



## **LANXESS AG**

### **Rules of Procedure for the Supervisory Board pursuant to § 11 Paragraph 1 of the Articles of Association**

Applicable as of March 10, 2020

#### **I.**

#### **Supervisory Board and members of the Supervisory Board**

##### **§ 1**

##### **Tasks of the Supervisory Board**

- (1) The Supervisory Board shall advise the Board of Management on the management of the Company and monitor the conduct of the business.
- (2) The Supervisory Board shall cooperate closely with the Board of Management for the benefit of the Company.
- (3) The Supervisory Board regularly assesses how effectively the Supervisory Board as a whole and its committees perform their duties. In addition, the Audit Committee (§ 11) reviews at the above-mentioned intervals whether its terms of reference are appropriate and, if necessary, submits proposals to the Supervisory Board on how the terms of reference should be adapted. In the corporate governance statement, the Supervisory Board reports whether and how a self-assessment was carried out.

## § 2

### **Membership of the Supervisory Board**

- (1) Each member of the Supervisory Board must have the knowledge, skills and professional experience required to properly perform his/her duties. Each member of the Supervisory Board ensures that he/she has sufficient time to perform his/her mandate and that he/she participates in at least 75% of the meetings of the Supervisory Board and the committees on which he/she is represented. Supervisory Board members may not hold office for longer than the end of the Annual General Meeting following their seventy-fifth (75th) year of age.
- (2) The members of the Supervisory Board undertake the training and further training measures required for their tasks on their own responsibility. The Company shall provide appropriate support to the members of the Supervisory Board in their inauguration and in the training and further training measures.
- (3) A Supervisory Board member who is a member of the board of management of a listed company shall not hold more than two supervisory board mandates in non-group listed companies or comparable functions and shall not chair the supervisory board of a non-group listed company. If not a member of a board of management of a listed company, he/she shall not hold more than five supervisory board mandates in non-group listed companies or comparable functions, whereby a supervisory board chair shall count twice.
- (4) No more than two former members of the Company's Management Board may be members of the Supervisory Board. No member of the Board of Management may become a member of the Company's Supervisory Board before two years have elapsed since the end of their appointment, unless they are elected at the proposal of shareholders holding more than 25 % of the voting rights in the Company. In the latter case, the change to the chairmanship of the Supervisory Board shall be an exception to be justified to the Annual General Meeting.
- (5) Supervisory Board members may not exercise directorships or similar positions or advisory tasks for major competitors of the Company or a Group company and may not have a personal relationship with a major competitor.
- (6) As a rule, membership of the Supervisory Board should not exceed 12 years.
- (7) The Supervisory Board shall include an appropriate number of independent members on the shareholder side according to their assessment; the ownership structure shall be taken into account.

- (8) More than half of the shareholder representatives should be independent of the cCompany and the Management Board. When assessing the independence of its members from the Company and the Management Board, the shareholder side should in particular consider whether the Supervisory Board member himself or a close family member of the Supervisory Board member
- a) was a member of the Company's Management Board during the two years preceding the appointment,
  - b) currently or in the year up to his appointment, directly or as a shareholder or in a responsible function of a company outside the Group, maintains or has maintained a significant business relationship with the Company or a company dependent on the Company (e.g. as a customer, supplier, lender or consultant),
  - c) is a close family member of a member of the Board of Management or
  - d) has been a member of the Supervisory Board for more than 12 years.
- (9) If one or more of the above-mentioned indicators are met and the Supervisory Board member concerned is nevertheless considered independent, this should be explained in the corporate governance statement.
- (10) The Chairperson of the Supervisory Board, the Chairperson of the Audit Committee and the Chairperson of the Executive Committee should be independent of the Company and the Board of Management. The Chairperson of the Audit Committee should also be independent of any controlling shareholder.
- (11) The Supervisory Board should specify concrete objectives for its composition and develop a competence profile for the entire body. In doing so, the Supervisory Board shall pay attention to diversity.
- (12) The above rules must be taken into account when proposing the election of Supervisory Board members.

### § 3

#### **Rights and obligations of the members of the Supervisory Board**

- (1) The members of the Supervisory Board have the same rights and duties. They are not bound by orders and instructions.

