

GERRY WEBER INTERNATIONAL AG

Rules of Procedure for the Supervisory Board

By resolution dated 19 December 2019, the Supervisory Board of GERRY WEBER International AG adopted the following Rules of Procedure:

Clause 1 Duties of the Supervisory Board

- (1) The Supervisory Board advises the Managing Board on the management of the Company and supervises the conduct of the Company's business. The transactions and measures stated in Clause 5 of the Rules of Procedure of the Management Board require the prior consent of the Supervisory Board; the right of the Supervisory Board to determine that transactions and measures which require its consent remains unaffected.
- (2) The Supervisory Board cooperates closely with the Managing Board in the best interests of the Company.
- (3) The Supervisory Board monitors the efficiency of its work on a regular basis, at least once after half of the scheduled term of office of its members has elapsed.

Clause 2 Membership of the Supervisory Board

- (1) The Supervisory Board consists of twelve members, six of which are elected by the General Meeting in line with the provisions of the German Stock Corporation Act (*Aktiengesetz*; **AktG**) and six of which are elected by the employees in line with the provisions of the German Employee Participation Act (*Mitbestimmungsgesetz*; **MitbestG**).
- (2) The Supervisory Board is to be composed such that the members as a group possess the knowledge, skills and professional experience required for the proper fulfilment of their duties. The Supervisory Board should identify specific objectives for its composition and develop a competency profile for the board as a whole.
- (3) The Supervisory Board is to comprise such number of independent members as it considers appropriate; in this context the Supervisory Board should take into account the ownership structure. A Supervisory Board member will not be deemed to be independent in particular if it maintains a personal or business relationship with the Company, its boards, a controlling shareholder or an affiliate of a controlling shareholder which could result in a material conflict of interest that is of a not merely temporary nature.
- (4) At least one member of the Supervisory Board must have expertise in the fields of accounting or financial auditing; the members as a group must be familiar with the industry in which the Company operates. Each member of the Supervisory Board will ensure that they have sufficient time available to spend on performing their office. As a rule, Supervisory Board members should not remain in office beyond the end of the General Meeting following the completion of their seventieth year of age.

- (5) Members of the Supervisory Board who are also members of the managing board of a listed company should not accept more than a total of three other supervisory board mandates in listed companies or mandates in supervisory bodies of companies with similar requirements. Mandates in companies that form part of the group of the company in which the office of managing board member is held are not to be taken into account in this calculation.
- (6) No more than two former members of the Company's Managing Board should be members of the Supervisory Board. Supervisory Board members should not hold office as board members at or act in an advisory capacity for material competitors of the Company or its group entities.
- (7) The provisions of paragraphs (3) to (6) above should be taken into account when proposing candidates for election to the Supervisory Board.
- (8) Each member of the Supervisory Board may resign from office by giving two weeks' written notice to the chairperson of the Supervisory Board or to the Managing Board.

Clause 3 Rights and Obligations of the Supervisory Board Members

- (1) The members of the Supervisory Board have the same rights and obligations. They are not bound by instructions and directions.
- (2) Each member of the Supervisory Board has the right to receive, for information, the Managing Board's reports to the Supervisory Board. Reports submitted in written form or text form (Schrift-oder Textform) will be handed out to the members of the Supervisory Board upon request.
- (3) The members of the Supervisory Board must maintain secrecy with regard to confidential information and secrets of the Company, in particular business and trade secrets, of which they become aware in connection with their membership of the Supervisory Board, even after they have ceased to hold office. This applies in particular to confidential reports and confidential consultations. If a member of the Supervisory Board intends to pass on information to third parties for which it cannot definitely be ruled out that it is confidential or relates to secrets of the Company, such member must inform the chairperson of the Supervisory Board in advance and give him or her the opportunity to eliminate any disagreement concerning the need to keep the relevant information confidential. Each member of the Supervisory Board will ensure that any employees involved by them fulfil the confidentiality obligation in the same manner.
- (4) Upon leaving the Supervisory Board, the members will be obliged to hand over to the chairperson of the Supervisory Board all records in their possession that relate to affairs of the Company which are not in the public domain, including any copies, duplicates and reproductions.
- (5) Travel costs and other expenses incurred in connection with the activities of the Supervisory Board, including VAT if any, will be reimbursed.

