corporation under German law with a dual management and monitoring system. The Executive Board runs the company on its own responsibility and in the interests of the company and with the goal of sustainably increasing the value of the company. It takes into account the concerns of all stakeholders, in particular shareholders and the Group's employees. The Supervisory Board advises and monitors the Executive Board in its management of the company and is involved in decisions of fundamental importance to the company. The Executive Board consults with the Supervisory Board about the strategic orientation of the company and discusses the status of strategy implementation with it at regular intervals. The Executive and Supervisory Boards work closely together for the good of the company.


Executive Board

The members of the JENOPTIK AG Executive Board are appointed by the Supervisory Board. In accordance with the Articles of Association, the Executive Board shall comprise at least two persons. The Board currently has two members. They share common responsibility for the overall management of the Group, work cooperatively and confidently together, and decide on primary matters of group corporate policy, its management, corporate strategy as well as annual and longer-term planning. The Executive Board ensures compliance with statutory provisions and internal corporate guidelines and is responsible for establishing a control and risk management system tailored to the Company's risk situation. The specific allocation of responsibilities and departmental tasks (including the responsibility for sustainability topics (environment, social, governance)) is regulated in a schedule of responsibilities. Detailed information on the allocation of responsibilities can be found in the section "Further Information on Corporate Governance" on page 45 of the 2020 Annual Report.

The members of the Executive Board continually update one another on important activities and events within their assigned areas. Executive Board meetings take place at least once a month. The Executive Board's rules of procedure regulate which actions are of major importance for the Jenoptik Group and thus require the approval of the entire Executive Board or the Supervisory Board. In addition, the rules of procedure also set out in greater detail the internal working procedures of the Executive Board and the methods of reporting to and coordinating with the Supervisory Board.

The Executive Board continually informs the Supervisory Board in a timely and comprehensive manner, and in both written and spoken communication, on all matters relevant to the current development of the Group's net assets, financial position and results of operations, corporate planning including financial, capital expenditure and human resource planning, the profitability of the company, essential strategic issues, the risk situation, risk management and compliance. The Chairman of the Executive Board coordinates the cooperation of the Executive Board with the Supervisory Board. The Supervisory Board is required to give its approval on decisions or actions which may involve considerable changes to the company's assets, finances or earnings. Members of the Executive Board are required to disclose conflicts of interest to the Supervisory Board without delay and to inform the other members of the Executive Board of this.

Supervisory Board

With equal representation in accordance with the German Codetermination Act, the Supervisory Board of JENOPTIK AG consists of twelve members, six of whom are elected by the shareholders at the Annual General Meeting and six of whom are nominated by employees in accordance with the Codetermination Act. The Supervisory Board is composed in such a way that, as a whole, it is endowed with the knowledge, abilities, and professional experience necessary to carry out its tasks in an orderly manner. Each member shall ensure that they have sufficient time available to perform their duties. In accordance with the requirement of § 96 (2) (1) of the German Stock Corporation Act, four of its twelve members, two of the shareholder representatives and two employee representatives, are female. The shareholder representatives were individually elected at the 2017 Annual General Meeting to serve until the conclusion of the 2022 Annual General Meeting. The diversity policy pursued with respect to the composition of the Supervisory Board is described in the "Diversity Policy" section of this declaration. 

The Chairman of the Supervisory Board is elected by its members and coordinates the work of the Supervisory Board, presides over its meetings and represents the body externally. The Chairman maintains regular contact with the Executive Board, which provides the Supervisory Board Chairman with immediate information on important events which are of crucial importance to the position and development of the company. In the event of a tied vote by the Supervisory Board, a second round of voting is conducted in which the Chairman casts two votes, insofar as this is permitted by law. The Chairman of the Supervisory Board also chairs the Personnel, Mediation, Investment and Nomination Committees, but not the Audit Committee.



Further details on the composition of the Supervisory Board and its committees can be found in § 11 of the Articles of Association of JENOPTIK AG, in the Report of the Supervisory Board from page 20 and in the Group Notes appended to the 2020 Annual Report from page 228.