- (2) The members of the Supervisory Board must - even after leaving office - maintain secrecy with regard to confidential information and secrets of the Company, namely trade and business secrets, which become known to them through their work on the Supervisory Board. This applies in particular to confidential reports and confidential discussions. Each member of the Supervisory Board shall ensure that the employees involved in the support of the Supervisory Board comply with the confidentiality obligation in the same manner.
- (3) Each member of the Supervisory Board is committed to the interests of the Company. They may neither pursue personal interests in their decisions nor take advantage of business opportunities to which the Company is entitled. Each member of the Supervisory Board must disclose to the Chairperson of the Supervisory Board any conflicts of interest, in particular those that may arise as a result of consulting, board membership or other activities for customers, suppliers, lenders or other third parties.
- (4) Each member of the Supervisory Board must notify the Company and the Federal Financial Supervisory Authority (BaFin) in writing or in text form (Section 126b of the German Civil Code) within three working days of any dealings in the Company's shares or related financial instruments; financial instruments include, in particular, derivatives, bonds, participation certificates, warrants and other securities as well as claims and rights to subscribe to securities commonly traded on the money market. Each member of the Supervisory Board shall ensure that in particular his spouse or registered partner, his dependent children and other relatives who have lived in the same household for at least one year at the time of conclusion of the transaction subject to the reporting requirement comply with the obligation under sentence 1. The same applies to a legal entity, trust or partnership whose management tasks are directly or indirectly performed or controlled by the member of the Supervisory Board or one of its persons subject to the notification requirement. In the cases of sentence 1 and sentence 2, a notification is dispensable if the total amount of the transactions of the person subject to the notification obligation and the person named in sentence 2 does not reach a total amount of Euro 20,000 by the end of the calendar year.

#### **§ 4**

##### **Chairperson and Vice Chairperson**

- (1) The Supervisory Board elects - in accordance with § 27 para. 1 and 2 MitbestG - the Chairperson and a Deputy Chairperson from among its members. The election is to take place after the Annual General Meeting at which the Supervisory Board members representing the shareholders have been elected, in a Supervisory Board meeting that does not require a special convocation. The oldest member of the Supervisory Board in terms of age shall chair the election.

- (2) The term of office of the Chairperson and the Deputy Chairperson corresponds to their term of office as members of the Supervisory Board, unless a shorter term of office is determined at the time of election. If the Chairperson or his or her deputy resigns before the end of the term of office, the new election of the Chairperson or his or her deputy must be held at the request of a member of the Supervisory Board prior to other resolutions of the Supervisory Board in a Supervisory Board meeting to be held without delay.
- (3) The deputy has the rights and duties of the Chairperson only if the Chairperson is prevented from attending and unless otherwise provided by law or the articles of association.
- (4) Declarations by the Supervisory Board and its committees are made by the Chairperson on behalf of the Supervisory Board. For the submission of declarations to the Supervisory Board, the submission to a member of the Supervisory Board is sufficient.
- (5) Between meetings, the Chairperson maintains regular contact with the Board of Management, in particular with the Chairperson of the Board of Management, and discusses with him or her issues of strategy, business development, the risk situation, risk management and compliance of the Group.
- (6) The Chairperson informs the Supervisory Board about his discussions with the Board of Management, in particular about important events that are of material importance for assessing the situation and development as well as the management of the Group. If necessary, the Chairperson convenes an extraordinary meeting of the Supervisory Board.
- (7) The Chairperson is authorized to hold discussions with investors on Supervisory Board specific topics within an appropriate framework. He or she will inform the Supervisory Board of such discussions.

## **§ 5**

### **Meetings**

- (1) The Chairperson of the Supervisory Board shall convene the Supervisory Board for a meeting at least twice per calendar half year. The dates shall be determined by the Chairperson at the end of a fiscal year for the following fiscal year. The Supervisory Board shall also be convened if a member of the Supervisory Board or the Board of Management so requests, stating the purpose and reasons. Such a meeting must take place within two weeks of the convening of the meeting. If the request is not complied with, the Supervisory Board member or the Board of Management may convene the Supervisory

Board itself by notifying the Supervisory Board of the facts of the case and indicating an agenda.