Clause 4 Conflicts of Interest

- (1) Each member of the Supervisory Board is obliged to act in the Company's best interests. When making their decisions, the members of the Supervisory Board may not be guided by personal interests, nor may they exploit for their own advantage business opportunities offered to the Company. Each member of the Supervisory Board must disclose to the Supervisory Board any conflicts of interest that could affect their activity on the Supervisory Board, in particular those that may arise from providing advice to or serving as a board member of customers, suppliers, lenders or other business partners. The person competent to receive such disclosure is the chairperson of the Supervisory Board.
- (2) The Supervisory Board should inform the General Meeting, in its report to the General Meeting, of any conflicts of interest arising and of the way in which they are handled.
- (3) Material conflicts of interest that are related to the person of a Supervisory Board member and are not of a merely temporary nature should result in the membership of the relevant individual being terminated.

Clause 5 Own-Account Transactions of Supervisory Board Members

- (1) Pursuant to article 19 of Regulation (EU) 596/2014 (Market Abuse Regulation), each Supervisory Board member must notify the Company and the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) by electronic means of every transaction conducted on their own account relating to the shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto promptly and no later than two business days after the date of the transaction, using the template for notification contained in the Annex to Commission Implementing Regulation (EU) 2016/523 of 10 March 2016, or a corresponding template provided by the Federal Financial Supervisory Authority. Each Supervisory Board member will seek to procure that persons closely associated with them, i.e. spouses, registered civil partners, dependent children or other relatives who have shared the same household for at least one year on the date of the transaction concerned, will fulfil their corresponding obligations in the same way. The term 'closely associated person' also includes legal persons, trusts or partnerships the managerial responsibilities of which are discharged by the Supervisory Board member or a person referred to in sentence 2, which is directly or indirectly controlled by such a person, has been set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person. Each Supervisory Board member will notify the persons closely associated with them of their obligations under sentence 1 in writing and will keep a copy of this notification. Only those own-account transactions must be reported which are conducted after a total volume (without netting) of EUR 5,000 or, after 1 January 2020, the threshold of EUR 20,000 has been reached within a calendar year.
- (2) The members of the Supervisory Board must not conduct any transactions on their own account or for the account of a third party, whether directly or indirectly, relating to the shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto during a closed period of 30 calendar days before the publication of an interim report or annual financial statements which the Company is obliged to publish under applicable statutory provisions or stock exchange regulations.

Clause 6 Chairperson and Deputy Chairperson

- (1) The Supervisory Board will elect a chairperson and a deputy chairperson from among its members in accordance with the provisions of the Employee Participation Act, with such election to take place at a meeting which is held following the General Meeting in which the Supervisory Board members have been newly elected and which does not require to be specially convened. The election will be for the duration of their term of office as members of the Supervisory Board, unless a shorter period is stipulated in the course of the election. If the General Meeting re-elects the previous chairperson of the Supervisory Board to the Supervisory Board, this person will chair the meeting, including the election of the new chairperson and deputy chairperson; if this is not the case, the meeting will be chaired by the oldest member of the Supervisory Board.
- (2) If the chairperson or the deputy chairperson resigns from office early, the Supervisory Board must elect a successor without undue delay (unverzüglich).
- (3) The deputy chairperson will take over all rights and obligations of the chairperson of the Supervisory Board in the latter's absence. This will not apply, however, in respect of chairing the General Meeting as well as the remuneration and casting vote of the chairperson of the Supervisory Board.
- (4) The chairperson of the Supervisory Board is authorised to issue declarations of the Supervisory Board in the name of the latter provided they are necessary in order to implement Supervisory Board resolutions or do not brook any delay owing to their urgency. In the latter case, the chairperson must inform the other members of the Supervisory Board without undue delay. Where a declaration of intent is to be made to the Supervisory Board, it will be sufficient to make it to the chairperson of the Supervisory Board.
- (5) Moreover, the chairperson of the Supervisory Board is authorised, in urgent cases, to issue or accept declarations that fall within the competence of a committee. In such a case the chairperson of the Supervisory Board must inform the members of the relevant committee without undue delay.

Clause 7 Meetings

- (1) The Supervisory Board must meet at least twice in every calendar half-year. Extraordinary meetings will be convened as and when required. In addition, the Supervisory Board must be convened if a Supervisory Board member or the Managing Board so requests, stating the purpose and the reasons.
- (2) Supervisory Board meetings will be convened by the chairperson of the Supervisory Board, stating the individual agenda items and giving at least 14 days' notice. The day the invitation is dispatched and the day of the meeting will not be taken into account when calculating the notice period. The chairperson may shorten the notice period in urgent cases. The invitation may be issued orally, by telephone, in writing, by fax, in text form or by means of electronic communication.
- (3) Together with the invitation, the agenda items must be stated. Any additions to the agenda must be notified no later than on the seventh day before the meeting, unless a later notification is justified in view of the urgency of the matter. Resolution proposals relating to agenda items should be communicated well in advance of the meeting so that it will be possible for absent members of the Supervisory Board to submit their votes in writing.
- (4) The chairperson of the Supervisory Board will chair the meetings. He or she will appoint the keeper of minutes and will decide on the involvement of experts and advisers in the consultations on individual agenda items.