The Supervisory Board meets at least four times a year, but as a rule meets five times a year because of the Supervisory Board's strategy meeting which takes place in the fall. Extraordinary meetings are called for major events that cannot be delayed or a resolution is adopted by written consent. Taking into account the results of the audit and the recommendations of the Audit Committee, the Supervisory Board examines and approves the Financial Statements and Consolidated Financial Statements, the Non-financial Report, the Combined Management Report for JENOPTIK AG and the Group and adopts the Annual Financial Statements. Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart, was appointed to audit the Annual and Consolidated Financial Statements for the 2020 fiscal year. The Supervisory Board also resolves on the Executive Board's proposal for the appropriation of accumulated profits. 



Further information on this can be found in the "Accounting and Auditing" section on page 46 and in the Supervisory Board Report (pages 20 ff) of the 2020 Annual Report.


The Supervisory Board carries out a review of the efficiency of its activities at regular intervals. The Supervisory Board has decided to have the efficiency externally evaluated every three years. In the intervening period, efficiency will be discussed and reviewed internally on an annual basis. Following the most recent external efficiency review in 2017 and internal self-evaluations in both 2018 and 2019, the Supervisory Board again commissioned an independent external expert in September 2020 to evaluate its work and processes with regard to its composition, culture and leadership as well as overarching aspects of good corporate governance. The external consultant subsequently presented the anonymized results of his findings to the full Supervisory Board. The review presented a positive picture – also in benchmarking – of the work of the Supervisory



The Rules of Procedure (only German) of the Supervisory Board can be found at www.jenoptik.de under the heading "About Jenoptik"

Board and its committee. As a result of the audit, the Supervisory Board has resolved to evaluate and, if necessary, adjust the tasks and functioning of the Investment Committee.

Supervisory Board members are to disclose any conflicts of interest to the Supervisory Board without delay. No conflicts of interest arose for Supervisory Board members in the 2020 fiscal year.

The Supervisory Board has adopted rules of procedure which govern important aspects of its internal cooperation and collaboration with the Executive Board. The rules also mandate the creation of committees as a means of improving efficiency when it comes to Supervisory Board work on complex topics. 

The Supervisory Board currently has five committees that, with the exception of the Nomination Committee, which is composed only of shareholder representatives, are made up of equal numbers of shareholder and employee representatives. The candidates' professional and personal expertise is taken into account in the formation of committees.

The committees prepare decisions for the Supervisory Board and may, in individual cases, make decisions in place of the Supervisory Board insofar as this is permitted by law. The respective committee chairmen report to the Board on the content discussed and the resolutions and recommendations approved no later than at the next Supervisory Board meeting.

T04 Committee memberships of the Supervisory Board members

	Astrid Biesterfeldt (since 2014)	Evert Dudok (since 2015)	Michael Ebenau (since 2007 until 15/10/2020)	Elke Eckstein (since 2017)	Thomas Klippstein (since 1996)	Dörthe Knips (since 2017)
Member of	<ul style="list-style-type: none"> • Audit Committee 		<ul style="list-style-type: none"> • Personnel Committee (until 15/10/2020) • Investment Committee (until 15/10/2020) • Mediation Committee (until 15/10/2020) 	<ul style="list-style-type: none"> • Investment Committee 	<ul style="list-style-type: none"> • Personnel Committee • Audit Committee 	<ul style="list-style-type: none"> • Investment Committee