- (2) The meetings of the Supervisory Board shall be convened in writing, in text form (Section 126b German Civil Code) or by means of an electronic information or communication system at least seven days before the day of the meeting. The day on which the invitation is sent and the day of the meeting are not included in the calculation of the period of notice. In urgent cases, the Chairperson may shorten the period of notice and convene the meeting orally or by telephone.
- (3) The items on the agenda must be included with the invitation. Unless an urgent case justifies a later notification, additions to the agenda must be notified by the seventh day before the meeting. Motions for resolutions on items on the agenda shall be communicated in good time before the meeting so that absent members of the Supervisory Board can vote in writing.
- (4) The Chairperson may cancel or postpone a convened meeting at his or her reasonable discretion.
- (5) The members of the Board of Management shall attend the meetings unless the Chairperson of the Supervisory Board determines otherwise. The Supervisory Board shall meet regularly even without the Board of Management.

## **§ 6**

### **Resolutions**

- (1) As a rule, resolutions of the Supervisory Board are passed in meetings. Members who are connected by telephone or video conference are deemed to be present. Absent members of the Supervisory Board may participate in the adoption of resolutions in a meeting by having another member of the Supervisory Board submit a written or textual (§ 126b German Civil Code) vote. The subsequent casting of votes by an absent member is only possible if it has been approved by all members present.
- (2) The Chairperson shall chair the meetings. He or she appoints the keeper of the minutes and decides on the involvement of experts and persons providing information to discuss individual items on the agenda. The Chairperson determines the order in which the items on the agenda are dealt with as well as the type and sequence of voting. He or she may postpone the discussion and adoption of resolutions on individual items on the agenda at his or her reasonable discretion, taking into account para. 6.

- (3) Resolutions may only be adopted on items on the agenda which have not been communicated in good time if no member objects to the procedure. In such a case, absent members must be given the opportunity to object to the resolution within a reasonable period of time to be determined by the Chairperson; the resolution shall only become effective if no absent member objects within the period of time.
- (4) At the instigation of the Chairperson, a resolution of the Supervisory Board may also be adopted outside meetings by means of votes cast orally, by telephone, in writing or in text form (Section 126b German Civil Code). There is no right to object to this type of resolution.
- (5) The Supervisory Board has a quorum if at least half of the members of which it must consist in total participate in the resolution. A member also participates in the adoption of a resolution if he or she abstains in the vote. Resolutions require a majority of the votes cast, unless another majority is prescribed by law. If a vote results in a tie, the Chairperson has two votes in a new vote on the same subject matter, if it also results in a tie. The second vote may also be cast in writing or in text form (Section 126b German Civil Code) in accordance with para. 1 sentence 3. The Deputy Chairperson is not entitled to the second vote.
- (6) The Chairperson may postpone the adoption of resolutions on individual or all items on the agenda for a maximum of four weeks if the same number of shareholder and employee members would not participate in the adoption of the resolution or if there is another substantial reason for the postponement. The Chairperson is not authorized to postpone the meeting again.
- (7) The Chairperson shall prepare and execute the resolutions of the Supervisory Board.

## **§ 7**

### **Minutes of meetings and resolutions**

- (1) Minutes shall be taken of the meetings of the Supervisory Board, which shall be signed by the Chairperson. The minutes shall state the place and date of the meeting, the participants, the items on the agenda, the main content of the proceedings and the resolutions of the Supervisory Board. Copies of the minutes shall be sent immediately to each member of the Supervisory Board.
- (2) Resolutions that were not passed at meetings are recorded in minutes by the Chairperson of the Supervisory Board. Copies of the minutes shall be sent to each member of the Su-

Supervisory Board without delay. In addition, such resolutions shall be included in the minutes of the next meeting.

- (3) The minutes pursuant to para. 1 or para. 2 shall be deemed approved if no member of the Supervisory Board who participated in the adoption of the resolution has objected in writing to the Chairperson within one month of dispatch.
- (4) The resolutions passed by the Supervisory Board can be recorded in the minutes of the meeting and signed by the Chairperson immediately. Insofar as resolutions are separately recorded in the minutes of the meeting in this form, an objection is only possible at the meeting.

## **§ 8**

### **Transactions requiring approval**

- (1) The Board of Management may only undertake the following transactions and measures with the approval of the Supervisory Board:
  - a) Approval of the business plan for the coming fiscal year, including the profit plan, investment plan, finance plan and personnel plan for the Group and the divisions,
  - b) Acquisition, sale or encumbrance of real estate, rights equivalent to real estate or rights to land, if the value exceeds EUR 100 million in individual cases,
  - c) Acquisition, sale or encumbrance of companies or shares in companies, if the value exceeds EUR 100 million in individual cases,
  - d) Acquisition, sale or encumbrance of movable assets, if the value exceeds EUR 100 million in individual cases,
  - e) other investments (including the conclusion of rental and leasing contracts) and other disinvestments if the value exceeds EUR 100 million in individual cases,
  - f) significant changes in the Company's business policy, in particular significant changes in the production or sales program, as well as the commencement or discontinuation of major business segments,
  - g) borrowings, if the individual loan or increase exceeds EUR 100 million