- (5) The members of the Managing Board will attend the meetings unless the chairperson of the Supervisory Board directs otherwise.

Clause 8 Resolutions

- (1) Supervisory Board resolutions are generally passed at meetings which the members of the Supervisory Board attend in person. If the chairperson of the Supervisory Board so directs, resolutions may also be passed in telephone or video conferences or outside of a meeting by casting votes orally, by telephone, in writing or in text form. Any such resolutions will be confirmed by the chairperson in writing and forwarded to all members. There is no right of objection to the method of passing resolutions ordered by the chairperson. Any subsequent voting by absent members will be valid only if this has been accepted by all members present.
- (2) The chairperson of the Supervisory Board may adjourn the passing of resolutions on individual or all items on the agenda by up to four weeks if no equal number of Supervisory Board members representing the employees and Supervisory Board members elected by the General Meeting would participate in the passing of a resolution or another material reason for adjournment exists. The chairperson of the Supervisory Board may not adjourn the passing of resolutions a second time. Furthermore, a meeting that has been convened may be cancelled or rescheduled by the chairperson of the Supervisory Board at his or her due discretion.
- (3) Passing a resolution on an agenda item that was not communicated in a timely manner is permissible only if no Supervisory Board member objects. In any such case, absent members must be given the opportunity to object to the resolution passed within a reasonable period to be set by the chairperson of the Supervisory Board; the resolution in question will take effect only if no absent member objects within this period.
- (4) The Supervisory Board will be quorate if at least half of the total number of members of which it must consist participate in the passing of resolutions. A member will be deemed to have participated in the passing of a resolution even if such member abstains from voting. Members attending via telephone or video conference are deemed to be present. Absent members may participate in the passing of resolutions by having a written vote, or a vote transmitted in text form, submitted by another member. The chairperson will determine the voting procedure.
- (5) Supervisory Board resolutions are passed by a majority of the votes cast, unless a different majority is mandatorily required by law. If a vote results in a tie, and if a repeated vote on the same subject again results in a tie, the chairperson will have a second (casting) vote in such repeated vote.

Clause 9 Minutes

- (1) Minutes are to be kept of the meetings of the Supervisory Board and signed by the chairperson of the Supervisory Board. The minutes must specify the place and date of the meeting, the attendees, the agenda items, the material content of the discussions and the resolutions passed by the Supervisory Board. A copy of the minutes will be sent to each member of the Supervisory Board without undue delay.
- (2) Resolutions adopted outside of meetings or where individual votes were cast subsequently (clause 8 (1) sentence 5) will be recorded by the chairperson of the Supervisory Board in writing. A copy of the record will be sent to each member of the Supervisory Board without undue delay.

- (3) The minutes or record pursuant to paragraphs (1) or (2) will be deemed approved if no member of the Supervisory Board who participated in the passing of the relevant resolutions submits an objection in writing to the chairperson within one month after the circulation of the minutes or record.
- (4) The resolutions passed by the Supervisory Board may be recorded verbatim in the meeting and immediately signed by the chairperson as part of the minutes. Where resolutions are separately recorded in this form during a meeting, objections may be raised only during the meeting.