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The **Audit Committee** meets at least four times each year. Its discussions involve, in particular, the monitoring of accounting, the accounting process and auditing, with particular reference to the independence of the auditor, the non-audit services provided by the auditor and the determination of the focus of the audit. It also grants the audit assignment. On the basis of the auditor's reports, and following its own review, the Audit Committee submits proposals for the adoption of the Annual Financial Statements of JENOPTIK AG and for the approval of the Consolidated Financial Statements by the Supervisory Board. The Audit Committee's responsibilities also include monitoring ESG issues, therefore it also prepares the Supervisory Board's decision on the Combined Non-financial Report. The Audit Committee's responsibilities also include monitoring ESG issues, therefore it also reviews the effectiveness and further development of the compliance and risk management systems as well as the internal control and internal auditing system. In accordance with the regulations of the German Stock Corporation Act and the German Corporate Governance Code, the Audit Committee must have at least one independent member who possesses expertise in accounting or auditing. Both the Chairman of the Audit Committee, Heinrich Reimitz, and his deputy Doreen Nowotne, possess expert knowledge and experience of accounting principles and internal control procedures, are independent (more information can be found in the diversity policy for the Supervisory Board) and not former members of the Executive Board of JENOPTIK AG.

The **Personnel Committee** convenes at least once a year. It deals with the long-term succession planning for the members of the Executive Board and prepares their appointment by the Supervisory Board. The Personnel Committee regularly reviews the remuneration system for the Executive Board members, which is then approved by the Supervisory Board and submitted to the Annual General Meeting for approval whenever significant changes are made. It also prepares the conclusion and settlement of the annual targets for the variable remuneration for the Executive Board members. If necessary, the Personnel Committee is supported by external, independent consultants.

The **Nomination Committee** proposes to the Supervisory Board suitable candidates for election to the Supervisory Board at the Annual General Meeting and meets only when required.

The **Investment Committee** supports the Supervisory Board in investment and divestment decisions requiring approval in accordance in the Executive Board's rules of procedure, in particular in the preparation and operational implementation of resolutions on the acquisition or sale of equity interests in companies or parts of companies.

The **Mediation Committee**, which deals with matters relating to § 31 (3) (1) of the Codetermination Act, only meets when necessary.

Further details on the activities of the Supervisory Board and its committees in the 2020 fiscal year (as well as the individual attendance at meetings) can be found in the Supervisory Board Report on page 20.

Dieter Kröhn (since 2010)	Doreen Nowotne (since 2015)	Heinrich Reimitz (since 2008)	Stefan Schaumburg (since 2012)	Frank-Dirk Steininger (since 16/10/2020)	Prof. Dr. Andreas Tünnermann (since 2007)	Matthias Wierlacher (since 2012)
<ul style="list-style-type: none"> • Investment Committee • Mediation Committee 	<ul style="list-style-type: none"> • Audit Committee (Vice Chairman) • Investment Committee 	<ul style="list-style-type: none"> • Audit Committee (Chairman) • Personnel Committee • Nomination Committee 	<ul style="list-style-type: none"> • Personnel Committee • Investment Committee (since 12/11/2020) • Mediation Committee (since 16/10/2020) 	<ul style="list-style-type: none"> • Personnel Committee (since 12/11/2020) 	<ul style="list-style-type: none"> • Personnel Committee • Mediation Committee • Nomination Committee 	<ul style="list-style-type: none"> • Personnel Committee (Chairman) • Investment Committee (Chairman) • Nomination Committee (Chairman) • Mediation Committee (Chairman)

Remuneration of the Executive Board and Supervisory Board

The remuneration for the members of the Executive and Supervisory Boards is described in the Remuneration Report from page 51, which is part of the Combined Management report. The Remuneration Report can be found on our website at www.jenoptik.com in the category Investors/Corporate Governance. The last vote on the remuneration system for members of the Executive Board was made by the 2018 Annual General Meeting. In 2021, the remuneration system for the Executive Board and Supervisory Board members will be submitted to the Annual General Meeting for a vote again and for the first time in accordance with the new requirements of sections § 87a, § 120a, and 113 (3) of the German Stock Corporation Act.

Specifications for Promoting the Participation of Women in Management Positions/Targets for the Proportion of Women

In accordance with § 111 (5) and § 96 (2) of the German Stock Corporation Act, the Supervisory Board at Jenoptik must be comprised of at least 30 percent women and 30 percent men. A total of four women are represented on the Supervisory Board – Doreen Nowotne and Elke Eckstein on the shareholder side and Astrid Biesterfeldt and Dörthe Knips on the employee side. This equates to 33 percent.

