

Report on the audit of the Spin-off and Transfer Agreement

between

Continental Aktiengesellschaft

Hanover

as transferring entity

and

Vitesco Technologies Group Aktiengesellschaft

Hanover

as acquiring entity

This document is a courtesy translation of our report „Bericht über die Prüfung des Abspaltungs- und Übernahmevertrags zwischen der Continental Aktiengesellschaft, Hannover, als übertragendem Rechtsträger und der Vitesco Technologies Group Aktiengesellschaft, Hannover, als übernehmendem Rechtsträger“ which was written in German. This English version serves only as an explanatory note and shall not be signed by us. The German version of these terms and conditions shall be the binding version, the translation into English is a courtesy translation.



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KPMG AG Wirtschaftsprüfungsgesellschaft

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List of Abbreviations

%	Percent
&	and
AG	German stock corporation
AktG	German stock corporation act
CA	Continental Automotive
EUR	Euro
GmbH	German limited liability company
GmbH & Co. KG	German limited liability company and Compagnie German limited partnership
HGB	German commercial code
HRA	Section A of the German commercial register
HRB	Section B of the German commercial register
KG	German limited partnership
mbH	with limited liability
MDAX	Mid-Cap German stock index
No.	Number
OEM	Original Equipment Manufacturers
R&D	Research and development
S.A.S	Société par Actions Simplifiée (French stock corporation)
UmwG	German transformation act
VT	Vitesco Technologies

1 Engagement and scope of work

1.1 Preliminary remark

The executive board of Continental Aktiengesellschaft, Hanover, (in the following “Continental AG”) has resolved with approval of the supervisory board granted on 16 March 2021 to have Vitesco Technologies GmbH (in the following “VT GmbH”) with registered office in Hanover together with its direct and indirect subsidiaries and shareholdings (collectively referred to as “Vitesco Technologies”) listed on the stock exchange as an independent group by way of a spin-off by absorption (*Abspaltung zur Aufnahme*) to Vitesco Technologies Group Aktiengesellschaft, Hanover, (in the following “VT Group AG”) in accordance with the German Transformation Act (*Umwandlungsgesetz - UmwG*).

Vitesco Technologies mainly comprises the operationally and organizationally independent business activities of the group sector Powertrain Technologies and of the Powertrain business area of the Continental Group. The current shareholders of VT GmbH are (i) Vitesco Technologies 1. Beteiligungsgesellschaft mbH & Co. KG, Frankfurt am Main, (in the following “VT 1. Beteiligungs KG) with a stake of 49.18%, (ii) Vitesco Technologies 2. Beteiligungsgesellschaft mbH & Co. KG, Hanover, (in the following “VT 2. Beteiligungs KG) with a stake of 47.26% (VT 1. Beteiligungs KG and VT 2. Beteiligungs KG together in the following “VT 1. and 2. Beteiligungs KGs”), and (iii) Continental Automotive France S.A.S., Toulouse, France, (in the following “CA France”) with a stake of 3.56%. The 3.56% of the shares in VT GmbH currently held by CA France are intended to be sold at market value to VT 1. and 2. Beteiligungs KGs prior to the spin-off taking effect. All limited partnership interests in VT 1. and 2. Beteiligungs KGs are directly held by Continental AG, and the shares in CA France are indirectly held by Continental AG.

Vitesco Technologies focuses on the development and production on components and system solutions for the powertrain of hybrid and electric vehicles and for combustion engines. Its portfolio includes 48-volt electrification solutions, electric drives, and power electronics for hybrid and battery-electric vehicles. Furthermore, the product range counts electronic controls, sensors, actuators, turbochargers, hydraulic components and pumps as well as solutions for exhaust after-treatment. Vitesco Technologies has, in total, 51 locations worldwide. Of those, eight locations are pure manufacturing sites, 22 locations conduct mainly research and development (R&D) activities and 21 locations combine manufacturing and R&D activities. Vitesco Technologies has more than 40,000 employees worldwide (all figures as per 31 December 2020).

Already today, Vitesco Technologies offers a broad and comprehensive range of powertrain technologies, products and solutions for various types and classes of vehicles and serves almost all major automotive original equipment manufacturers (OEMs). The product portfolio comprises, in particular, technologies and products for electrified and pure electric vehicles.

The legal independence aims to give Vitesco Technologies greater flexibility in the further development of its business. At the same time, Continental AG intends to focus the retained business of Continental Group after the spin-off on core areas with high potential for synergy in end markets and technologies.

In order to make Vitesco Technologies legally independent, the limited partnership interests held by Continental AG in VT 1. and 2. Beteiligungs KGs and the shares held by Continental AG in their respective general partners Vitesco Technologies 1. Verwaltungs GmbH, Hanover, (in the following "VT 1. Verwaltungs GmbH"), and Vitesco Technologies 2. Verwaltungs GmbH, Hanover, (in the following "VT 2. Verwaltungs GmbH"), are intended to be transferred by way of a spin-off by absorption to VT Group AG. VT Group AG, in turn, is intended to become the listed parent company of the future Vitesco Technologies group. All shares in VT Group AG are currently held by Continental AG.

In order to implement the spin-off, Continental AG and VT Group AG entered into a notarized spin-off and transfer agreement (hereinafter referred to as "Spin-Off and Transfer Agreement") on 18 March 2021 prior to the annual general meeting of Continental AG to be held on 29 April 2021 and prior to the general meeting of VT Group AG to be held on 23 March 2021. The Spin-off and Transfer Agreement including selected appendices is attached hereto as Annex 2.

1.2 Appointment as auditor

At the joint request of the executive board of Continental AG and the executive board of VT Group AG, the Regional Court (*Landgericht*) of Hanover selected and appointed KPMG AG Wirtschafts-prüfungsgesellschaft as joint expert spin-off auditor by order of 17 December 2019.

In regard to and with engagement letter as of 10 January 2020 the executive board of Continental AG and the executive board of VT Group AG engaged us jointly as an independent expert to audit the spin-off.

1.3 Scope of the audit

The subject of this spin-off audit is the concluded Spin-Off and Transfer Agreement by Continental AG and VT Group AG. The scope is outlined by section 125 sentence 1 in conjunction with sections 9 to 12 UmwG. In accordance with the abovementioned rules the audit has to cover:

- whether the information given in the Spin-Off and Transfer Agreement are accurate and complete
- and whether the proposed exchange (allocation) ratio is appropriate.

Section 12 (2) UmwG requires the audit report to include a written declaration regarding the adequacy of the allocation ratio. The adequacy is normally derived by a value ratio of the entities involved. In this instance it was neither necessary to determine a value ratio nor to exchange shares. Instead, the shareholders of the transferring Continental AG will be granted new shares of the acquiring VT Group AG. Therefore, hereinafter it is considered an allocation ratio rather than an exchange ratio.

Please see Section 2 regarding purpose, type and scope of the spin-off audit for further information.

1.4 Received documentation

We have carried out our work – with interruptions – from 10 January 2020 until 19 March 2021. Our work was primarily based on the following documents:

- Spin-Off and Transfer Agreement between Continental AG and VT Group AG as at 18 March 2021 in addition to annexes;
- Group Separation Agreement between Continental AG, VT Group AG and VT GmbH (hereinafter referred to as “Group Separation Agreement” – appendix 14 to the Spin-off and Transfer Agreement of 18 March 2021);
- Joint Spin-Off Report of the executive boards of Continental AG and VT Group AG regarding the spin-off of the participations held in VT 1. Beteiligungs KG, in VT 2. Beteiligungs KG, in VT 1. Verwaltungs GmbH and in VT 2. Verwaltungs GmbH as at 16 March 2021 (hereinafter referred to as “Spin-Off Report”);
- Meeting minutes of the executive and supervisory board of Continental AG and the supervisory board of VT Group AG with regard to the spin-off of the former Powertrain division;
- Current excerpt from the commercial register and articles of association of Continental AG, of VT 1. Beteiligungs KG, of VT 2. Beteiligungs KG, of VT 1. Verwaltungs GmbH, of VT 2. Verwaltungs GmbH, of VT Group AG and of VT GmbH;
- Unqualified, audited annual reports of Continental AG, of VT GmbH and of VT Group AG as at 31 December 2020;
- Unaudited annual reports of VT 1. Beteiligungs KG, of VT 1. Verwaltungs GmbH, of VT 2. Beteiligungs KG and of VT 2. Verwaltungs GmbH as at 31 December 2020;
- Spin-off balance sheet as at 1 January 2021 (appendix 3.1 of the Spin-Off and Transfer Agreement).

The executive board of Continental AG and the executive board of VT Group AG as well as authorized staff members willingly provided us with explanation and evidence as well as written and oral information. The executive board of Continental AG and VT Group AG issued each a letter of representation stating that we have received all relevant information for the spin-off audit and that the information provided are accurate and complete.

1.5 Terms and conditions and release to third party

The terms governing this engagement are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Audit Firms) in its version as of 1 January 2017 (please refer to appendix 3). Our maximum liability is determined according to no. 9 of the General Engagement Terms and any additional written agreements. Our liability towards third parties is defined in no. 1 par. 2 and no. 9 of the General Engagement Terms.

The audit report is prepared in conjunction with the Spin-Off and Transfer Agreement and is intended for internal use by Continental AG and VT Group AG only.

Internal use in this context also includes to refer to and to use the audit report for written and oral communication with the shareholders of Continental AG and VT Group AG, as well as providing information during general meetings of both companies that resolute on the spin-off. It further includes the possibility for shareholders to review the audit report during the aforementioned general meetings and to make the audit report in its entirety wording available to the shareholders and to publish documents respectively in accordance with section 125 sentence 1 in conjunction with section 63 UmwG. Subject to our prior written approval, the audit report may be released to third parties in its full version only. The release is conditional upon the third party agreeing in writing to accept the current General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften in its version as of 1 January 2017 and the limitations in our liability as well as confirming that it will treat the audit report as confidential and will not release the audit report to any other party.

2 Purpose, type and scope of the spin-off audit

2.1 Preliminary remark

Subject of the spin-off audit is the Spin-Off and Transfer Agreement between Continental AG and VT Group AG. The spin-off must be audited pursuant to sections 9 and 12 UmwG and section 125 sentence 1 in conjunction with section 60 UmwG, *mutatis mutandis*. In accordance with the governing regulations the spin-off audit report examines whether the information included in the Spin-Off and Transfer Agreement are accurate and complete. The audit report further examines whether or not the proposed allocation ratio as well as – if applicable – the additional cash payments of proportionate participations or a membership in the acquiring entity represent an appropriate contribution.

2.2 Spin-off and Transfer Agreement

2.2.1 Audit of the completeness

With regard to the audit of the completeness of the Spin-off and Transfer Agreement, the minimum requirements of the German Transformation Act (UmwG) in general and specifically with regard to the legal form are determinative.

The following minimum content for a Spin-off and Transfer Agreement results in the present case from the information required under section 126 (1) UmwG:

- company name and registered office of the legal entities involved in the spin-off;
- the agreement about the transfer of the part of the assets of the transferring entity in its entirety in exchange for shares in the acquiring entity;
- the allocation ratio of shares and, if applicable, the amount of the additional cash payment at the acquiring entity;
- details for the transfer of shares of the acquiring entity;
- the point in time as of which these shares grant a claim to a participation in the balance sheet profit as well as all specific aspects relating to this claim;
- the point in time as of which actions of the transferring entity are deemed to be made for the account of the acquiring entity (spin-off effective date);

- rights which the acquiring entity grants to individual shareholders as well as to holders of special rights such as non-voting shares, preferred shares, shares with additional voting rights, bonds and profit sharing rights, or measures contemplated for these persons;
- every special benefit granted to a member of the management board or the supervisory board of the entities involved in the spin-off, or a managing shareholder, a partner, an auditor or a spin-off auditor;
- the exact specification and allocation of items in assets in liabilities which are being transferred to the acquiring entity as well as the operations and parts of the operations that are being transferred;
- the allocation of shares of the acquiring entity to shareholders of the transferring entity as well as the allocation standard;
- consequences of the spin-off for employees and their representatives as well as the measures planned in this regard.