- h) Assumption of sureties, guarantees or similar liabilities as well as provision of collateral, insofar as this is done for liabilities outside the Group, is not part of normal financing activities and the value exceeds EUR 5m in individual cases,
  - i) raising of bonds, if the value exceeds EUR 100 million in individual cases, or
  - j) Trading in financial instruments, particularly derivatives, unless this is done in accordance with the "Financial Risk Management at LANXESS" guideline approved by the Supervisory Board and the value exceeds EUR 100 million in individual cases.
- (2) The consent pursuant to para. 1 lit. b) to e), g), i) and j) is not required for transactions with affiliated companies. If transactions pursuant to para. 1 lit. g) and i) serve to replace, extend or increase (by no more than EUR 100 million) loans or bonds already taken out, such transactions do not require the approval of the Supervisory Board.
- (3) In addition, the Board of Management shall require the approval of the Supervisory Board if it participates in transactions with affiliated companies pursuant to para. 1 lit. b) to j) (with the exception of the transactions mentioned in para. 2 by issuing instructions, approving, voting or in any other way. In the case of measures taken by an affiliated company as defined in para. 1 lit. f), the participation only requires the approval of the Supervisory Board if such measure would require approval if the affiliated company were a legally dependent part of the Company.
- (4) The approval of transactions pursuant to § 8 para. 1 lit. b.) to j.), which are provided for in sufficiently concrete terms in a corporate plan approved by the Supervisory Board, and the extension of existing loans pursuant to § 8 para. 1 lit. g.) shall be granted by the Presidial Committee on behalf of the Supervisory Board.
- (5) Notwithstanding the provisions of § 112 of the German Stock Corporation Act, transactions with a value of more than EUR 25,000 between the Company or an affiliated company on the one hand and a member of the Board of Management or persons or companies related to a member of the Board of Management on the other hand require the approval of the Supervisory Board. Approval is granted by the Presidial Committee on behalf of the Supervisory Board in accordance with § 10 para. 6 lit. b).
- (6) The Supervisory Board's consent is required for other activities of a Board of Management member pursuant to § 88 of the German Stock Corporation Act; its consent is required for other secondary activities of Board of Management members, in particular the exercise of Supervisory Board mandates and mandates in comparable controlling bodies of commercial enterprises outside the Group. Consent and/or approval is given by the

Presidial Committee on behalf of the Supervisory Board in accordance with § 10 para. 7 lit. b).

## **II. Committees**

### **§ 9 General provisions**

- (1) The Supervisory Board forms an Presidial Committee (§ 10), an Audit Committee (§ 11), a committee pursuant to § 27 para. 3 of the German Co-Determination Act (§ 12) and a Nomination Committee (§ 13) from among its members. The election of their members should take place at the seat of the Supervisory Board specified in § 4 para. 1 sentence 2. Further committees will be formed as required. To the extent permitted by law, the Supervisory Board may delegate decision-making powers to the committees.
- (2) The Supervisory Board appoints one committee member as committee chairperson for each committee, unless these rules of procedure provide otherwise.
- (3) The meetings of the committees are convened by the respective committee chairperson. Each member has the right to request that a meeting be convened, stating the reason. As a rule, the notice period shall not be less than one week.
- (4) Committees that decide in place of the Supervisory Board only have a quorum if half of the members, but at least three members, participate in the resolution. In such committees, the Chairperson of the committee is entitled to the second vote in corresponding application of § 6 para. 5 sentences 4 and 5 if the committee is composed of an equal number of Supervisory Board members representing the shareholders and the employees.
- (5) The respective committee Chairpersons report regularly to the Supervisory Board on the work of the committees.
- (6) With regard to the internal organisation of the committees, § 5 para. 2 to 4 and §§ 6 and 7 shall apply accordingly, unless otherwise provided in this Section II.