According to § 76 (4) of the German Stock Corporation Act, Jenoptik is also required to determine targets for the proportion of women on the Executive Board as well as at both management levels below the Executive Board and to report on whether the targets have been achieved during the reference period. As the Jenoptik Executive Board consists of only two persons, the Supervisory Board resolved at its meeting on June 8, 2020 to again set a quota of zero percent until June 30, 2023 and to decide on the quota again as soon as the Executive Board is

composed of more than two persons. Due to the extension of the appointment of Dr. Stefan Traeger until June 30, 2025, and the appointment of Hans-Dieter Schumacher until March 31, 2023, no short-term change in the composition of the Executive Board is to be expected. Therefore the quota – as specified – is currently zero percent. In the case of Jenoptik's two-member board, the determination of a higher quota would also have the mandatory consequence that, in the event of a vacancy, a woman would always have to be appointed. The Supervisory Board would, however, like to be able to make appointments giving due consideration to the professional expertise and personal integrity of who is, in its opinion, the most suitable candidate, irrespective of their gender. This would no longer be possible if the Supervisory Board were to set a target of more than zero percent for a two-person Executive Board.

For the first management level below the Executive Board, the JENOPTIK AG Executive Board has decided on a target of 16.7 percent with a deadline of June 30, 2022. The Executive Board has expressly reserved, in due course, to decide once again whether this quota can be raised. As of December 31, 2020, the proportion of women in the first management level below the Executive Board was 23.1 percent. As of January 1, 2021, the proportion increased to 25 percent, which is why the target is currently significantly exceeded. A target for the second management level has not been set because JENOPTIK AG as a Corporate Center has flat management structures and therefore has no continuous second management level. At the end of 2020, women made up 52.0 percent of all employees in the Corporate Center. The diversity rate, which is calculated from the average proportion of executives with an international background and female executives, is to increase to 30 percent by 2022 and 33 percent by 2025. To further accelerate this change in corporate culture, Jenoptik launched numerous new measures within the Group in 2020. For example, there are internal and external recruitment campaigns, women's networks, and regular (online) events for the exchange of ideas. In the fall of 2020, a "Jenoptik Diversity Council" was also established as an internal contact for questions relating to diversity within the company.

Description, Goals, and Implementation of Diversity Policy with Results Achieved

1. Diversity Policy for the Executive Board

The diversity policy for the Executive Board should facilitate an orderly selection process for the appointment of new Executive Board members. The aim is to fill the Executive Board in such a way that it has the knowledge, skills, and professional experience which, when taking into account the statutory framework, are necessary for the proper performance of the Executive Board's duties, and essential for the activities of the Jenoptik Group.

For this purpose, the Supervisory Board has developed a requirements and skills profile with the support of the Personnel Committee and an external, independent personnel consultant. This is an integral element of the diversity policy and defines various criteria which must be fulfilled, such as age, education, professional background, current position as well as the personality requirements of the candidate. When developing this requirements profile, the specifications of the Supervisory Board's rules of procedure with regard to the appointment of Executive Board members were also observed. For example, a maximum age limit for the appointment of Executive Board members is 65 years at the time of the appointment.

The diversity policy is implemented as part of the procedure for appointing a member of the Executive Board. With the appointment of Dr. Traeger by the Supervisory Board on May 1, 2017, the approved requirements and skills profile is fully completed by the current members of the Executive Board. There were no changes to the existing diversity policy in the 2020 fiscal year. Information on the CVs of the members of the Executive Board can be found on our website at www.jenoptik.com/about-jenoptik/management.

The Personnel Committee of the Supervisory Board also deals with the long-term succession planning for the Executive Board, partially in conjunction with the Executive Board. When doing so, the Personnel Committee and Supervisory Board are supported by independent external experts as required. The basis of the Personnel Committee's work is the requirements and skills profile which has been developed and is continuously being refined. It ensures that the abilities, knowledge and experience of the members of the Executive Board are balanced.