Elective components of the Spin-off and Transfer Agreement cannot be audited with regard to completeness because there is no corresponding statutory requirement, but such elective elements as parts of the agreement are subject to control of accuracy.

2.2.2 Audit of the accuracy

The audit of the accuracy of the (statutory and elective) statements in the Spin-off and Transfer Agreement involves whether these are objectively correct and free of contradictions. The determinative aspect is that the set of facts upon which the Spin-off and Transfer Agreement is based corresponds to the actual circumstances and that any forecasts and opinions are plausible. The audit does not comprise the general validity and legality of provisions in the Spin-off and Transfer Agreement. If objections or concerns with regard to the accuracy and/or the validity of individual agreements arise during the course of the audit, this must be pointed out in the audit report.

2.2.3 Audit of the allocation ratio

The main focus of the spin-off audit involves the reasonableness of the allocation ratio proposed in the Spin-off and Transfer Agreement, according to which the shareholders of Continental AG shall be granted, free of charge, one registered no-par value share (registered share) in VT Group AG for every five no-par value bearer shares in Continental AG in accordance with their previous participations (preserving proportionate participations (*verhältnismäßig*)).

Pursuant to section 125 sentence 1 in conjunction with section 12 (2) UmwG, the audit report must state in this regard:

- according to which methods the proposed allocation ratio has been determined,
- the reasons supporting the reasonableness of applying these methods,
- which allocation ratio or which equivalent would result respectively when applying different methods if more than one have been applied; it is also necessary to show which weight the different methods were given when determining the proposed allocation ratio or the equivalent and the underlying values and which particular difficulties arose when valuing the entities.

The methods for determining the allocation ratio is not expressly regulated by law. The provisions in section 12 (2) UmwG, however, generally anticipate that enterprise valuations are necessary for this purpose. As comprehensively described in section 4.1.3 of our audit report, no comparative enterprise valuation of the spin-off assets and the acquiring company is required in the present case in order to determine the allocation rate, since there is no alteration with regard to the equity for the shareholders of Continental AG.

2.3 Joint Spin-Off Report

The executive boards of the two entities involved in the spin-off are required to issue a detailed report in accordance with section 127 sentence 1 UmwG. The Spin-off Report must explain in detail the proposed spin-off, the Spin-Off and Transfer Agreement or its draft. Furthermore, in case of a spin-off it must provide reasons for the allocation ratio or any memberships in the acquiring entity as well as the amount of the cash payment offered in legal and economic terms. The Spin-Off Report can be issued as a joint report by the executive boards of both entities involved.

The executive boards of Continental AG and VT Group AG decided to issue a joint Spin-Off Report. In this report the spin-off, the Spin-Off and Transfer Agreement and especially the spin-off allocation ratio is explained and justified from an economic and legal perspective. The Spin-Off Report is not subject to a spin-off audit by law. The Spin-Off Report however can be taken into consideration for additional information during the audit of the Spin-Off and Transfer Agreement. The Spin-Off Report is also significant to the extent that possible contradictions in any declarations issued by the executive boards of the transferring and acquiring entity may be identified. It may also raise discrepancies in accuracy and completeness of the Spin-Off and Transfer Agreement.

3 Description of the entities involved and the structural measure

3.1 Spin-off

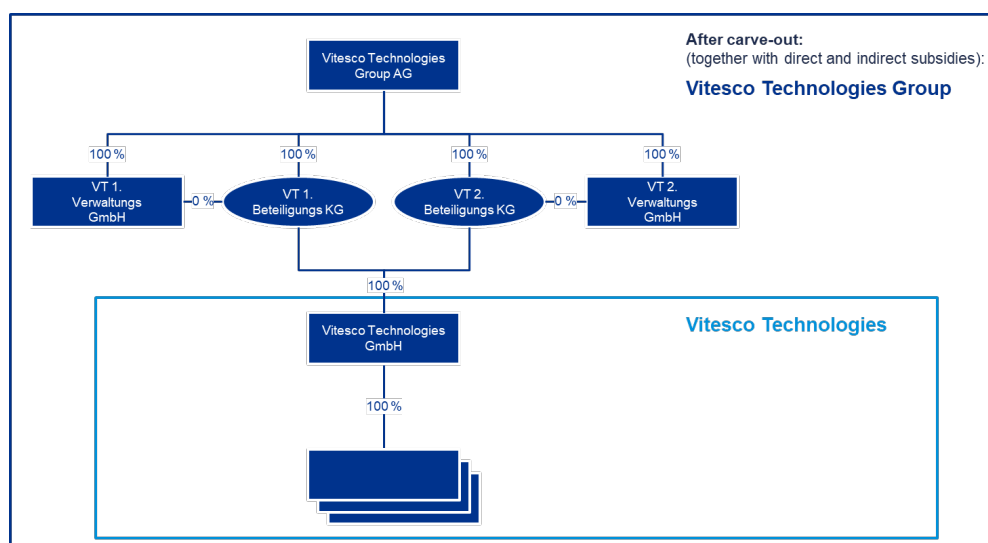
The assets to be transferred by Continental AG by way of the spin-off consist of all limited partner interests in VT 1. and 2. Beteiligungs KGs, the only share with a nominal amount of EUR 25.000 in VT 1. Verwaltungs GmbH, the general partner of VT 1. Beteiligungs KG, and the only share with a nominal amount of EUR 25,000, in VT 2. Verwaltungs GmbH, the general partner of VT 2. Beteiligungs KG (together the “Spin-off Assets”).

As consideration for the transfer of the Spin-off Assets, the shareholders of Continental AG shall be granted, free of charge, one registered no-par value share (registered share) in VT Group AG for every five no-par value bearer shares (bearer shares) in Continental AG in accordance with their previous participations in Continental AG (preserving proportionate participations (*verhältnismäßig*)). In total, 40,001,196 registered no-par value shares (registered shares) of VT Group AG will be issued to the shareholders of Continental AG. The shares to be granted are the 40,001,196 new shares created by way of the capital increase. To implement the spin-off, VT Group AG will increase its share capital from EUR 50,000 by EUR 100,002,990 to EUR 100,052,990. Accordingly, after the implementation of the capital increase, each share will represent a pro rata amount of EUR 2.50 of the share capital of VT Group AG.

The transfer of the Spin-off Assets is intended to occur as between Continental AG and VT Group AG with economic effect as of 1 January 2021, 0:00 hrs. From that date, the transactions relating to the Spin-off Assets will be carried out for the account of VT Group AG in relation between Continental AG and VT Group AG.

In order to implement the spin-off, Continental AG and VT Group AG entered into a notarized Spin-off and Transfer Agreement on 18 March 2021 prior to the annual general meeting of Continental AG to be held on 29 April 2021 and prior to the general meeting of VT Group AG to be held on 23 March 2021. The Spin-off and Transfer Agreement, which will be submitted to the shareholders’ meetings of Continental AG and VT Group AG for approval, sets out the details of the transfer of the Spin-Off Assets from Continental AG to VT Group AG.

The ownership structure after the transfer of the shares in VT GmbH held by CA France as well as after the effectiveness of the spin-off is shown in the following chart:



Quelle: Continental AG, VT Group AG, Spaltungsbericht

3.2 Entities involved

3.2.1 Continental Aktiengesellschaft

The transferring entity, Continental AG, is a stock corporation under German law (*Aktiengesellschaft*) with registered office in Hanover. Continental AG is registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRB 3527. Its fiscal year is the calendar year. On the date of signing of the Spin-off Report, the share capital of Continental AG amounts to EUR 512,015,316.48 and is divided into 200,005,983 no-par value bearer shares, each share representing a pro rata amount of the share capital of EUR 2.56.

Since 1 January 2020, the Continental group has been organized into the group sectors "Automotive Technologies", "Rubber Technologies" and "Powertrain Technologies". These comprise five business areas with a total of 21 business units (since 1 January 2021). A business area and business unit is classified according to product requirements, market trends, customer groups and distribution channels. The business areas and business units have overall responsibility for their business, including their results.

Since 1 October 2019, the Powertrain business area, after having been made operationally and organizationally independent, has operated in external relations under the name "Vitesco Technologies".

3.2.2 Vitesco Technologies Group Aktiengesellschaft

VT Group AG is the acquiring entity in this spin-off by absorption. When the spin-off takes effect, VT Group AG will become the parent company of the Vitesco Technologies Group.

VT Group AG was established by notarial deed dated 15 November 2019 as a stock corporation (*Aktiengesellschaft*) under German law with the name “Vitesco Technologies EINS Aktiengesellschaft” in Hanover and registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRB 219172 on 11 December 2019. The founder of the company is Continental AG, which holds all shares in the company. The fiscal year is the calendar year.

The current purpose of the enterprise is to hold, manage and sell corporate investments in existing or newly established enterprises of any permitted legal form and with any permitted business objects in Germany and abroad, in particular in enterprises of the technology sector.

The company has not commenced business operations and does not yet have any employees yet. By resolution of the shareholders’ meeting of 17 December 2019, the company was renamed “Vitesco Technologies Group Aktiengesellschaft”. The name change was registered in the commercial register on 3 January 2020.

The share capital of VT Group AG currently still amounts to EUR 50,000, divided into 20,000 registered no-par value shares (registered shares). This means that each share represents a pro rata amount of EUR 2.50 in the share capital. The shares have not yet been listed. All shares are currently held by Continental AG.

3.2.3 Vitesco Technologies 1. Beteiligungs KG

VT 1. Beteiligungs KG is a German limited partnership (*Kommanditgesellschaft*) with registered office in Frankfurt am Main, registered in the commercial register of the Frankfurt am Main Local Court (*Amtsgericht*) under HRA 51177. VT 1. Beteiligungs KG was created by a change of legal form of Alfred Teves Beteiligungsgesellschaft mbH in 2019. The change of legal form was resolved and notarized on 2 December 2019 and thereupon entered in the commercial register of VT 1. Beteiligungs KG on 18 December 2019. Continental AG is the sole limited partner of VT 1. Beteiligungs KG with a limited partnership contribution of EUR 25,000. The limited partnership contribution corresponds to the liable capital.

3.2.4 Vitesco Technologies 1. Verwaltungs GmbH

VT 1. Verwaltungs GmbH, which is owned by Continental AG, is the sole general partner of VT 1. Beteiligungs KG. It has its registered office in Hanover and is registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRB 217510. The general partner holds no share in the fixed capital of VT 1. Beteiligungs KG and does not participate in its profits and losses. The general partner has no voting right in the partners’ meeting.

3.2.5 Vitesco Technologies 2. Beteiligungs KG

VT 2. Beteiligungs KG is a German limited partnership (*Kommanditgesellschaft*) with registered office in Hanover, registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRA 204634. The change of its name from "CPT Industriebeteiligungsgesellschaft GmbH & Co. KG" to "Vitesco Technologies 2. Beteiligungsgesellschaft mbH & Co. KG" was registered in the commercial register on 21 November 2019. Continental AG is the sole limited partner of VT 2. Beteiligungs KG with a limited partnership contribution of EUR 10,000. The limited partnership contribution corresponds to the liable capital.

3.2.6 Vitesco Technologies 2. Verwaltungs GmbH

VT 2. Verwaltungs GmbH, which is owned by Continental AG, is the sole general partner of VT 2. Beteiligungs KG. It has its registered office in Hanover and is registered in the commercial register of the Hanover Local Court (*Amtsgericht*) of Hanover under HRB 217479. The general partner holds no share in the fixed capital of VT 2. Beteiligungs KG and does not participate in its profits and losses. The general partner has no voting right in the partners' meeting.