Clause 10 General Rules for Committees

- (1) The Supervisory Board has a personnel committee (clause 11), a nomination committee (clause 12), an audit committee (clause 13) and the mediation committee to be formed pursuant to section 27 (3) MitbestG (clause 14). Other committees will be formed as and when required. To the extent permitted by law, these committees may also be authorised to make decisions that fall within the competence of the Supervisory Board. The committees will perform the functions assigned to them by these Rules of Procedure and by special resolutions of the Supervisory Board.
- (2) The term of office of the committee members will correspond to their term of office as Supervisory Board members, unless a shorter period has been stipulated in the context of their election by the Supervisory Board.
- (3) Each committee will elect a chairperson from among its members, unless the chairperson is appointed by the Supervisory Board. The chairperson of each committee will regularly report to the Supervisory Board on the activities of the respective committee.
- (4) A committee will be quorate only if half of its members, but at least three members, participate in the passing of resolutions. If a vote in a committee results in a tie, and if a repeated vote on the same subject again results in a tie, the chairperson of the committee will have a second (casting) vote in such repeated vote; this does not apply to voting in the mediation committee (clause 14). The deputy chairperson does not have a casting vote.
- (5) The members of the Managing Board will attend the committee meetings if the chairperson of the relevant committee so requests.
- (6) For invitations to committee meetings, observance of a notice period, communication of the agenda and sending of documents for the agenda in advance of the meeting are not required. In all other respects, the provisions of clauses 7, 8 and 9 of these Rules of Procedure will apply mutatis mutandis to the procedures in the committees, unless the Supervisory Board directs otherwise.
- (7) The Supervisory Board may appoint a Supervisory Board member to monitor the conduct of business or to review individual business transactions. This Supervisory Board member must report on his or her activities in the meetings of the competent committees and of the Supervisory Board.

Clause 11 Personnel Committee

- (1) The personnel committee consists of three to five Supervisory Board members. The chairperson of the Supervisory Board will also be the chairperson of the personnel committee.

- (2) The personnel committee will prepare the personnel decisions of the Supervisory Board regarding the appointment of and conclusion of service contracts with the members of the Managing Board.
- (3) In addition, the personnel committee will resolve, instead of the Supervisory Board, on:
 - (a) other legal transactions with members of the Managing Board pursuant to section 112 AktG;
 - (b) entering into transactions with a value exceeding EUR 50,000 between the Company or any of its affiliates on the one hand and a member of the Managing Board or persons or entities related (nahestehend) to a member of the Management Board on the other hand;
 - (c) approving other activities of a member of the Managing Board pursuant to section 88 AktG;
 - (d) granting loans to the group of persons specified in sections 89 and 115 AktG;
 - (e) approving agreements with Supervisory Board members pursuant to section 114 AktG;
 - (f) having the Company represented by counsel in legal disputes relating to actions for avoidance (Anfechtungsklagen) or actions for annulment (Nichtigkeitsklagen) (section 246 (2) sentence 2, section 249 (1) sentence 1 AktG).
- (4) The personnel committee regularly discusses the long-term succession planning for the Managing Board. In this context it will take into account the executive staff planning of the Company.
- (5) The members of the Managing Board will disclose potential conflicts of interest similar to those addressed in clause 4 (1) to the personnel committee. The person competent to receive such disclosure is the chairperson of the personnel committee.

Clause 12 Nomination Committee

- (1) The nomination committee consists of three Supervisory Board members who are shareholder representatives.
- (2) The nomination committee prepares the Supervisory Board proposals for the election of Supervisory Board members which are to be submitted to the General Meeting.

Clause 13 Audit Committee

- (1) The audit committee consists of three to six Supervisory Board members who are elected by the Supervisory Board. At least one independent member of the audit committee must have expertise in the fields of accounting or financial auditing. The chairperson of the audit committee should have special knowledge and experience in the application of accounting principles and internal control methods. Moreover, he or she should be independent and should not be a former member of the Company's Managing Board whose appointment ended less than two years previously. The chairperson of the Supervisory Board should not also act as chair for the audit committee. The members of the audit committee as a group must be familiar with the industry in which the Company operates.
- (2) The audit committee monitors the accounting, the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, as well as the audit of the financial statements and compliance. The audit committee may issue recommendations

or proposals for ensuring the integrity of the accounting process. To this end, the audit committee may exercise the special inspection and audit rights granted to the Supervisory Board under section 111 (2) AktG.

- (3) The audit committee will issue a recommendation to the Supervisory Board for the latter's proposal to be submitted to the General Meeting for the election of the statutory auditor. The audit committee will resolve, in the place of the Supervisory Board, on the agreements with the statutory auditor (in particular the audit instructions, the determination of focal points of the audit and the fee arrangements). The audit committee will take measures as required by law or otherwise appropriate to establish and monitor the independence of the statutory auditor. The audit committee validates the Supervisory Board's report on the conclusions drawn from the selection process.
- (4) The audit committee is responsible for approving the engagement of the statutory auditor to provide non-prohibited non-audit services pursuant to section 319a (3) of the German Commercial Code (Handelsgesetzbuch; **HGB**) and Regulation (EU) 537/2014 (Statutory Audit Regulation). It may adopt guidelines regarding tax services that are not prohibited under section 319a (3) HGB in the context of which such engagement will not require individual approval.
- (5) Semi-annual and quarterly financial reports or quarterly information must be discussed prior to their publication between the audit committee and the Managing Board.
- (6) The audit committee will prepare the decisions of the Supervisory Board regarding the adoption of the non-consolidated and consolidated annual financial statements. To this end, the audit committee will be obliged to perform an initial review of the non-consolidated and consolidated annual financial statements, the management report and group management report and the proposed profit appropriation. The statutory auditor must participate in these discussions of the audit committee. The statutory auditor will report on the material findings of its audit, in particular material weaknesses of the internal control and risk management system as far as they relate to the accounting process.