## § 10

### **Presidial Committee of the Supervisory Board**

- (1) The Presidial Committee consists of the Chairperson of the Supervisory Board, his Vice Chairperson and two Supervisory Board members each representing the stockholders and the employees.
- (2) The Presidial Committee discusses key issues and prepares the meetings and resolutions of the Supervisory Board. The Presidial Committee decides on the granting of approval in the cases of § 8 para. 4. The Presidial Committee may decide in place of the Supervisory Board pursuant to § 32 of the German Codetermination Act on the exercise of participation rights and, if the matter cannot be postponed and a resolution of the Supervisory Board cannot be adopted in time at a meeting, may decide in a meeting on the approval of measures of the Board of Management required pursuant to § 8 para. 1 to 3.
- (3) The Presidial Committee discusses the strategy and corporate planning of the Board of Management (§ 14 para 1 sentence 5).
- (4) The Presidial Committee regularly discusses long-term succession planning for the Board of Management. In doing so, it takes into account the Company's management planning.
- (5) The Presidial Committee prepares the personnel decisions of the Supervisory Board, including the adoption of resolutions by the Supervisory Board on the conclusion and amendment of employment contracts with the members of the Board of Management and the termination of such employment contracts, the adoption of resolutions on the remuneration system for the Board of Management members within the meaning of § 87a of the German Stock Corporation Act and on the determination of the specific remuneration of the individual Board of Management members and its regular review by the Supervisory Board.
- (6) The Presidial Committee submits a proposal to the Supervisory Board for determining the age limit for members of the Board of Management.
- (7) The Presidial Committee decides in place of the Supervisory Board on
  - a) other legal transactions with members of the Board of Management pursuant to § 112 of the German Stock Corporation Act and the approval of transactions with a value of more than EUR 25,000 between the Company or an affiliated company on the one hand and a member of the Board of Management or persons or companies related to a member of the Board of Management on the other,

- b) the consent to other activities of a member of the Board of Management in accordance with § 88 of the German Stock Corporation Act as well as the consent to other secondary activities, in particular the exercise of Supervisory Board mandates and mandates in comparable controlling bodies of commercial enterprises outside the Group,
  - c) the granting of loans to the persons named in §§ 89, 115 of the German Stock Corporation Act, and
  - d) the approval of contracts with members of the Supervisory Board in accordance with § 114 of the German Stock Corporation Act.
- (8) Conflicts of interest are disclosed by members of the Board of Management or Supervisory Board to the Presidial Committee instead of the Supervisory Board. The Chairperson of the Presidial Committee is responsible for receiving the declarations.

## **§ 11**

### **Audit Committee**

- (1) The Audit Committee consists of six members. The Audit Committee should consist of three Supervisory Board members representing the shareholders and three Supervisory Board members representing the employees; however, a different composition is permissible. Each member must have sufficient knowledge of accounting and financial reporting and internal cost accounting. The Chairperson is appointed in accordance with § 9 para. 2. The Chairperson of the Audit Committee shall have special knowledge and experience in the application of accounting principles and internal control procedures and shall be familiar with and independent of the audit of the financial statements. The Chairperson of the Supervisory Board shall not chair the Audit Committee.
- (2) The Audit Committee supports the Supervisory Board in monitoring the management and deals with the audit of the financial statements, the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit of the financial statements, including the independence of the auditor and the additional services provided by the auditor, as well as compliance. It should regularly assess the quality of the audit. The Audit Committee prepares the resolutions of the Supervisory Board on the annual financial statements and the consolidated financial statements. The Audit Committee ensures that the auditor and, if necessary, members of the Board of Management participate in these negotiations..

The Audit Committee submits to the Supervisory Board a reasoned recommendation for the election of the auditor, which in cases where the audit mandate has been advertised must include at least two candidates.

- (3) The Audit Committee is responsible in particular for the following tasks:
  - a) Audit of the certified annual financial statements and the management report, the certified consolidated financial statements and the Group management report as well as the proposal for the appropriation of the balance sheet profit,
  - b) Discussion of key audit issues with the auditor and
  - c) Discussion with the auditor and, if applicable, members of the Board of Management about forthcoming material changes in accounting regulations and their effects on the Company's financial reporting.
- (4) The Audit Committee may exercise the special rights of inspection and examination to which the Supervisory Board is entitled under § 111 para. 2 of the German Stock Corporation Act to the extent that this is necessary or appears useful for the performance of its duties.
- (5) The Audit Committee prepares the agreements with the auditor. The agreements include, in particular, the audit assignment, the determination of auditing focal points and the fee agreement. The Audit Committee agrees with the auditor that the auditor will inform the Chairperson of the Audit Committee without delay of important events that come to his attention during the performance of the audit. This applies among other things to
  - a) possible grounds for exclusion or bias that arise during the audit and are not immediately eliminated,
  - b) findings and occurrences that are important for the tasks of the Supervisory Board, or
  - c) established facts which show that the declaration of the Board of Management and Supervisory Board on the German Corporate Governance Code in accordance with § 161 sentence 1 of the German Stock Corporation Act is incorrect.
- (6) The Committee shall take appropriate measures to determine and monitor the independence of the External Auditor. Before submitting the Supervisory Board's proposal to the Annual General Meeting for the election of an auditor, the Audit Committee obtains in particular a statement from the appointed auditor stating whether and, if so, which profes-