3.2.7 Vitesco Technologies GmbH

VT GmbH was established as a German limited liability company (*Gesellschaft mit beschränkter Haftung*) with the name CPT Group GmbH on 2 August 2018. It has its registered office in Hanover and is registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRB 217030. The share capital of VT GmbH amounts to EUR 25,923 and is divided into 25,923 shares, each with a nominal amount of EUR 1. The fiscal year corresponds to the calendar year.

The object of VT GmbH according to its articles of association is:

- the development, manufacturing and sales (OEMs and replacement part and retrofit business) of powertrains including engine control units, control and fuel systems, tank modules, injection systems, power generation systems (such as fuel cells), electromotive drives and drive motors for electric vehicles;
- the acquisition, holding, management and sale of corporate investments in existing and newly established enterprises of any permitted legal form in Germany and abroad, including the industrial management of these enterprises.

Currently, 49.18% of the shares (serial numbers 2 to 12,751) in VT GmbH are held by VT 1. Beteiligungs KG. Further 47.26% of the shares (serial numbers 12,752 to 25,001) of the shares are currently still held by VT 2. Beteiligungs KG. The remaining 3.56% of the shares (serial numbers 25,002 to 25,924) are currently held by CA France. All shares in CA France are indirectly held by Continental AG. It is intended that, prior to the spin-off taking effect, the 3.56% stake held by CA France will be sold and transferred at market value to VT 1. and 2. Beteiligungs KGs. Thus, when the spin-off takes effect, 100% of the shares in VT GmbH will be directly held by VT 1. and 2. Beteiligungs KGs.

4 Audit of the Spin-off and Transfer Agreement

4.1 Completeness and accuracy of the statutory minimum information

Concerning the minimum content of the Spin-off and Transfer Agreement of 18 March 2021 pursuant to section 126 (1) no. 1 to 11 UmwG we assess the following:

4.1.1 Company name and registered office of the entities involved (Section 126 (1) no. 1 UmwG)

Company name and registered office of the legal entities participating in the spin-off are named in the Spin-off and Transfer Agreement and correspond with the respective articles of association of Continental AG and VT Group AG as well as with the registrations made in the commercial register at Hanover Local Court (*Amtsgericht*) of. The Spin-off and Transfer Agreement therefore names the companies participating in the spin-off and the necessary information correctly.

4.1.2 Agreement about the transfer of assets (Section 126 (1) no. 2 UmwG)

Pursuant to section 1.1 of the Spin-off and Transfer Agreement, Continental AG (transferring legal entity) transfers the part of its assets specified in section 5 of the Spin-off and Transfer Agreement with all rights and obligations (Spin-off Assets) in whole by way of a spin-off by absorption pursuant to section 123 (2) no. 1 UmwG to VT Group AG (acquiring legal entity) against a consideration of shares in VT Group AG to be granted to the shareholders of Continental AG pursuant to section 10 of the Spin-off and Transfer Agreement (so called proportionate spin-off by absorption).

With regard to the assets and liabilities as well as other rights and obligations or legal positions of Continental AG, which are not allocated to the Spin-off Assets pursuant to the Spin-off and Transfer Agreement or which are expressly excluded from transfer in the Spin-off and Transfer Agreement, section 1.2 of the Spin-off and Transfer Agreement states that they will not be transferred to VT Group AG by way of the spin-off.

The moment the spin-off becomes effective by registration in the commercial register of the Continental AG as the transferring legal entity, the transfer of the Spin-off Assets will take place with effect in rem (section 6.1 of the Spin-off and Transfer Agreement).

The Spin-off Assets in accordance with section 5 of the Spin-off and Transfer Agreement consist of

- of the total limited partnership interest in VT 1. Beteiligungs KG, consisting of a limited partner's share with a registered maximum liability amount of EUR 25,000;
- of the total limited partnership interest in VT 2. Beteiligungs KG, consisting of a limited partner's share with a registered maximum liability amount of EUR 10,000;
- the entire participation in VT 1. Verwaltungs GmbH, consisting of one share with a nominal value of EUR 25,000; and
- the entire participation in VT 2. Verwaltungs GmbH, consisting of one share with a nominal value of EUR 25,000.

The transfer shall be made with the inclusion of all rights and obligations in connection with the Spin-off Assets, including the entitlement to profit distribution for the period from the spin-off date.

According to the documents submitted to us, the information regarding the Spin-off Assets is factually correct.

4.1.3 Allocation ratio (Section 126 (1) no.3 UmwG)

Pursuant to section 10 of the Spin-off and Transfer Agreement, the shareholders of Continental AG will receive free of charge for each 5 no-par value bearer shares (bearer shares) in Continental AG one no-par value registered share (registered share) in VT Group AG in return for the transfer of the Spin-off Assets to VT Group AG pro rata in proportion to their previous participations (*verhältnismäßig*). No additional cash payments are made.

The determined allocation ratio pursuant to section 126 (1) no. 3 UmwG is basically determined from the ratio of the value of the Spin-off Assets, i.e. the shares of Continental AG in VT 1. and 2. Beteiligungs KGs, in VT 1. Verwaltungs GmbH, in VT 2. Verwaltungs GmbH and in VT Group AG, to the value of the acquiring legal entity, i.e. VT Group AG.

In the case at hand, in order to determine the allocation ratio no comparative company valuation of the Spin-off Assets and the acquiring legal entity was required.

In the present case, the granting of the shares in VT Group AG to the shareholders of Continental AG is effected in a proportionate manner, i.e. each shareholder of Continental AG will receive a number of the newly created 40,001,196 shares in VT Group AG, in total of 40,001,196 shares in VT Group AG, in the same proportion in accordance with his respective participation in Continental AG (cf. section 128 sentence 2 UmwG). This ensures that from the perspective of the shareholders of Continental AG no change of assets before and after the spin-off can occur and especially no shifts of assets between the shareholders will take place.

The allocation ratio of 5:1 was, according to the consistent declarations of the executive boards of Continental AG and VT Group AG in the Spin-Off Report, significantly determined by

the fact that the amount of the future share capital of VT Group AG must be in an appropriate ratio to the equity and the expected market capitalization of VT Group AG and must adequately reflect the relative proportions of the transferring and the acquiring entity. In determining the share capital of VT Group AG and the number of shares, it was taken into account that the future stock exchange price of VT Group AG should be within a range that is attractive at the present time for private and institutional investors and, in particular, should be significantly higher than the notional proportionate amount of the shares in the share capital of VT Group AG.

The allocation ratio of 5:1, according to the consistent declarations of the Executive Boards of the Continental AG and VT Group AG in the Spin-Off Report, also takes into account the objective of keeping the scope of fractional entitlements which may arise as a result of the allocation of VT Group AG shares to Continental AG shareholders to a minimum. In the opinion of the Executive Boards of Continental AG and VT Group AG, the envisaged structure should result in the possibility of attributing a certain number of VT Group AG shares to a large number of Continental AG shareholders without any further fractional entitlements. Shareholders who hold less than five shares in Continental AG or a number of shares in Continental AG which is not a multiple of five may realize their fractional entitlements or increase them to a full VT Group AG share by way of purchasing fractional entitlements in the context of the intended settlement of fractional entitlements.

A lower allocation ratio would have led to a higher number of shares of VT Group AG. Due to the significantly higher number of shares, the enterprise value and the stock market value of VT Group AG would have been spread over such a larger number of shares, which would have meant that, in the opinion of the Executive Boards of Continental AG and VT Group AG, the aforementioned objective of an attractive share price for the shares of VT Group AG would not have been achieved.

We consider the arguments of the executive board members of the Continental AG and of VT Group AG for determining the allocation ratio to be comprehensible and plausible.

According to the Spin-off and Transfer Agreement, it is intended that immediately after the Spin-off takes effect, all shares in VT Group AG shall be admitted to trading on the regulated market of the Frankfurt Stock Exchange and, at the same time, in the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange. Pursuant to section 125 sentence 1 in conjunction with section 29 UmwG, no compensation is to be offered to the shareholders of the Continental AG. Also, in this respect, a company valuation of the Spin-Off Assets or the acquiring legal entity is not necessary.

In summary, we state that the method, procedure and result for determining the proportionate allocation ratio are appropriate, plausible and reasonable.

According to the result of our audit, the information in the Spin-off and Transfer Agreement on the allocation ratio meets the requirements of section 126 (1) no. 3 UmwG and is complete and correct.

4.1.4 Details concerning the transfer of the shares (Section 126 (1) no. 4 UmwG)

The details of the transfer of the shares are regulated in the Spin-off and Transfer Agreement as follows:

In order to implement the spin-off, VT Group AG will increase its share capital from EUR 50,000 by EUR 100,002,990 to 100,052,990 by issuing 40,001,196 no-par value registered shares (registered shares) in accordance with section 10.3 of the Spin-off and Transfer Agreement, which the shareholders of Continental AG will receive as consideration for the transfer of the Spin-off Assets in accordance with their previous shareholding (proportionate). It is planned that every share shall participate in the share capital by a calculated amount of EUR 2.50. As shown in section 10.4 of the Spin-off and Transfer Agreement, the total value at which the contribution in kind made by Continental AG is taken over by VT Group AG corresponds to the book value under commercial law of the net assets transferred. Insofar as this value exceeds the amount of the share capital increase stated in section 10.3 of the Spin-off and Transfer Agreement, this remaining amount of the book value is transferred as a premium under the law of obligations to the capital reserve in accordance with section 272 (2) no. 4 HGB.

According to section 10.5 of the Spin-off and Transfer Agreement, the Continental AG appoints Deutsche Bank Aktiengesellschaft as trustee for the receipt of the VT Group AG shares to be granted and their delivery to the shareholders of the Continental AG. The ownership of the shares to be granted shall be granted to the trustee and the trustee shall be instructed to transfer the shares to the shareholders of Continental AG after the registration of the spin-off in the commercial register of Continental AG and the consequential generation of the shares.

In the Spin-off and Transfer Agreement, the contracting parties have undertaken to take all measures which are necessary or expedient to ensure that, following the effective date of the spin-off, all shares of VT Group AG are immediately admitted to trading on the Regulated Market of the Frankfurt Stock Exchange and, also, in the sub-segment of the Regulated Market with additional admission obligations (Prime Standard) of the Frankfurt Stock Exchange.

Pursuant to section 18 of the Spin-off and Transfer Agreement, Continental AG and VT Group AG shall each bear their own costs for the respective Annual Shareholders' Meetings and registrations in the commercial register. The costs of the Joint Spin-off Report, the spin-off audit and the audits in connection with the capital increase against contribution in kind and post-formation shall be borne equally by the Continental AG and VT Group AG. The aforementioned cost sharing keys also include the respective associated costs for consultants, banks and other service providers. The costs for the planned stock exchange listing and the related evidenced costs for consultants (amongst others lawyers and auditors), banks and other service providers shall be borne solely by VT Group AG, if and to the extent incurred after 22 October 2019. The obligation of VT Group AG to bear the costs shall only arise as of the Closing Date. The portion of the costs allocated to VT Group AG as of the Closing Date will initially be advanced by Continental AG. VT Group AG will then reimburse the costs allocated to it to Continental AG after the Closing Date and upon issuance of an invoice by Continental AG. The Parties hereto agree on further provisions regarding allocation of costs in connection with the

spin-off in parts II., III., V., VII., IX. of the Group Separation Agreement (section 14 of the Spin-off and Transfer Agreement).