2. Diversity Policy for the Supervisory Board


The diversity policy for the Supervisory Board should ensure an orderly selection process for the appointment of new Supervisory Board members for JENOPTIK AG. The aim here is also to fill the Supervisory Board in such a way that, as a whole, it has the knowledge, skills and professional experience necessary to properly undertake its tasks. This ensures qualified control by the Supervisory Board, in accordance with the German Stock Corporation Act, the German Corporate Governance Code, the Articles of Association and the Rules of Procedure of the Supervisory Board of JENOPTIK AG.

The diversity policy is implemented in the election of shareholder representatives. In its search for candidates, the Nomination Committee of the Supervisory Board takes into account the objectives for the composition of the Supervisory Board, which follow the Diversity Statement, the requirements of the German Stock Corporation Act (AktG) and the German Corporate Governance Code. In doing so, it also takes into account the existing skills and abilities of the elected employee representatives. The Nomination Committee then submits suitable candidate proposals for the Supervisory Board for the election of shareholder representatives to the Supervisory Board to the Annual General Meeting. The Supervisory Board ensures that the respective candidates have the necessary time to perform their duties.

With the support of an external consultant, the Supervisory Board also developed a requirements profile detailing the abilities and skills necessary for the full Supervisory Board, which has been continually developed and used by the Nomination Committee and Supervisory Board when seeking new candidates. According to this, competencies in the three categories listed in the table 05 are essentially considered necessary.

Most recently, the Supervisory Board has taken into account its aims for composition as well as the skills and requirements profile it has developed when considering the appointment of shareholder representatives at the 2017 Annual General Meeting. The periods of office for the shareholder representatives elected by the 2017 Annual General Meeting taking into account these requirements will end at the conclusion of the 2022 Annual General Meeting. There were no changes to the diversity policy in the 2020 fiscal year. However, the requirements and skills profile is to be revised again with the help of an independent expert in preparation for the next election at the end of 2021.

The Deputy Chairman of the Supervisory Board, Michael Ebenau, has resigned his seat with effect from October 15, 2020, as he has retired. Frank-Dirk Steininger, District Secretary of IG Metall Mitte, was appointed by the court to the Supervisory Board as Mr. Ebenau's successor with effect from October 16, 2020. This appointment is for a limited period until the end of Mr. Ebenau's remaining term of office, i.e. until the end of the Annual General Meeting in 2022. As a lawyer and honorary judge at the Federal Labor Court, Mr. Steininger will be able to support the Supervisory Board in the future, particularly with his expertise in labor law and collective bargaining.

It is the opinion of the Supervisory Board that, with the current composition, the above-mentioned abilities, experience and skills fulfilled for the most part. Details can be found in the CVs of the individual Supervisory Board members. 

In accordance with its [Diversity Statement](#), the Supervisory Board includes at least four members with extensive international experience.

Furthermore, the Supervisory Board should include at least four women. With two women on the shareholder side and two women on the employee side, the quota of at least 30 percent required by the German Stock Corporation Act is exceeded with a current figure of 33.3 percent.

With regard to the length of service, the Supervisory Board has decided not to establish a regular limit applicable to all members because there is no compelling link between the length of service and the independence of the member concerned. It is the view of the Supervisory Board that an across-the-board regular limit does not take into account individual factors that may jus-

tify a longer length of service for individual Supervisory Board members with continued independence. The Supervisory Board can benefit significantly from individual members with a long length of service, in particular from their experience and in-depth knowledge of the company, which promotes the quality of the work of the entire board.

No member of the Supervisory Board has either an advisory or an executive role with customers, suppliers, creditors or other business partners of JENOPTIK AG, which will lead to a significant and not merely temporary conflict of interest.

In accordance with the specifications of the rules of procedure, all members are under 70 years of age not only at the time of their respective election but also at the end of 2020. Two members are between 61 and 69 years of age, eight members between 50 and 60 years of age and two members between 40 and 50 years of age, which is why different age groups are adequately represented on the Supervisory Board.