sional, financial or other relationships exist between the auditor and its executive bodies and audit managers on the one hand and the Company and the members of its executive bodies on the other hand that could give rise to doubts about the auditor's independence. The Supervisory Board's proposal for the election of the auditor shall be based on a recommendation of the Audit Committee. The Audit Committee ensures that the auditor's statement also extends to the extent to which the auditor has provided other services to the Company or the Group, in particular in the consulting sector, in the previous fiscal year or has contractually agreed to provide such services in the following year.

## **§ 12**

### **Committee pursuant to § 27 Paragraph 3 of the German Codetermination Act (MitbestG)**

Immediately after the election of the Chairperson and his Vice Chairperson, the Supervisory Board forms a committee pursuant to § 27 para. 3 of the German Codetermination Act (MitbestG) to perform the task described in § 31 para. 3 sentence 1 of the German Codetermination Act (MitbestG).

## **§ 13**

### **Nominations Committee**

- (1) The Nominations Committee consists of the Chairperson of the Supervisory Board and two Supervisory Board members representing the shareholders. The Chairperson of the Supervisory Board is the Chairperson of the Nominations Committee.
- (2) The Nominations Committee nominates suitable candidates to the Supervisory Board for its proposals to the Annual General Meeting for the election of Supervisory Board members.

### **III. Rules of Information**

#### **§ 14**

#### **Regular reports to the Supervisory Board pursuant to § 90 Para. 1 Sentence 1 No. 1-3 of the German Stock Corporation Act (AktG)**

- (1) At least once a year, the Board of Management reports on the intended business policy and other fundamental questions of corporate planning for the Company and the Group. This report contains the focal points of the Board of Management planned business management. These include in particular an explanation of the intended development and strategic orientation of the Group, a presentation of the financial and balance sheet policy for the Group and the divisions, and an explanation of deviations in actual performance from previously reported targets, giving reasons. These topics must also be reported on without delay if changes in the situation or new issues require immediate reporting. The annual corporate plan, which the Board of Management submits before the beginning of a fiscal year, contains in particular a profit plan, an investment plan, a finance plan and a personnel plan for the Group and the divisions.
- (2) In connection with the resolution of the Supervisory Board on the annual financial statements and the consolidated financial statements (so-called balance sheet meeting), the Board of Management reports on the profitability of the Company and the Group, in particular on the profitability of the equity capital. In this report, the profitability of the Group as a whole and of the individual Group divisions must be explained - in each case in comparison with the previous year and with the budget - on the basis of meaningful profitability figures.
- (3) The Board of Management reports regularly, at least quarterly, on the course of business, in particular on sales and the situation of the Company and the Group. This includes reports on the current development of the earnings, financial and asset situation, personnel development and significant risks of the Group and individual Group divisions. Deviations from the previous year and from planning must be explained.
- (4) The reports pursuant to this § 14 shall be submitted in good time and, as a rule, in text form.

## **§ 15**

### **Special reports to the Supervisory Board pursuant to § 90 Paragraph 1 Sentence 1 No. 4 of the German Stock Corporation Act (AktG)**

The Board of Management reports on all transactions that could be of material importance for the profitability or liquidity of the Company and/or the Group. These reports must generally be submitted in text form and - if possible - in good time so that the Supervisory Board has the opportunity to comment on them before the transactions are carried out.

## **§ 16**

### **Reports to the Chairperson of the Supervisory Board pursuant to § 90 Paragraph 1 Sentence 3 of the German Stock Corporation Act (AktG)**

The Board of Management reports to the Chairperson of the Supervisory Board as early as possible on other important matters. A business transaction at an affiliated company which has come to the attention of the Board of Management and which could have a significant influence on the situation of the Company is also considered to be an important event.