According to the result of our audit, the information in the Spin-off and Transfer Agreement on the details for the transfer of the shares of the acquiring legal entity meets the requirements of section 126 (1) no. 4 UmwG and is complete and correct.

4.1.5 Point in time for participating in balance sheet profits (Section 126 (1) no. 5 UmwG)

Pursuant to section 10.2 of the Spin-off and Transfer Agreement, the shares to be granted by VT Group AG are entitled to participate in profits for the financial years starting on 1 January 2021.

The date of the profit entitlement of the shares to be granted by VT Group AG corresponds to the spin-off date (see the following section 4.1.6.). If the spin-off has not been registered in the commercial register of the Continental AG at the Hanover Local Court (*Amtsgericht*) of the end of 20 January 2022, the spin-off date and the beginning of the dividend rights shall be postponed to 1 January 2022 0:00 hours (section 4 of the Spin-off and Transfer Agreement in conjunction with section 10.2 of the Spin-off and Transfer Agreement). In the event of a further delay of the entry beyond 20 January of the following year, the start of the entitlement to participate in profits shall be postponed accordingly by one year in each case.

Pursuant to the result of our audit, the information in the Spin-off and Transfer Agreement regarding the time of the participation in the balance sheet profit meets the requirements of section 126 (1) no. 5 UmwG and is complete and correct.

4.1.6 Spin-off effective date (Section 126 (1) no. 6 UmwG)

The transfer of the Spin-off Assets shall be effected in the relationship between Continental AG and VT Group AG with effect from 0:00 a.m. on 1 January 2021 (spin-off effective date). From this date, the actions concerning the Spin-off Assets shall be deemed – in the relationship between the Continental AG and VT Group AG – to have been performed for the account of VT Group AG (section 2.1 of the Spin-off and Transfer Agreement).

The effective date of the Spin-off shall follow the effective date of the closing balance sheet of the transferring Continental AG as of 31 December 2020, 24:00 hours (section 3.2 of the Spin-off and Transfer Agreement) immediately after the effective date.

In the event that the spin-off has not been registered in the commercial register of Continental AG at the Hanover Local Court (*Amtsgericht*) by the end of 20 January 2022, the spin-off effective date shall be postponed to 1 January 2022, 00:00 hours and the effective transfer date for tax purposes shall be postponed to 31 December 2021, 24:00 hours. In the event of a further delay in registration beyond 20 January of the following year, the spin-off effective

date and the effective transfer date for tax purposes shall be postponed accordingly by one year in each case (section 4 of the Spin-off and Transfer Agreement).

According to the result of our audit, the information in the Spin-off and Transfer Agreement concerning the spin-off date meets the requirements of section 126 (1) no. 6 UmwG and is complete and correct.

4.1.7 Grant of special rights for individual shareholders or for holders of special rights (Section 126 (1) no. 7 UmwG)

The rights to be disclosed pursuant to section 126 (1) no. 7 UmwG, which VT Group AG as the acquiring legal entity grants to individual shareholders and the holders of special rights such as non-voting shares, preference shares, shares with multiple voting rights, bonds and profit participation rights, or the measures intended for these persons, are governed by section 11 of the Spin-off and Transfer Agreement.

Section 11 of the Spin-off and Transfer Agreement expressly provides that no rights within the meaning of section 126 (1) no. 7 UmwG shall be granted to individual shareholders or holders of special rights and that no such measures shall be taken.

In the course of our audit, we have not found any indications for the granting of special rights within the sense of section 126 (1) no. 7 UmwG.

According to the results of our audit, the information in the Spin-off and Transfer Agreement regarding special rights meets the requirements of section 126 (1) no. 7 UmwG and is complete and correct.

4.1.8 Grant of special benefits (Section 126 (1) no. 8 UmwG)

The special advantages granted to a member of a representative body or a supervisory body of the legal entities involved in the spin-off, a managing partner, a partner, an auditor or a spin-off auditor, to be stated pursuant to section 126 (1) no. 8 UmwG, are listed in section 12 of the Spin-off and Transfer Agreement.

Section 12 of the Spin-off and Transfer Agreement provides that Mr. Andreas Wolf, Mr. Werner Volz and Mr. Ingo Holstein are the members of the executive board of VT Group AG. Mr. Andreas Wolf is also a member of the executive board of Continental AG and has an employment contract with Continental AG under which his current remuneration is paid. Mr. Werner Volz and Mr. Ingo Holstein, in their capacity as directors of VT GmbH, each have employment contracts with VT GmbH under which their current remuneration is paid. When the spin-off takes effect, these employment contracts shall be fully replaced by new employment contracts with VT Group AG as the future sole (indirect) shareholder of VT GmbH. As the employment contracts with VT Group AG have to meet the statutory rules of sections 87, 87a AktG for listed stock corporations and shall comply with the recommendations of the German Corporate Governance Code in the version dated 16 December 2019 after the planned stock

exchange listing, the remuneration provisions in the new employment contracts with VT Group AG will differ in some points from those in the current employment contracts with VT GmbH. The remuneration system is designed in line with the remuneration system for the executive board members of Continental AG, with the level of remuneration being guided by the remuneration in comparable companies in the MDAX. Apart from that, no special advantages within the meaning of section 126 (1) no. 8 UmwG shall be granted to members of the management board or the supervisory board of the companies involved in the spin-off or to an auditor of the annual accounts or the spin-off.

According to the results of our audit, the information in the Spin-off and Transfer Agreement on special benefits meets the requirements of section 126 (1) no. 8 UmwG and is complete and correct.

4.1.9 Allocation of assets (Section 126 (1) no. 9 UmwG)

Pursuant to section 126 (1) no. 9 UmwG, the Spin-off and Transfer Agreement shall contain the exact description and division of the assets and liabilities transferred to the acquiring legal entity, as well as of the operations and parts of operations transferred, with allocation to the acquiring legal entity.

Pursuant to section 5 of the Spin-off and Transfer Agreement, Continental AG transfers to VT Group AG

- of the total limited partnership interest in VT 1. Beteiligungs KG, consisting of one limited partnership interest with a registered maximum liability amount of EUR 25,000;
- of the total limited partnership interest in VT 2. Beteiligungs KG, consisting of one limited partnership interest with a registered maximum liability amount of EUR 10,000;
- the entire participation in VT 1. Verwaltungs GmbH, consisting of one share with a nominal value of EUR 25,000; and
- the entire participation in VT 2. Verwaltungs GmbH, consisting of one share with a nominal value of EUR 25,000.

(in the following together “Spin-off Assets”).

The transfer shall be made with the inclusion of all rights and obligations related to the Spin-off Assets, including the entitlement to profit distribution for the period from the spin-off date.

Until the completion date, the Continental AG undertakes to administer the Spin-off Assets only in the ordinary course of business and with the diligence of a prudent businessman in compliance with the provisions of the Spin-off and Transfer Agreement, not to dispose of the Spin-off Assets without the prior consent of VT Group AG, to ensure that VT 1. and 2. Beteiligungs KGs do not dispose of their shares in VT GmbH without the prior consent of VT Group AG, not to make any withdrawals from the participations comprised in the Spin-off Assets without the prior consent of VT Group AG, and not to resolve any capital measures or enter into any intercompany agreements without the prior consent of VT Group AG, provided

that the consent to capital measures shall not be unreasonably withheld (section 6.2 of the Spin-off and Transfer Agreement).

From the time when the Spin-off and Transfer Agreement takes effect, Continental AG shall grant to VT Group AG powers of attorney in the form attached to the Spin-off and Transfer Agreement as Annex 6.3 authorizing it to exercise the shareholder rights arising from the participations comprised in the Spin-off Assets with regard to the holding of shareholders' meetings adopting resolutions on the approval of the annual financial statements, the appropriation of net income and the formal approval of the actions of the board members of the relevant general partner. Furthermore, VT Group AG shall have rights to information and inspection vis-à-vis VT 1. Beteiligungs KG and VT 2. Beteiligungs KG equivalent to those of a limited partner in VT 1. Beteiligungs KG and VT 2. Beteiligungs KG, as provided in sec. 8 of the Group Separation Agreement attached to the Spin-off and Transfer Agreement as Annex 14. In the view of the executive boards of Continental AG and VT Group AG, this is intended to help to ensure that the economic ownership in the partnership interests held by Continental AG in VT 1. and 2. Beteiligungs KGs is transferred for tax purposes to VT Group AG already when the Spin-off and Transfer Agreement takes effect.

Pursuant to section 5.3 of the Spin-off and Transfer Agreement, the contracting parties have undertaken to make all declarations, issue all deeds and take all other actions which may additionally be necessary or appropriate in connection with the transfer of the Spin-off Assets.

The assets and liabilities to be attributable to the Spin-off Assets shall be determined based on the spin-off balance sheet as of 1 January 2021, 0:00 hours (spin-off balance sheet), which is attached as Annex 3.1 to the Spin-off and Transfer Agreement. The spin-off balance sheet was derived from the annual balance sheet of Continental AG prepared as of 31 December 2020, which constitutes part of the annual financial statements of Continental AG, which were audited by its auditors, KPMG AG Wirtschaftsprüfungsgesellschaft, Hanover, who issued an unqualified audit opinion and which was approved by the Supervisory Board of Continental AG on 16 March 2021.

Pursuant to section 1.2 of the Spin-off and Transfer Agreement, other assets and liabilities and other rights and obligations or legal positions of Continental AG will not be transferred to VT Group AG.

According to section 3.2 of the Spin-off and Transfer Agreement, the Closing Balance Sheet is the annual balance sheet of Continental AG as of 31 December 2020, 24:00 hours (the "Closing Balance Sheet"), prepared by Continental AG pursuant to section 125 sentence 1, 17 par. 2 UmwG in compliance with the provisions on the annual balance sheet and its audit and is audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Hanover.

Pursuant to section 3.3 of the Spin-off and Transfer Agreement, Continental AG has undertaken to recognize the Spin-off Assets in its final balance sheet under commercial law at book value in each case. The Continental AG will decide within the statutory periods whether it will also recognize the assets for income tax purposes at book value or, if legally permissible, at a different value.

Pursuant to section 3.4 of the Spin-off and Transfer Agreement, VT Group AG has undertaken to recognize the Spin-off Assets at book values in its commercial accounting and to adopt the value of the Spin-off Assets contained in the final tax balance sheet of Continental AG in its tax balance sheet.

According to the results of our audit, the information in the Spin-off and Transfer Agreement regarding the Spin-off Assets and the type and amount of the Spin-off Assets is complete and correct.

4.1.10 Allocation of shares (Section 126 (1) no. 10 UmwG)

Pursuant to section 126 (1) no. 10 UmwG, the Spin-off and Transfer Agreement shall specify the allocation of the shares in the acquiring legal entity to the shareholders of the transferring legal entity as well as the scale for the allocation.

Pursuant to section 10.1 of the Spin-off and Transfer Agreement, the Continental AG shareholders shall receive as consideration for the transfer of the Spin-off Assets to VT Group AG in proportion to their previous shareholding (*verhältnismäßig*) free of charge for each 5 no-par value bearer shares (bearer shares) in Continental AG one no-par value share (registered share) in VT Group AG.

According to our findings, the Spin-off and Transfer Agreement thus contains the information required in this respect.

4.1.11 Consequences for employees and their representatives (Section 126 (1) no. 11 UmwG)

With regard to the consequences of the spin-off for the employees and their representative bodies as well as the measures envisaged in this respect, we refer to sections 15 to 17 of the Spin-off and Transfer Agreement.

We have not become aware of any further consequences in the course of our audit. In the course of our audit, we have not found any indications that contradict the relevant information in the Spin-off and Transfer Agreement. Therefore, in our opinion, the Spin-off and Transfer Agreement is complete and correct in this respect.