It is the view of the Supervisory Board that all shareholder representatives are independent. These are Matthias Wierlacher, Elke Eckstein, Doreen Nowotne, Evert Dudok, Heinrich Reimitz and Professor Andreas Tünnermann (PhD). In the opinion of the Supervisory Board, both Mr. Reimitz and Prof. Tünnermann, who have been members of the Supervisory Board for 12 and 13 years respectively, continue to be independent, despite the recommendation of point C.7 of the Code, as is Mr. Dudok despite Jenoptik's business relationships with companies of the Airbus Group.



The CVs of the Supervisory Board members can be found at www.jenoptik.com/about-jenoptik/management

T05 Requirements and skills profile in the Supervisory Board

General skills

- Independence
- Availability, number of positions held
- Corporate governance experience
- (Supervisory Board or CEO) experience in listed companies
- CFO experience in comparable companies

Functional skills

- Financial and business skills
- Personnel skills
- Sales and marketing skills

Strategic and company-related skills

In the following areas:

- Digitization
- Technology
- Strategy and growth/M&A
- Markets and internationality
- Entrepreneurship/management
- Capital markets

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Mr. Reimitz is the financial expert on the Audit Committee and has special knowledge and experience of the application of accounting principles and internal control processes. As a result of his many years of service, he is particularly familiar with the processes of preparing and reviewing Jenoptik's financial information and monitoring the independence of the auditor. The quality of the work of the Audit Committee and the Supervisory Board as a whole is particularly enhanced by this expertise. This in no way detrimental to his independence from the company.

Professor Tünnermann is the technology expert on the Supervisory Board and complements the expertise of the entire board, particularly in the key areas of expertise for Jenoptik of optical technologies, digitization, strategy and growth planning. As head of the Fraunhofer Institute for Applied Optics and Precision Mechanics, Jena, founder and member of the optics cluster Optonet e.V. and stakeholder in the European platform Photonics 21, Professor Tünnermann possesses outstanding experience and knowledge in the field of photonics. The Supervisory Board is therefore of the opinion that Professor Tünnermann's many years of knowledge of the Jenoptik Group and its products and technologies significantly contributes to the work of the entire Board in these areas, nevertheless this does not call into question his independence from the company.

The Supervisory Board is also of the opinion that Mr. Dudok's activity as Executive Vice President of Connected Intelligence at Airbus Defense & Space is not detrimental to his independence. It is true that Jenoptik's VINORION division maintains business relationships with the Airbus Group. However, none of these transactions between Jenoptik and Airbus relate to the Defense & Space division for which Mr. Dudok is responsible. Revenue with the Airbus Group amounted to 15.1 million euros in the 2020 fiscal year, amounting to less than 2 percent of Jenoptik Group revenue. All transactions with Airbus are therefore not material for the Jenoptik Group. Should a transaction with Airbus require the approval of the Supervisory Board, Mr. Dudok would abstain from voting.

Further information on the Executive Board and Supervisory Board, in particular on their working methods, including work in the committees, participation in meetings, and other mandates held by members, can be found in the Supervisory Board Report from page 20 and in the Notes from page 227.

Further Information on Corporate Governance


Annual General Meeting

JENOPTIK AG shareholders exercise their rights at the Annual General Meeting which takes place at least once a year. Each share is accorded one vote – there are no special voting rights. Since September 2018, the shares of JENOPTIK AG have been registered shares. The holders of the shares must be entered in the share register of JENOPTIK AG and disclose the information required by law and the Articles of Association. Only shareholders recorded in the share register are entitled to vote at the Annual General Meeting. They may either participate directly in the Annual General Meeting, or exercise their voting rights via a company-nominated proxy who is bound by the shareholder's instructions, via postal voting, or by authorizing a person of their choice. The shareholders are adequately supported by the company in this process. The reports as well as other documents and information required by law for the Annual General Meeting are available for inspection on our website www.jenoptik.com in the category Investors/Annual General Meeting. Following the Annual General Meeting, the attendance figures, voting results and the speech by a representative of the Executive Board will also be published on the Internet.