Clause 14 Mediation Committee pursuant to Section 27 (3) MitbestG

Promptly after the election of the chairperson and deputy chairperson the Supervisory Board will set up a committee, in line with section 27 (3) MitbestG, for performing the task specified in section 31 (3) sentence 1 MitbestG, which will consist of the chairperson, the deputy chairperson, as well as one member elected by the Supervisory Board members representing the employees and one member elected by the Supervisory Board members representing the shareholders, in each case with the majority of votes cast.

Resolved in the Supervisory Board meeting of 19 December 2019.

Alexander Gedat

GERRY WEBER INTERNATIONAL AG

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By resolution dated 19 December 2019, the Supervisory Board of GERRY WEBER International AG adopted the following Rules of Procedure:

Clause 1 Duties of the Supervisory Board

- (1) The Supervisory Board advises the Managing Board on the management of the Company and supervises the conduct of the Company's business. [The transactions and measures stated in Clause 5 of the Rules of Procedure of the Management Board require the prior consent of the Supervisory Board; the right of the Supervisory Board to determine that transactions and measures which require its consent remains unaffected.](#)
- (2) The Supervisory Board cooperates closely with the Managing Board in the best interests of the Company.
- (3) The Supervisory Board monitors the efficiency of its work on a regular basis, at least once after half of the scheduled term of office of its members has elapsed.

Clause 2 Membership of the Supervisory Board

- (1) The Supervisory Board consists of twelve members, six of which are elected by the General Meeting in line with the provisions of the German Stock Corporation Act (*Aktiengesetz*; **AktG**) and six of which are elected by the employees in line with the provisions of the German Employee Participation Act (*Mitbestimmungsgesetz*; **MitbestG**).
- (2) The Supervisory Board is to be composed such that the members as a group possess the knowledge, skills and professional experience required for the proper fulfilment of their duties. The Supervisory Board should identify specific objectives for its composition and develop a competency profile for the board as a whole.
- (3) The Supervisory Board is to comprise such number of independent members as it considers appropriate; in this context the Supervisory Board should take into account the ownership structure. A Supervisory Board member will not be deemed to be independent in particular if it maintains a personal or business relationship with the Company, its boards, a controlling shareholder or an affiliate of a controlling shareholder which could result in a material conflict of interest that is of a not merely temporary nature.
- (4) At least one member of the Supervisory Board must have expertise in the fields of accounting or financial auditing; the members as a group must be familiar with the industry in which the Company operates. Each member of the Supervisory Board will ensure that they have sufficient time available to spend on performing their office. As a rule, Supervisory Board members should not remain in office beyond the end of the General Meeting following the completion of their seventieth year of age.

- (5) Members of the Supervisory Board who are also members of the managing board of a listed company should not accept more than a total of three other supervisory board mandates in listed companies or mandates in supervisory bodies of companies with similar requirements. Mandates in companies that form part of the group of the company in which the office of managing board member is held are not to be taken into account in this calculation.
- (6) No more than two former members of the Company's Managing Board should be members of the Supervisory Board. Supervisory Board members should not hold office as board members at or act in an advisory capacity for material competitors of the Company or its group entities.
- (7) The provisions of paragraphs (3) to (6) above should be taken into account when proposing candidates for election to the Supervisory Board.
- (8) Each member of the Supervisory Board may resign from office by giving two weeks' written notice to the chairperson of the Supervisory Board or to the Managing Board.