4.2 Accuracy of the elective provisions in the Spin-off and Transfer Agreement

We did not become aware of any indications during the course of our audit which would contradict the accuracy of the elective statements contained in the Spin-off and Transfer Agreement.

The optional information in the Spin-off and Transfer Agreement shall include, in particular, the information contained in section 7 (Catch-all provisions), section 8 (Creditor protection and internal settlement), section 9 (Warranties), section 13 (Articles of Association of VT Group AG), section 18 (Costs and taxes), section 19 (Right of withdrawal) and section 20 (Final provisions).

In addition, section 14 of the Spin-off and Transfer Agreement refers to a Group Separation Agreement between Continental AG, VT Group AG and VT GmbH, which is attached to the Spin-off and Transfer Agreement as Annex 14 and which is an integral part of the agreement. The essential provisions of this Group Separation Agreement are the following:

- Part I: Ensuring the continuation of the former Powertrain division
- Part III: Liability
- Part IV: Share transfer
- Part V: Cooperation
- Part VI: Material agreements between the Groups
- Part VII: Taxes.

The Parties of the Group Separation Agreement have agreed on rules on liability in part III. of the Group Separation Agreement, which is attached as Annex 14 to the Spin-off and Transfer Agreement. The relevant provisions in this respect are, in particular, the following:

- Number 5.1: To the extent that claims are asserted against a Group Company based on liability arising on a contractual, quasi-contractual, statutory, common law or other legal basis for circumstances existing before the Closing Date which relate to the business operations of companies of the other Group and are not covered by an insurance, an internal settlement of the costs incurred as a result of the relevant obligation and any related and necessary costs and expenses and suffered losses shall be effected as between the Parties in accordance with the provisions stipulated in the Group Separation Agreement. The Parties further clarify that the provisions of Number 5.1 of the Group Separation Agreement also apply to regulatory proceedings, also including the imposition of monetary charges such as, for example, fines.
- Number 5.7: The Parties agree that the provisions of Number 5 of the Group Separation Agreement shall also apply to any obligations arising from contractual, quasi-contractual, statutory or common law liability or from liability based on other legal grounds, also including from or in connection with the proceedings conducted by the public prosecutor's offices in Hanover and Frankfurt am Main in connection with illegal defeat devices in diesel engines.

The Parties of the Group Separation Agreement have agreed on rules on cooperation in part V. of the Group Separation Agreement, which is attached as Annex 14 to the Spin-off and Transfer Agreement. The relevant provisions in this respect are, in particular, the following:

- Number 7.6: With regard to the supply of semiconductors, the Parties shall reach an agreement on an allocation of the supply commitments of the individual suppliers of semi-

conductors – in each case for (i) the third quarter of 2021 and (ii) the fourth quarter of 2021 – between the needs of the two Groups in accordance with internally determined fair share rules by 30 April 2021 and at the latest by 30 June 2021. This agreement shall result in a quantity structure for the supply of semiconductors by the relevant supplier to the Continental Group and to the Vitesco Technologies Group (the “Quantity Structures”). For the third and fourth quarters 2021, this agreement on the Quantity Structures shall be made on the basis of the customer call-offs as of 13 November 2020. As soon as an agreement on the Quantity Structures has been reached with regard to a supplier, the Parties shall jointly endeavor to exert influence on the relevant supplier prior to the Closing Date in order to achieve supplies to them in accordance with the Quantity Structures. In the event of any changes in the supply commitments made by a supplier, the Quantity Structures shall be changed accordingly. In this case, the Parties shall jointly endeavor to exert influence on the relevant supplier in order to achieve supplies to the two Groups in accordance with the changed Quantity Structures. The Parties shall request the relevant suppliers prior to the Closing Date whether they will be able to meet their needs for semiconductors for 2022 and, to the extent permitted by law and actually necessary, agree with the suppliers prior to the Closing Date how the needs of the two Groups can best be met.

- Number 7.11: In regulatory and judicial proceedings, the Parties shall, under certain circumstances and to the extent necessary and permitted by law, support each other, where necessary and appropriate, by providing information, by providing access to the employees of the respective other Group as well as by providing certain rights of information, contact and involvement in favor of the Party not directly involved in such regulatory or judicial proceedings and their lawyers. Each Party undertakes to consult the respective other Party on the handling of, further steps to be taken with regard to, and options to terminate regulatory or judicial proceedings, as available, and to consider the interests of the respective other Group and, as appropriate, the extent of any existing claim for internal settlement pursuant to Number 5 of the Group Separation Agreement when taking their decisions. In doing so, the Parties shall, to the extent permitted by law, attempt to reach agreement as to whether and, if so, how the relevant regulatory or judicial proceedings may be terminated while paying as much regard as possible to the interests of both Parties. If the Parties fail to reach such agreement and if a full internal settlement obligation exists under Number 5 of the Group Separation Agreement, the provisions in Number 7.12(a) sentence 1 of the Group Separation Agreement and in Number 7.12(b) of the Group Separation Agreement shall apply accordingly, with the settlement limit pursuant to Number 7.12(a) sentence 2 of the Group Separation Agreement not being applicable; instead, the amount of the settlement obligation corresponds (and is limited) to the amount that would be payable in the event of a premature termination of such regulatory/judicial proceedings as desired by the Party not directly involved in such proceedings. In the event that either Party is not subject to a full internal settlement obligation under Number 5 of the Group Separation Agreement, the Parties shall endeavor to ensure that agreement is reached on the utilization of any existing option to terminate regulatory/judicial proceedings. The foregoing shall be without prejudice to right of the party directly involved in the proceedings to take all procedural steps; the respective other party is not entitled to take or not take any procedural steps.
- Number 7.12: With regard to the investigations conducted by the public prosecutor’s offices in Hanover and Frankfurt/Main in connection with illegal defeat devices in diesel engines, the Parties shall enter into a separate agreement, in which the principles described

in Number 7.11 of the Group Separation Agreement will be set out in more detail. In addition and without prejudice to Number 7.11 of the Group Separation Agreement, the Parties shall attempt in accordance with such separate agreement and to the extent permitted by law, to reach agreement as to whether and, if so, how the relevant proceedings may be terminated while paying as much regard as possible to the interests of both Parties. If the Parties fail to reach an agreement, the special provisions contained in Number 7.12(a) and 7.12(b) of the Group Separation Agreement regarding the proceedings referred to in Number 7.12 sentence 1 of the Group Separation Agreement shall apply.

The parties have agreed on rules on bearing arising taxes in part VII. of the Group Separation Agreement, which is attached as Annex 14 to the Spin-off and Transfer Agreement. The relevant provisions in this respect are, in particular, the following:

- Number 12: Transfer taxes shall be borne by Continental AG and VT Group AG halfway respectively; all other taxes shall be borne by the Party or the other Continental Group Company or VT Group Company which owes the taxes in accordance with the applicable tax laws or is liable for the payment of the taxes under any other contractual provision;
- Number 13: Continental AG and VT Group AG may have claims against the respective other company under certain circumstances;
- Number 14: Concerning tax issues arising from the Carve-Out of Powertrain Division, the Parties endeavor to ensure that the tax burden on each Party and the other Group Companies will, to the extent permitted by law, be reduced as far as possible or that a tax refund will be obtained;;
- Number 15: prescription of claims arising from part VII. basically occurs 6 months after the tax assessment has achieved legal force.

5 Concluding remark

On the basis of our appointment by the regional court of Hanover dated 17 December 2019, we audited the Spin-off and Transfer Agreement between Continental AG as transferring entity and VT Group AG as acquiring entity.



According to the results of our audit in conjunction with section 125 sentence 1 in conjunction with sections 9 to 12 UmwG we can confirm that based on the certificates, books and documents provided to us as well as on the evidence and clarifications that:

- the Spin-off and Transfer Agreement provides all necessary provisions pursuant to section 126 (1) UmwG completely and correctly and therefore meets the statutory requirements.
- we did not become aware of any indications during the course of our audit which would contradict the accuracy of the elective statements contained in the Spin-off and Transfer Agreement.
- a valuation of the Spin-off Assets and the acquiring entity in order to determine the allocation ratio is not applicable in this spin-off audit report. It is also not necessary to address neither the valuation method applied, nor its reasonableness nor the difficulties associated with it. This is due to the fact that the shareholders of Continental AG will receive shares in proportion to their previous participation in Continental AG as consideration for the spin-off (preserving proportionate participations (*verhältnismäßig*). This ensures that the shareholders of Continental AG do not have to accept a change of assets before and after the spin-off. Pursuant to section 125 sentence 1 in conjunction with section 12 (2) UmwG and according to the results of our audit we declare the following regarding the allocation ratio (section 126 (1) no. 3 UmwG):

For the reasons set above the allocation ratio for the granting of shares preserves proportionate participation (verhältnismäßig) in Continental AG and will be 5:1, i.e. each shareholder of Continental AG will receive one no-par value share (registered share) in Vitesco Technologies Group AG in exchange for every five Continental AG no-par value bearer shares upon the spin-off taking effect. No additional cash payments are envisaged.



Hanover, 19. March 2021

KPMG AG

Wirtschaftsprüfungsgesellschaft

Prof. Dr. Marc Castedello
Wirtschaftsprüfer

Stefan Schöniger
Wirtschaftsprüfer

This document is a courtesy translation of our report „Bericht über die Prüfung des Abspaltungs- und Übernahmevertrags zwischen der Continental Aktiengesellschaft, Hannover, als übertragendem Rechtsträger und der Vitesco Technologies Group Aktiengesellschaft, Hannover, als übernehmendem Rechtsträger“ which was written in German. This English version serves only as an explanatory note and shall not be signed by us. The German version of these terms and conditions shall be the binding version, the translation into English is a courtesy translation.

Appendices

Appendix 1



Beschluss

In dem Prüferbestellungsverfahren

der Continental AG, Vahrenwalderstr. 9, 30165 Hannover,

und

der Vitesco Technologies EINS AG, Vahrenwalderstr. 9, 30165 Hannover,

Antragstellerinnen

hat die 3. Kammer für Handelssachen des Landgerichts Hannover am 17. Dezember 2019 durch die Vorsitzende Richterin am Landgericht Klein als Vorsitzende beschlossen:

zur gemeinsamen Prüferin des Abspaltungsvertrages wird die

KPMG AG Wirtschaftsprüfungsgesellschaft, Prinzenstraße 23, 30159 Hannover,

bestellt.

Die Kosten des Verfahrens tragen die Antragstellerinnen als Gesamtschuldner.

Der Geschäftswert wird auf 100.000 € festgesetzt.

Gründe:

Die Antragstellerinnen haben mit Antrag vom 13. Dezember 2019, eingegangen am 16. Dezember 2019, mitgeteilt, dass die Continental AG, eingetragen im Handelsregister des Amtsgerichts Hannover unter HRB 3527, plant, „Vitesco Technologies“ zu verselbstständigen. Dadurch soll „Vitesco Technologies“ die Möglichkeit erlangen, ihr Geschäft flexibler weiterzuentwickeln, während die Continental AG anstrebt, das eigene Geschäft auf Kernbereiche zu konzentrieren.

Zu diesem Zweck wurde die Vitesco Technologies EINS AG am 15. November 2019 gegründet und am 11. Dezember 2019 unter HRB 219172 im Handelsregister des Amtsgerichts Hannover eingetragen. Alleinige Aktionärin der vorgenannten Gesellschaft ist die Continental AG. Ferner hat die Continental AG mit Wirkung zum 1. Januar 2019

ihren Geschäftsbereich „Powertrain“ (insbesondere die Technologie rund um den elektrischen und konventionellen Antrieb) rechtlich und organisatorisch unter dem Dach der Vitesco Technologies GmbH, eingetragen im Handelsregister des Amtsgerichts Hannover unter HRB 217030, zusammengefasst. Gesellschafter der Vitesco Technologies GmbH sind die Alfred Teves Beteiligungs GmbH, deren Formwechsel unter der Firma Vitesco Technologies 1. Beteiligungsgesellschaft mbH & Co. KG (im Folgenden VT 1. Beteiligungs KG) im Dezember 2019 beabsichtigt ist, die Vitesco Technologies 2. Beteiligungsgesellschaft mbH & Co. KG (im Folgenden VT 2. Beteiligungs KG) und die Continental Automotive France S. A. S.