As a result of the coronavirus pandemic and the associated restrictions on meetings, the Executive Board, with the approval of the Supervisory Board, decided to hold the Annual General Meeting in the 2020 fiscal year as a virtual AGM, i.e. without the physical presence of shareholders or their proxies. Consequently, the shareholders were given the opportunity to vote electronically and to follow the Annual General Meeting remotely by picture and sound via the Internet-based shareholder portal.

Transparent information

As part of our investor relations work, we report comprehensively on the position and development of the company. In doing so, we follow the principle of providing the participants in the capital market as well as the general public with equal, continual, and current information in order to guarantee as much transparency as possible. We also use the Internet intensively for this purpose and information is made available at www.jenoptik.com in the Investors category. Together with the Executive Board, the investor relations team maintains a regular and intensive exchange with participants in the capital market at roadshows, capital market conferences, and other events.

We use the financial reports and releases to provide extensive information about the Group's earnings, assets, and finances four times a year. In addition, important events and current developments are reported in press releases and, where necessary, ad-hoc announcements. These documents, presentations, the financial calendar, the Articles of Association and further information are also available in German and English on the Jenoptik website at www.jenoptik.com. 




For further information on investor relations activities, please refer to the section "The Jenoptik share"

In accordance with the statutory requirements of the Regulation on Market Abuse, insider information is published immediately and simultaneously worldwide in German and English, insofar as JENOPTIK AG is not, in individual cases, exempt from this publication.

Jenoptik immediately publishes major changes to its shareholder structure when it is informed that reportable voting rights targets have been achieved, missed or exceeded. All publications are available on the JENOPTIK AG website at www.jenoptik.com under the category Investors/Share/Voting rights announcements. Further information can also be found in the Notes in the section on Equity.

Directors' Dealings

In the 2020 fiscal year, none of the members of the Executive Board or the Supervisory Board or persons closely related to them disclosed any reportable securities transactions pursuant to Article 19 of the EU Market Abuse Regulation. 



Directors' Dealings reports from prior years can be found at www.jenoptik.com under the category Investors/Corporate Governance/Directors' Dealings

Accounting and Auditing

Jenoptik prepares the Consolidated Financial Statements as well as Consolidated Interim Financial Statements in accordance with the International Financial Reporting Standards (IFRS) and the additional requirements of commercial law according to § 315e (1) of the German Commercial Code (HGB), as they are to be used in the European Union. JENOPTIK AG's Financial Statements, which are decisive for the dividend payment, are compiled in accordance with the requirements of the German Commercial Code (HGB) and the German Stock Corporation Act. The Consolidated Financial Statements and the Annual Financial Statements, including the Combined Management Report, are examined by the auditor. On August 7, 2020, the Annual General Meeting selected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart ("EY") as the auditor for the 2020 fiscal year on the recommendation of the Supervisory Board. EY was initially appointed in the 2016 fiscal year following an external tender. The position of responsible auditor for the auditing of the Consolidated Financial Statements and the Financial Statements as well as the Combined Management Report was taken on for the second time by Steffen Maurer. Michael Blesch has signed the audit opinion since the 2016 fiscal year and Steffen Mauer since the 2019 fiscal year.

The Supervisory Board has agreed with the auditor that it shall inform the Supervisory Board Chairman of any grounds for bias or disqualification, as well as of all important events and findings that emerge during the audit. This includes inaccuracies that are ascertained during the audit in the Declaration of Conformity submitted by the Executive Board and Supervisory Board in accordance with § 161 of the German Stock Corporation Act (AktG).

Before submitting the proposal for the election of the firm to the Annual General Meeting, the Supervisory Board received a declaration of independence from the auditing firm, stating that there were no employment, financial, personal or other links between EY, its board members and audit managers on the one side and the company and its board members on the other, that could give rise to doubts about the independence of the auditor. EY also reported in its declaration on the degree to which non-audit services have been provided for Jenoptik over the past fiscal year or which have been contractually agreed for the current year. In the summer of 2020, the Audit Committee reviewed EY's non-audit services provided in the past year and updated the catalog of approved, predefined non-audit services.