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- (1) The members of the Supervisory Board have the same rights and obligations. They are not bound by instructions and directions.
- (2) Each member of the Supervisory Board has the right to receive, for information, the Managing Board's reports to the Supervisory Board. Reports submitted in written form or text form (Schrift- oder Textform) will be handed out to the members of the Supervisory Board upon request ~~where the Supervisory Board so resolves in the individual case.~~
- (3) The members of the Supervisory Board must maintain secrecy with regard to confidential information and secrets of the Company, in particular business and trade secrets, of which they become aware in connection with their membership of the Supervisory Board, even after they have ceased to hold office. This applies in particular to confidential reports and confidential consultations. If a member of the Supervisory Board intends to pass on information to third parties for which it cannot definitely be ruled out that it is confidential or relates to secrets of the Company, such member must inform the chairperson of the Supervisory Board in advance and give him or her the opportunity to eliminate any disagreement concerning the need to keep the relevant information confidential. Each member of the Supervisory Board will ensure that any employees involved by them fulfil the confidentiality obligation in the same manner.
- (4) Upon leaving the Supervisory Board, the members will be obliged to hand over to the chairperson of the Supervisory Board all records in their possession that relate to affairs of the Company which are not in the public domain, including any copies, duplicates and reproductions.
- (5) Travel costs and other expenses incurred in connection with the activities of the Supervisory Board, including VAT if any, will be reimbursed.

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- (1) Each member of the Supervisory Board is obliged to act in the Company's best interests. When making their decisions, the members of the Supervisory Board may not be guided by personal interests, nor may they exploit for their own advantage business opportunities offered to the Company. Each member of the Supervisory Board must disclose to the Supervisory Board any conflicts of interest that could affect their activity on the Supervisory Board, in particular those that may arise from providing advice to or serving as a board member of customers, suppliers, lenders or other business partners. The person competent to receive such disclosure is the chairperson of the Supervisory Board.
- (2) The Supervisory Board should inform the General Meeting, in its report to the General Meeting, of any conflicts of interest arising and of the way in which they are handled.
- (3) Material conflicts of interest that are related to the person of a Supervisory Board member and are not of a merely temporary nature should result in the membership of the relevant individual being terminated.

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- (1) The Supervisory Board will elect a chairperson and a deputy chairperson from among its members in accordance with the provisions of the Employee Participation Act, with such election to take place at a meeting which is held following the General Meeting in which the Supervisory Board members have been newly elected and which does not require to be specially convened. The election will be for the duration of their term of office as members of the Supervisory Board, unless a shorter period is stipulated in the course of the election. If the General Meeting re-elects the previous chairperson of the Supervisory Board to the Supervisory Board, this person will chair the meeting, including the election of the new chairperson and deputy chairperson; if this is not the case, the meeting will be chaired by the oldest member of the Supervisory Board.
- (2) If the chairperson or the deputy chairperson resigns from office early, the Supervisory Board must elect a successor without undue delay (unverzüglich).
- (3) The deputy chairperson will take over all rights and obligations of the chairperson of the Supervisory Board in the latter's absence. This will not apply, however, in respect of chairing the General Meeting as well as the remuneration and casting vote of the chairperson of the Supervisory Board.
- (4) The chairperson of the Supervisory Board is authorised to issue declarations of the Supervisory Board in the name of the latter provided they are necessary in order to implement Supervisory Board resolutions or do not brook any delay owing to their urgency. In the latter case, the chairperson must inform the other members of the Supervisory Board without undue delay. Where a declaration of intent is to be made to the Supervisory Board, it will be sufficient to make it to the chairperson of the Supervisory Board.
- (5) Moreover, the chairperson of the Supervisory Board is authorised, in urgent cases, to issue or accept declarations that fall within the competence of a committee. In such a case the chairperson of the Supervisory Board must inform the members of the relevant committee without undue delay.