Zur Umsetzung der Verselbstständigung von „Vitesco Technologies“ sollen die VT 1. und 2. Beteiligungs KGs im Wege der Abspaltung zur Aufnahme nach § 123 Abs. 2 Nr. 1 UmwG von der Continental AG auf die Vitesco Technologies EINS AG übertragen werden. Zugleich sollen sämtliche Aktien der Vitesco Technologies EINS AG, die derzeit von der Continental AG gehalten werden, ebenfalls mit abgespalten werden und die Aktionäre der Continental AG als Gegenleistung für das abgespaltene Vermögen Aktien an der Vitesco Technologies EINS AG erhalten. Die Vitesco Technologies EINS AG soll durch die Aufnahme des abgespaltenen Vermögens die Obergesellschaft des zukünftigen Vitesco Technologies- Konzerns und an einer Börse gelistet werden.

Der Vorstand der Continental AG und der Vorstand der Vitesco Technologies EINS AG haben gemäß § 125 Satz 1, i. V. m. §§ 9, 10 Abs. 1 Satz 1, 2 UmwG beantragt, einen gemeinsamen sachverständigen Prüfer (Spaltungsprüfer) zur Prüfung des Abspaltungsvertrages für beide beteiligte Rechtsträger auszuwählen und zu bestellen. Sie haben dabei vorgeschlagen, die KPMG AG Wirtschaftsprüfungsgesellschaft, die als Abschlussprüfer der Continental AG sowie der Vitesco Technologies EINS AG über die erforderliche Objektivität und die notwendigen Kenntnisse über die Strukturen beider beteiligter Unternehmen sowie über das abzuspaltenende Vermögen mitbringe, zu bestellen.

Dem Antrag war zu entsprechen. Das Landgericht Hannover (Kammer für Handelssachen) ist für die Entscheidung über den Antrag nach § 125, § 10 Abs. 2 UmwG in Verbindung mit § 2 Nr. 16 ZustVO-Justiz (Niedersachsen) vom 18. Dezember 2009 zuständig.

Der Sache nach liegen die Voraussetzungen für die Bestellung eines Spaltungsprüfers gemäß § 123 Abs. 2 Nr. 1, § 125 Satz 1, §§ 9, 10 Abs. 1 Satz 1, 2 UmwG vor.

Die von den Antragstellerinnen vorgeschlagene KPMG AG Wirtschaftsprüfungsgesellschaft zur Spaltungsprüferin zu bestellen, war nach Auffassung der Kammer sinnvoll. Als Abschlussprüfer der Continental AG sowie der Vitesco Technologies EINS AG verfügt die KPMG AG Wirtschaftsprüfungsgesellschaft über die für die Prüfung erforderlichen Kenntnisse über die Strukturen beider beteiligter Gesellschaften sowie über das abgespaltene Vermögen, sodass mit der Prüferbestellung ein reibungsloser Ablauf des Vorhabens sichergestellt wird. Gründe die dagegen sprächen, bestehen nicht.

Die Kostenentscheidung und die Festsetzung des Geschäftswertes beruhen auf § 22 Abs. 1, § 32 Abs. 1, §§ 34, 36 GNotKG.

Klein

Vorsitzende Richterin am Landgericht

Appendix 2

[Convenience translation – not legally binding]

Continental Aktiengesellschaft

Vitesco Technologies Group Aktiengesellschaft

SPIN-OFF AND TRANSFER AGREEMENT

18 March 2021

Preamble

- (A) Continental Aktiengesellschaft (**Continental AG**), having its registered office in Hanover, Germany, is registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRB 3527. As of the date of this Spin-off and Transfer Agreement, the share capital of Continental AG amounts to €512,015,316.48 and is divided into 200,005,983 no-par value bearer shares (bearer shares).
- (B) Vitesco Technologies Group Aktiengesellschaft (**VT Group AG**), having its registered office in Hanover, Germany, is registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRB 219172. As of the date of this Spin-off and Transfer Agreement, the share capital of VT Group AG amounts to €50,000 and is divided into 20,000 registered no-par value shares (registered shares). The sole shareholder of VT Group AG is Continental AG.
- (C) Continental AG has decided to have Vitesco Technologies GmbH with registered office in Hanover (registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRB 217030), together with its direct and indirect subsidiaries and shareholdings, listed on the stock exchange as an independent group by way of a spin-off and transfer to VT Group AG.
- (D) The current shareholders of Vitesco Technologies GmbH are (i) Vitesco Technologies 1. Beteiligungsgesellschaft mbH & Co. KG, registered in the commercial register of the Frankfurt am Main Local Court (*Amtsgericht*) under HRA 51177 (**VT 1. Beteiligungsg KG**) with a stake of 49.18%, (ii) Vitesco Technologies 2. Beteiligungsgesellschaft mbH & Co. KG, registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRA 204634 (**VT 2. Beteiligungsg KG**) with a stake of 47.26% (VT 1. Beteiligungsg KG and VT 2. Beteiligungsg KG collectively referred to as **VT 1. and 2. Beteiligungsg KGs**), and (iii) Continental Automotive France S.A.S. (*société par actions simplifiée*), registered in the commercial register (*registre du commerce et des sociétés*) of Toulouse under 314 722 026 (**CA France**) with a stake of 3.56%.
- (E) In addition to the limited partnership interests in VT 1. and 2. Beteiligungsg KGs, the shares in their respective general partners, namely Vitesco Technologies 1. Verwaltungs GmbH, registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRB 217510 (**VT 1. Verwaltungs GmbH**), and Vitesco Technologies 2. Verwaltungs GmbH, registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRB 217479 (**VT 2. Verwaltungs GmbH**), will be spun-off as well.
- (F) As consideration for the spin-off, it is intended to grant in accordance with this Spin-off and Transfer Agreement a total of 40,001,196 registered no-par value shares (registered shares) in VT Group AG to the shareholders of Continental AG in proportion to their previous participations in Continental AG (so-called pro rata spin-off (*verhältnismäßige Abspaltung*)).
- (G) Immediately after the spin-off takes effect, all shares in VT Group AG are intended to be admitted to trading in the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regu-

lated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange.

Now, therefore, the parties agree as follows:

- I. **Spin-off, Spin-off Effective Date, Spin-off Balance Sheet and Closing Balance Sheet**
 1. **Spin-off**
 - 1.1 Continental AG as the transferring entity shall transfer the Spin-off Assets defined in sec. 5 of this Spin-off and Transfer Agreement together with all rights and obligations as a whole to VT Group AG as the acquiring entity by way of a spin-off by absorption (*Abspaltung zur Aufnahme*) pursuant to Section 123(2) no. 1 of the German Transformation Act (*Umwandlungsgesetz – UmwG*) in exchange for shares in VT Group AG to be granted to the shareholders of Continental AG in accordance with sec. 10 of this Spin-off and Transfer Agreement (so-called pro rata (*verhältnismäßig*) spin-off by absorption).
 - 1.2 Items of assets and liabilities and other rights and obligations or legal positions of Continental AG which are not attributable to the Spin-off Assets in accordance with this Spin-off and Transfer Agreement or are expressly excluded from the transfer in this Spin-off and Transfer Agreement shall not be transferred to VT Group AG.
 2. **Spin-off Effective Date and Effective Transfer Date for Tax Purposes**
 - 2.1 As between Continental AG and VT Group AG, the Spin-off Assets shall be transferred with effect as of January 1, 2021, 0:00 hrs (the ***Spin-off Effective Date***). From this point in time, the actions relating to the Spin-off Assets shall, as between Continental AG and VT Group AG, be deemed to have been made for the account of VT Group AG.
 - 2.2 The effective transfer date for tax purposes is December 31, 2020, 24:00 hrs (the ***Effective Transfer Date for Tax Purposes***).
 3. **Spin-off Balance Sheet und Closing Balance Sheet**
 - 3.1 The items of the assets and liabilities attributable to the Spin-off Assets shall be determined on the basis of the spin-off balance sheet as of January 1, 2021, 0:00 hrs, attached hereto as **Annex 3.1** (the ***Spin-off Balance Sheet***). The Spin-off Balance Sheet was derived from the annual balance sheet of Continental AG prepared as of December 31, 2020 which constitutes part of the annual financial statements of Continental AG. The annual financial statements of Continental AG were audited by its auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, which issued an unqualified opinion thereon, and were approved on March 16, 2021 by the supervisory board of Continental AG.
 - 3.2 The closing balance sheet of the transferring entity pursuant to Sections 125 sentence 1, 17(2) UmwG shall be the annual balance sheet of Continental AG as of December 31, 2020, 24:00 hrs, prepared in accordance with the rules governing the annual balance sheet and its audit, and audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Hanover (the ***Closing Balance Sheet***).
 - 3.3 Continental AG will recognize the Spin-off Assets in its Closing Balance Sheet under commercial law at book values. Continental AG will decide with-

in the statutory time limits whether it will recognize the assets for income tax purposes also at book values or, to the extent permitted by law, at a different value.

- 3.4 VT Group AG will recognize the Spin-off Assets in its commercial accounts at book values. VT Group AG will recognize the Spin-off Assets in its balance sheet for tax purposes at the value contained in the Closing Balance Sheet for tax purposes of Continental AG.

4. Postponement of effective dates

If the Spin-off has not been registered in the commercial register of the Hanover Local Court (*Amtsgericht*) for the transferring entity by the end of January 20, 2022, the following shall apply: by way of derogation from sec. 2 above, the Spin-off Effective Date shall be January 1, 2022, 0:00 hrs and the Effective Transfer Date for Tax Purposes shall be December 31, 2021, 24:00 hrs and, by way of derogation from sec. 3.2 above, the balance sheet date for the Closing Balance Sheet of Continental AG shall be December 31, 2021, 24:00 hrs. In the event of a further delay in the registration beyond January 20 of the following year, the effective dates shall be postponed in each case by another year in accordance with the above provision.

II. Spin-off Assets

5. Spin-off Assets and modalities for the transfer

- 5.1 Continental AG shall transfer the following to VT Group AG:

- its entire limited partnership interest in VT 1. Beteiligungs KG, consisting of one limited partnership interest with a registered maximum liability amount of €25,000;
- its entire limited partnership interest in VT 2. Beteiligungs KG, consisting of one limited partnership interest with a registered maximum liability amount of €10,000;
- its entire shareholding in VT 1. Verwaltungs GmbH, consisting of one share with a nominal amount of €25,000.00; and
- its entire shareholding in VT 2. Verwaltungs GmbH, consisting of one share with a nominal amount of €25,000.00; and

(all participations specified in sec. 5.1 collectively referred to as the ***Spin-off Assets***).

- 5.2 The transfer shall include all rights and obligations related to the Spin-off Assets, including the entitlement to a distribution of profits for the period from the Spin-off Effective Date.
- 5.3 The parties hereof shall make all declarations, issue all deeds and take all other actions which might additionally be necessary or appropriate in connection with the transfer of the Spin-off Assets.

6. Taking effect, Closing Date

- 6.1 The transfer of title to the Spin-off Assets shall take place with effect in rem (*dingliche Wirkung*) upon the registration of the spin-off in the commercial register for Continental AG of the Hanover Local Court (*Amtsgericht*) and thus at the time when the spin-off takes effect (the **Closing Date**).
- 6.2 In the period between the date of this Spin-off and Transfer Agreement and the Closing Date, Continental AG shall (i) only administer the Spin-off Assets in the ordinary course of business and with the diligence of a prudent businessman in compliance with the provisions of this Spin-off and Transfer Agreement, (ii) not dispose of the Spin-off Assets without the prior consent of VT Group AG, (iii) ensure that VT 1. and 2. Beteiligungs KGs will not dispose of their shares in Vitesco Technologies GmbH without the prior consent of VT Group AG, (iv) not make any withdrawals from the participations comprised in the Spin-off Assets without the prior consent of VT Group AG, and (v) not resolve any capital measures or enter into any intercompany agreements without the prior consent of VT Group AG, provided that the consent to capital measures shall not be unreasonably withheld.
- 6.3 From the time when this Spin-off and Transfer Agreement takes effect, Continental AG shall grant to VT Group AG powers of attorney in the form attached hereto as **Annex 6.3** authorizing it to exercise the shareholder rights arising from the participations comprised in the Spin-off Assets with regard to the holding of shareholders' meetings adopting resolutions on the approval of the annual financial statements, the appropriation of net income and the formal approval of the actions of the board members of the relevant general partner. Furthermore, VT Group AG shall have rights to information and inspection vis-à-vis VT 1. Beteiligungs KG and VT 2. Beteiligungs KG equivalent to those of a limited partner in VT 1. Beteiligungs KG and VT 2. Beteiligungs KG, as provided in sec. 8 of the Group Separation Agreement attached as **Annex 14**.
- 6.4 The Parties agree that, from the time when this Agreement takes effect, VT Group AG shall have rights to information and inspection vis-à-vis VT 1. and 2. Beteiligungs KGs equivalent to those of a limited partner in VT 1. and 2. Beteiligungs KGs

7. Catch-all provisions

- 7.1 If and to the extent that the Spin-off Assets do not already pass by operation of law to VT Group AG upon registration of the spin-off, Continental AG shall transfer the Spin-off Assets to VT Group AG. VT Group AG, in turn, is required to consent to the transfer. In their relationship between each other, the parties hereto shall treat each other as if the transfer had occurred in their relationship to third parties as of the Spin-off Effective Date (taking into account a postponement, if any, pursuant to sec. 4 above).
- 7.2 In connection with a transfer pursuant to sec. 7.1, the parties hereto shall initiate and cooperate in all measures and legal acts that may be necessary or appropriate in order to transfer the Spin-off Assets.

- 7.3 Claims under this sec. 7 shall become time barred at the end of December 31, 2030.

8. Creditor protection and internal settlement

Unless this Spin-off and Transfer Agreement or the Group Separation Agreement attached hereto as **Annex 14** provides for a different allocation of burdens and liability arising from or in connection with the Spin-off Assets, the following shall apply:

- 8.1 If and to the extent that creditors assert claims on the basis of Section 133 UmwG or other provisions against Continental AG with respect to liabilities, obligations or contingent liabilities which are transferred to VT Group AG in accordance with the provisions hereof, VT Group AG shall indemnify Continental AG on first demand from and against the relevant liability, obligation or contingent liability. The same applies in the event that such creditors assert claims against Continental AG to provide security.
- 8.2 If and to the extent that creditors assert claims on the basis of Section 133 UmwG or other provisions against VT Group AG with respect to liabilities, obligations or contingent liabilities of Continental AG which are not transferred to VT Group AG in accordance with the provisions of this Spin-off and Transfer Agreement, Continental AG shall indemnify VT Group AG on first demand from and against the relevant liability, obligation or contingent liability. The same applies in the event that such creditors assert claims against VT Group AG to provide security.

9. Warranties

- 9.1 Continental AG warrants as of the Closing Date that it is the holder of the Spin-off Assets and that it is entitled to freely dispose of the Spin-off Assets and that they are not encumbered with rights of third parties. Apart from that, no specific condition of the Spin-off Assets and, in particular, no specific qualities or specific value of the Spin-off Assets are agreed.
- 9.2 To the extent permitted by law, any rights and warranties which might exist pursuant to statutory law or otherwise in addition to those in sec. 9.1 shall be excluded. The provision in this sec. 9.2 shall apply to all rights and warranties of whatever legal nature (contractual, pre-contractual, in tort or otherwise) and, in particular, also to those rights that might result in the reversal or rescission of this Spin-off and Transfer Agreement or might have a similar legal effect.

III. Consideration and capital increase, special rights and benefits

10. Granting of shares, trustee and capital increase

- 10.1 As consideration for the transfer of the Spin-off Assets, the shareholders of Continental AG shall be granted, free of charge, one registered no-par value share (registered share) in VT Group AG for every five no-par value bearer shares in Continental AG pro rata in proportion to their respective participations (*verhältnismäßig*) in Continental AG. In total, 40,001,196 registered

no-par value shares (registered shares) of VT Group AG will be issued to the shareholders of Continental AG.

The shares to be granted pursuant to sec. 10.1 are the 40,001,196 new shares created by way of the capital increase pursuant to sec. 10.3.

- 10.2 The shares to be granted by VT Group AG shall be entitled to dividends as from January 1, 2021. If the Spin-off Effective Date is postponed pursuant to sec. 4, the beginning of the dividend entitlement for the shares to be granted shall be postponed to the new Spin-off Effective Date.
- 10.3 To implement the spin-off, VT Group AG will increase its share capital from €50,000 by €100,002,990 to €100,052,990. Accordingly, after the implementation of the capital increase, each share will represent a pro rata amount of €2.50 of the share capital of VT Group AG.
- 10.4 The total value at which the contribution in kind made by Continental AG is taken over by VT Group AG shall be equal to the book value of the transferred net assets under commercial law. To the extent that this value exceeds the amount of the increase in the share capital set forth in sec. 10.3, the excess amount shall be allocated to the capital reserves pursuant to Section 272(2) no. 4 of the German Commercial Code (*Handelsgesetzbuch – HGB*).
- 10.5 Continental AG shall appoint Deutsche Bank Aktiengesellschaft as trustee for the receipt of the shares in VT Group AG to be granted and for distributing them to the shareholders of Continental AG. Possession of the shares to be granted shall be granted to the trustee prior to the registration of the spin-off, and the trustee shall be instructed to deliver the shares to the shareholders of Continental AG after registration of the spin-off in the commercial register for Continental AG.
- 10.6 The parties hereof undertake to procure all declarations, to issue all deeds and to take all other actions which may be necessary or appropriate in order to have all shares in VT Group AG admitted to trading in the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange immediately after the spin-off has taken effect.

11. Granting of special rights

No rights are granted to individual shareholders or holders of special rights within the meaning of Section 126(1) no. 7 UmwG, and no measures within the meaning of Section 126(1) no. 7 UmwG are intended for such persons.

12. Granting of special benefits

Mr. Andreas Wolf, Mr. Werner Volz and Mr. Ingo Holstein are the members of the executive board of VT Group AG. Mr. Andreas Wolf is also a member of the executive board of Continental AG and has an employment contract with Continental AG under which his current remuneration is paid. Mr. Werner Volz and Mr. Ingo Holstein, in their capacity as directors of Vitesco Tech-

nologies GmbH, each have employment contracts with Vitesco Technologies GmbH under which their current remuneration is paid. When the spin-off takes effect, these employment contracts shall be fully replaced by new employment contracts with VT Group AG as the future sole (indirect) shareholder of Vitesco Technologies GmbH. As the employment contracts with VT Group AG have to meet the statutory rules of Sections 87, 87a AktG for listed stock corporations and shall comply with the recommendations of the German Corporate Governance Code in the version dated December 16, 2019 after the planned stock exchange listing, the remuneration provisions in the new employment contracts with VT Group AG will differ in some points from those in the current employment contracts with Vitesco Technologies GmbH. The remuneration system is designed in line with the remuneration system for the executive board members of Continental AG, with the level of remuneration being guided by the remuneration in comparable companies in the MDAX.

Apart from that, no special benefits are granted to members of the executive board or supervisory board of the companies involved in the spin-off or to an auditor or spin-off auditor within the meaning of Section 126(1) no. 8 UmwG.

IV. Provisions under corporate law relating to VT Group AG and Group Separation Agreement

13. Articles of association of VT Group AG

Continental AG undertakes as the sole shareholder in VT Group AG to adopt an amendment of the articles of association of VT Group AG prior to the spin-off taking effect so that the articles of association are given the version attached hereto as **Annex 13** after the spin-off takes effect and the status proceedings (see Section 97(2) of the German Stock Corporation Act (*Aktiengesetz – AktG*)) have been completed.

14. Group Separation Agreement

Continental AG and VT Group AG as well as Vitesco Technologies GmbH enter into the Group Separation Agreement attached hereto as **Annex 14**, which forms part of this Spin-off and Transfer Agreement.

V. Consequences of the spin-off for the employees and their representative bodies

15. Consequences of the spin-off for the employees

- 15.1 Since the Spin-off Assets consist of various participations held by Continental AG, the employment relationships of the employees of Continental AG and of the other companies of the Continental Group will not be affected by the spin-off. The relevant employees will remain employed by their respective employer companies. The spin-off will, in particular, have no consequences for the validity or content of pension commitments which may have been made by the respective employer companies. The spin-off will also have no consequences under collective bargaining laws for the employees of the Continental Group. To the extent that the relevant employer company is bound by collective pro-

visions as party to a collective agreement or by virtue of its membership in an association, this will remain unaffected by the spin-off. The spin-off will also not affect the validity of the various share-based compensation plans in place in the Continental Group (**LTI Plans**). Remuneration awards under the current LTI Plans of the Continental Group have been granted to employees of companies of the Vitesco Technologies Group. The remuneration awards under Continental's LTI Plans which have been granted but are still outstanding will either be settled without any changes or, if the remuneration plan was subject to an adjustment, be adjusted to comparable performance indicators of the Vitesco Technologies Group. Employees to whom remuneration awards have been granted under Continental's LTI Plans may be granted, in future, remuneration awards under the LTI plans of the Vitesco Technologies Group, provided that the conditions for such grants are fulfilled. The details of the transition to performance indicators of the Vitesco Technologies Group have not yet been agreed. The LTI Plan for the period beginning in 2021 provides that, in the event of the spin-off, the sustainability criteria shall be linked to targets of the future Vitesco Technologies Group. The Vitesco Technologies Group also reserves its right to review the group of eligible employees and the terms of the LTI plans at a later date with effect for future tranches and to better align them with the focus of the Vitesco Technologies Group. However, no decisions have yet been taken in this respect. Moreover, VT Group AG reserves its right to consider the introduction of new share-based remuneration plans.

- 15.2 VT Group AG has not yet commenced business operations and does not have any employees. Therefore, the spin-off has no consequences for the employees of VT Group AG. The same applies to the intermediate holding companies through which VT Group AG will hold its shares in Vitesco Technologies GmbH when the spin-off takes effect, i.e. VT 1. Beteiligungs KG, VT 2. Beteiligungs KG, VT 1. Verwaltungs GmbH and VT 2. Verwaltungs GmbH.
- 15.3 The spin-off will also have no direct consequences for individual rights of the employees of the other companies of the future Vitesco Technologies Group which will come into existence with VT Group AG as the new parent company when the spin-off takes effect (the **Vitesco Technologies Group**). They will remain employed by their respective employer companies; their employment relationships will not be affected by the spin-off. In particular, the spin-off will not affect the validity of the LTI Plans. To the extent that tranches of the LTI Plans which have not yet been terminated or settled as planned are based on the stock exchange price of the Continental AG share, an adjustment as a result of the spin-off may be made at reasonable discretion. The same applies to the extent that the LPI Plans or other employee compensation schemes are based on KPI of the Continental Group; here, too, an adjustment may be made in order to appropriately reflect the effects of the spin-off. It is intended that the LTI plan for the period beginning in 2021 will continue to be based on the share price of Continental AG and that a later adjustment may be made at reasonable discretion. With regard to the sustainability criteria, it is intended that, when and to the extent that the spin-off will occur, two different lists of criteria for the employees of the Continental Group and for the employees of the Vitesco Technologies Group shall apply. Moreover, the spin-off will not affect the validity or content of pension commitments which may have been made by

the respective employer companies. For the major part of the employees of the future Vitesco Technologies Group, these commitments are partly covered by special funds which are currently held in trust by a trustee appointed by the Continental Group under so-called contractual trust arrangements (CTAs). When the spin-off takes effect, these special funds shall be transferred to a new trustee in order to continue an equivalent cover. The current plan is to replace the Continental Treuhänder e.V. by an external trustee.