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- (1) The Supervisory Board must meet at least twice in every calendar half-year. Extraordinary meetings will be convened as and when required. In addition, the Supervisory Board must be convened if a Supervisory Board member or the Managing Board so requests, stating the purpose and the reasons.
- (2) Supervisory Board meetings will be convened by the chairperson of the Supervisory Board, stating the individual agenda items and giving at least 14 days' notice. The day the invitation is dispatched and the day of the meeting will not be taken into account when calculating the notice period. The chairperson may shorten the notice period in urgent cases. The invitation may be issued orally, by telephone, in writing, by fax, in text form or by means of electronic communication.
- (3) Together with the invitation, the agenda items must be stated. Any additions to the agenda must be notified no later than on the seventh day before the meeting, unless a later notification is justified in view of the urgency of the matter. Resolution proposals relating to agenda items should be communicated well in advance of the meeting so that it will be possible for absent members of the Supervisory Board to submit their votes in writing.
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- (2) The chairperson of the Supervisory Board may adjourn the passing of resolutions on individual or all items on the agenda by up to four weeks if no equal number of Supervisory Board members representing the employees and Supervisory Board members elected by the General Meeting would participate in the passing of a resolution or another material reason for adjournment exists. The chairperson of the Supervisory Board may not adjourn the passing of resolutions a second time. Furthermore, a meeting that has been convened may be cancelled or rescheduled by the chairperson of the Supervisory Board at his or her due discretion.
- (3) Passing a resolution on an agenda item that was not communicated in a timely manner is permissible only if no Supervisory Board member objects. In any such case, absent members must be given the opportunity to object to the resolution passed within a reasonable period to be set by the chairperson of the Supervisory Board; the resolution in question will take effect only if no absent member objects within this period.
- (4) The Supervisory Board will be quorate if at least half of the total number of members of which it must consist participate in the passing of resolutions. A member will be deemed to have participated in the passing of a resolution even if such member abstains from voting. Members attending via telephone or video conference are deemed to be present. Absent members may participate in the passing of resolutions by having a written vote, or a vote transmitted in text form, submitted by another member. The chairperson will determine the voting procedure.
- (5) Supervisory Board resolutions are passed by a majority of the votes cast, unless a different majority is mandatorily required by law. If a vote results in a tie, and if a repeated vote on the same subject again results in a tie, the chairperson will have a second (casting) vote in such repeated vote.

Clause 9 Minutes

- (1) Minutes are to be kept of the meetings of the Supervisory Board and signed by the chairperson of the Supervisory Board. The minutes must specify the place and date of the meeting, the attendees, the agenda items, the material content of the discussions and the resolutions passed by the Supervisory Board. A copy of the minutes will be sent to each member of the Supervisory Board without undue delay.
- (2) Resolutions adopted outside of meetings or where individual votes were cast subsequently (clause 8 (1) sentence 5) will be recorded by the chairperson of the Supervisory Board in writing. A copy of the record will be sent to each member of the Supervisory Board without undue delay.

- (3) The minutes or record pursuant to paragraphs (1) or (2) will be deemed approved if no member of the Supervisory Board who participated in the passing of the relevant resolutions submits an objection in writing to the chairperson within one month after the circulation of the minutes or record.
- (4) The resolutions passed by the Supervisory Board may be recorded verbatim in the meeting and immediately signed by the chairperson as part of the minutes. Where resolutions are separately recorded in this form during a meeting, objections may be raised only during the meeting.

Clause 10 General Rules for Committees

- (1) The Supervisory Board has a personnel committee (clause 11), a nomination committee (clause 12), an audit committee (clause 13) and the mediation committee to be formed pursuant to section 27 (3) MitbestG (clause 14). Other committees will be formed as and when required. To the extent permitted by law, these committees may also be authorised to make decisions that fall within the competence of the Supervisory Board. The committees will perform the functions assigned to them by these Rules of Procedure and by special resolutions of the Supervisory Board.
- (2) The term of office of the committee members will correspond to their term of office as Supervisory Board members, unless a shorter period has been stipulated in the context of their election by the Supervisory Board.
- (3) Each committee will elect a chairperson from among its members, unless the chairperson is appointed by the Supervisory Board. The chairperson of each committee will regularly report to the Supervisory Board on the activities of the respective committee.
- (4) A committee will be quorate only if half of its members, but at least three members, participate in the passing of resolutions. If a vote in a committee results in a tie, and if a repeated vote on the same subject again results in a tie, the chairperson of the committee will have a second (casting) vote in such repeated vote; this does not apply to voting in the mediation committee (clause 14). The deputy chairperson does not have a casting vote.
- (5) The members of the Managing Board will attend the committee meetings if the chairperson of the relevant committee so requests.
- (6) For invitations to committee meetings, observance of a notice period, communication of the agenda and sending of documents for the agenda in advance of the meeting are not required. In all other respects, the provisions of clauses 7, 8 and 9 of these Rules of Procedure will apply mutatis mutandis to the procedures in the committees, unless the Supervisory Board directs otherwise.
- (7) The Supervisory Board may appoint a Supervisory Board member to monitor the conduct of business or to review individual business transactions. This Supervisory Board member must report on his or her activities in the meetings of the competent committees and of the Supervisory Board.

Clause 11 Personnel Committee

- (1) The personnel committee consists of three to five Supervisory Board members. The chairperson of the Supervisory Board will also be the chairperson of the personnel committee.

- (2) The personnel committee will prepare the personnel decisions of the Supervisory Board regarding the appointment of and conclusion of service contracts with the members of the Managing Board.
- (3) In addition, the personnel committee will resolve, instead of the Supervisory Board, on:
 - (a) other legal transactions with members of the Managing Board pursuant to section 112 AktG;
 - (b) entering into transactions with a value exceeding EUR 50,000 between the Company or any of its affiliates on the one hand and a member of the Managing Board or persons or entities related (nahestehend) to a member of the Management Board on the other hand;
 - (c) approving other activities of a member of the Managing Board pursuant to section 88 AktG;
 - (d) granting loans to the group of persons specified in sections 89 and 115 AktG;
 - (e) approving agreements with Supervisory Board members pursuant to section 114 AktG;
 - (f) having the Company represented by counsel in legal disputes relating to actions for avoidance (Anfechtungsklagen) or actions for annulment (Nichtigkeitsklagen) (section 246 (2) sentence 2, section 249 (1) sentence 1 AktG).
- (4) The personnel committee regularly discusses the long-term succession planning for the Managing Board. In this context it will take into account the executive staff planning of the Company.
- (5) The members of the Managing Board will disclose potential conflicts of interest similar to those addressed in clause 4 (1) to the personnel committee. The person competent to receive such disclosure is the chairperson of the personnel committee.

Clause 12 Nomination Committee

- (1) The nomination committee consists of three Supervisory Board members who are shareholder representatives.
- (2) The nomination committee prepares the Supervisory Board proposals for the election of Supervisory Board members which are to be submitted to the General Meeting.

Clause 13 Audit Committee

- (1) The audit committee consists of three to six Supervisory Board members who are elected by the Supervisory Board. At least one independent member of the audit committee must have expertise in the fields of accounting or financial auditing. The chairperson of the audit committee should have special knowledge and experience in the application of accounting principles and internal control methods. Moreover, he or she should be independent and should not be a former member of the Company's Managing Board whose appointment ended less than two years previously. The chairperson of the Supervisory Board should not also act as chair for the audit committee. The members of the audit committee as a group must be familiar with the industry in which the Company operates.
- (2) The audit committee monitors the accounting, the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, as well as the audit of the financial statements and compliance. The audit committee may issue recommendations

or proposals for ensuring the integrity of the accounting process. To this end, the audit committee may exercise the special inspection and audit rights granted to the Supervisory Board under section 111 (2) AktG.

- (3) The audit committee will issue a recommendation to the Supervisory Board for the latter's proposal to be submitted to the General Meeting for the election of the statutory auditor. The audit committee will resolve, in the place of the Supervisory Board, on the agreements with the statutory auditor (in particular the audit instructions, the determination of focal points of the audit and the fee arrangements). The audit committee will take measures as required by law or otherwise appropriate to establish and monitor the independence of the statutory auditor. The audit committee validates the Supervisory Board's report on the conclusions drawn from the selection process.
- (4) The audit committee is responsible for approving the engagement of the statutory auditor to provide non-prohibited non-audit services pursuant to section 319a (3) of the German Commercial Code (Handelsgesetzbuch; **HGB**) and Regulation (EU) 537/2014 (Statutory Audit Regulation). It may adopt guidelines regarding tax services that are not prohibited under section 319a (3) HGB in the context of which such engagement will not require individual approval.
- (5) Semi-annual and quarterly financial reports or quarterly information must be discussed prior to their publication between the audit committee and the Managing Board.
- (6) The audit committee will prepare the decisions of the Supervisory Board regarding the adoption of the non-consolidated and consolidated annual financial statements. To this end, the audit committee will be obliged to perform an initial review of the non-consolidated and consolidated annual financial statements, the management report and group management report and the proposed profit appropriation. The statutory auditor must participate in these discussions of the audit committee. The statutory auditor will report on the material findings of its audit, in particular material weaknesses of the internal control and risk management system as far as they relate to the accounting process.

Clause 14 Mediation Committee pursuant to Section 27 (3) MitbestG

Promptly after the election of the chairperson and deputy chairperson the Supervisory Board will set up a committee, in line with section 27 (3) MitbestG, for performing the task specified in section 31 (3) sentence 1 MitbestG, which will consist of the chairperson, the deputy chairperson, as well as one member elected by the Supervisory Board members representing the employees and one member elected by the Supervisory Board members representing the shareholders, in each case with the majority of votes cast.

Resolved in the Supervisory Board meeting of 19 December 2019.

Alexander Gedat