- 15.4 The spin-off will also have no consequences under collective bargaining laws for the employees of the future Vitesco Technologies Group. To the extent that the relevant employer company is bound by collective provisions as party to a collective agreement or by virtue of its membership in an association, this will remain unaffected by the spin-off.
- 15.5 On 7 April 2018, Continental AG concluded the "Conti in Motion" key points agreement with the Continental AG group works council, Industriegewerkschaft Bergbau, Chemie, Energie and the Industriegewerkschaft Metall. The aim of the key points agreement was to create an internal labour market within Continental Group. The key points agreement was implemented with the group works agreement of 18 September 2019. The group works agreement "Inter-group labour market" ("*Konzerninterner Arbeitsmarkt*") will continue unchanged in the Continental Group after the spin-off. Employees of companies that remain in the Continental Group can continue to make use of the internal labour market in the Continental Group. However, the companies of the Vitesco Technologies Group are no longer part of the Continental Groups internal job market once the spin-off has taken effect. Employees of the Vitesco Technologies Group will have access to an internal labour market within the Vitesco Technologies Group as of the spin-off taking effect. The rules of the group works agreement will also apply within Vitesco Technologies Group. However, only the companies of the Vitesco Technologies Group belong to the intra-group labour market of the Vitesco Technologies Group. Within the framework of a temporary transitional arrangement, employees of the respective other group can be equated with internal applicants with internal applicants without there being an exchange of information between the companies of the two groups or the creation of any hiring rights for the applicants.
- 15.6 Within the scope of the general strategic alignment, headcount reductions at Vitesco Technologies GmbH's establishments in Limbach-Oberfrohna, Dortmund, Bebra, Mühlhausen, Schwalbach and Regensburg have been planned and announced and will, according to the current planning, be completed between 2021 and 2028 depending on location. As regards the Vitesco Technologies Roding GmbH's establishment in Roding, a closure of the site has been planned and announced and is expected to be completed in the first quarter of 2024. In order to implement these measures, which will be taken independently of the planned spin-off, agreements regarding reconciliation of interests and social plan have already been executed in Roding, Dortmund, Bebra and Limbach-Oberfrohna (Vitesco Technologies GmbH) and in Roding (Vitesco Technologies Roding GmbH). At the other sites, negotiations on a reconciliation of interests and a social plan are currently being or will shortly be conducted with the competent works council bodies.

15.7 Vitesco Technologies GmbH promised to pay a retention bonus to a certain limited number of employees at the management levels below the future executive board of VT Group AG who have special responsibility in connection with the spin-off and the successful independent operation of the business of the future Vitesco Technologies Group. The retention bonus consists of a fixed amount payable in two tranches. The second tranche may increase depending on the development of the stock exchange price of the VT Group AG share. The first tranche of the fixed payment under the plan is a one-time special payment which will be due and payable after the shareholders' meeting of Continental AG has approved the spin-off of the Spin-off Assets. In order to create a specific incentive for the beneficiaries to contribute to the success of the future Vitesco Technologies Group also over the medium term, the second tranche of the payment, which constitutes the main part of the special payment, will be due and payable only upon expiry of a two-year blocking period which starts to run from the date of commencement of trading in the shares. The amount of the second tranche will depend on the development of the stock exchange price of the VT Group AG share during this period. If the beneficiary leaves the Vitesco Technologies Group or is appointed as member of the executive board of VT Group AG before the expiry of the blocking period, the claim for payment is automatically forfeited. The total volume of the retention bonus plan (including a potential increase of the second tranche) will be approximately €20 million.

16. Consequences of the spin-off for the representative bodies of the employees under works constitution law

16.1 Works councils, youth and trainee representative bodies and representative bodies for disabled persons

16.1.1 The existing establishments in Continental AG and the other establishments in the Continental Group are not affected by the spin-off. The existence, composition and term of office of the existing works councils and central works councils, of the existing youth and trainee representative bodies and central youth and trainee representative bodies as well as of the representative bodies and central representative bodies for disabled persons will remain unchanged.

16.1.2 After the spin-off has taken effect, the group works council, the group representative body for disabled persons and the group youth and trainee representative body in the Continental Group will continue to exist but will no longer be responsible for the companies of the future Vitesco Technologies Group because VT Group AG together with its affiliated companies will form a separate Vitesco Technologies Group. The separation of the establishments of the Vitesco Technologies Group from the Continental Group in connection with the spin-off will also result in personnel changes in the composition of the group works council, the group representative body for disabled persons and the group youth and trainee representative body at the level of Continental AG. Accordingly, those members of these bodies who are employees of the future Vitesco Technologies Group will cease to be members when the spin-off takes effect. This currently concerns eleven members

of the group works council, one member (deputy) of the group representative body for disabled persons and four members of the group youth and trainee representative body. However, group works agreements existing in the Continental Group at the time when the spin-off takes effect will, as a general rule, continue to apply in the companies of the future Vitesco Technologies Group, to the extent that they can be performed in accordance with their purpose. In the event that a group works council will be established at the level of VT Group AG, these agreements will continue to apply as group works agreements of the Vitesco Technologies Group, and otherwise as central works agreements or works agreements in the companies of the future Vitesco Technologies Group.

16.1.3 The establishments currently existing in companies of the future Vitesco Technologies Group are also not affected by the spin-off. The existence, composition and term of office of the works councils and central works councils, of the youth and trainee representative bodies and central youth and trainee representative bodies as well as of the representative bodies and central representative bodies for disabled persons established for them will remain unchanged.

16.1.4 Since VT Group AG has not yet commenced business operations and does not have any employees, it does not have a works council or a youth and trainee representative body or a representative body for disabled persons. This situation will not change as a direct consequence of the spin-off. However, after the spin-off has taken effect, VT Group AG will be the parent company of the Vitesco Technologies Group. Thus, the prerequisites for establishing a group works council pursuant to Section 54 of the German Works Constitution Act (*Betriebsverfassungsgesetz – BetrVG*) will generally be fulfilled at VT Group AG. To the extent that such group works council will be established, the prerequisites for establishing a group representative body for disabled persons pursuant to Section 180(2) of the Ninth Book of the German Social Code (*Sozialgesetzbuch*) will be fulfilled.

16.1.5 In addition, after the spin-off has taken effect, the prerequisites for establishing a European works council in the future Vitesco Technologies Group will generally be fulfilled.

16.2 Company committee and group committee of executive representatives

16.2.1 The existence, composition and term of office of the company committee of executive representatives existing at Continental AG will not be affected by the spin-off.

16.2.2 After the spin-off has taken effect, the group committee of executive representatives in the Continental Group will continue to exist as well but will no longer be responsible for the companies of the future Vitesco Technologies Group because VT Group AG together with its affiliated companies will no longer be part of the Continental Group. Furthermore, the separation of the establishments of the Vitesco Tech-

nologies Group from the Continental Group in connection with the spin-off will result in personnel changes in the composition of the group committee of executive representatives of Continental AG. Accordingly, those members of the group committee of executive representatives who are employees of the future Vitesco Technologies Group will cease to be members when the spin-off takes effect. This currently concerns one member of the group committee of executive representatives.

16.2.3 Since VT Group AG has not yet commenced business operations, a committee of executive representatives has not been established at VT Group AG. This situation will not change as a direct consequence of the spin-off. However, after the spin-off has taken effect, the prerequisites for establishing a group committee of executive representatives pursuant to Section 21 of the German Executive Committees Act (*Sprecherausschussgesetz*) in the Vitesco Technologies Group will generally be fulfilled.

16.2.4 The existence and composition of the committee of executive representatives currently existing at the companies of the future Vitesco Technologies Group will not be affected by the spin-off.

16.3 Economic committees

16.3.1 The economic committees existing at Continental AG and the other companies of the Continental Group will remain unchanged after the spin-off.

16.3.2 Since VT Group AG has not yet commenced business operations and does not have any employees, an economic committee has not been established at VT Group AG. This situation will not change as a consequence of the spin-off.

16.3.3 The economic committee currently established at the companies of the future Vitesco Technologies Group will remain unchanged after the spin-off.

17. **Consequences of the spin-off for the co-determination in the supervisory board**

17.1 The spin-off will have no effects on the existence and size of the supervisory board of Continental AG. The same applies, subject to the exception described in the following paragraph, to the term of office of its members. Continental AG will continue to be a company with a co-determined supervisory board consisting of twenty members composed of an equal number of ten shareholder representatives and ten employee representatives in accordance with the provisions of the German Co-Determination Act (*Mitbestimmungsgesetz – MitbestG*).

17.2 The employee representatives on the supervisory board of Continental AG are elected by the employees of all companies/establishments of the Continental Group located in Germany. After the spin-off has taken effect, VT Group AG and the other companies of the future Vitesco Technologies Group will no

longer be consolidated companies of Continental AG so that employees of VT Group AG and the other German companies of the future Vitesco Technologies Group will no longer be entitled to vote for and be elected to the supervisory board of Continental AG, and instead will be entitled to vote for and be elected to the supervisory board of VT Group AG. Therefore, the term of office of those employee representatives on the supervisory board of Continental AG whose employer companies are part of the future Vitesco Technologies Group will, pursuant to Section 24(1) MitbestG, expire when the spin-off takes effect. This currently concerns one member.

- 17.3 VT Group AG currently has a supervisory board with three members who were elected by the sole shareholder Continental AG. Since VT Group AG does not have any employees yet, it does not have a supervisory board that is subject to statutory co-determination by the employees. However, after the spin-off has taken effect, VT Group AG will establish a co-determined supervisory board composed of an equal number of shareholder representatives and employee representatives in accordance with the provisions of the MitbestG because it will be the parent company of the Vitesco Technologies Group and accordingly will have more than 2,000 employees in Germany under the provision on the attribution of employees pursuant to Section 5(1) sentence 1 MitbestG. It is currently planned that the executive board will initiate so-called status proceedings pursuant to Sections 97 et seq. AktG in due time prior to the spin-off taking effect. The parties hereto currently expect that, when the spin-off takes effect, generally more than 10,000 but not more than 20,000 employees will be considered as employees of VT Group AG in accordance with the provisions of the MitbestG and it is therefore expected that the supervisory board will comprise 16 members in accordance with Section 7(1) sentence 1 no. 2 MitbestG (eight shareholder representatives and eight employee representatives).
- 17.4 The eight shareholder representatives on the supervisory board will be elected by Continental AG as the sole shareholder in the shareholders' meeting of VT Group AG prior to the spin-off taking effect. However, the persons who will represent the shareholders on the future supervisory board of VT Group AG have not yet been determined. It is currently planned that the election of the shareholder representatives on the supervisory board will take place subject to the conditions precedent of completion of the status proceedings. It is expected that the employee representatives on the supervisory board will initially be appointed by court after completion of the status proceedings. It is currently planned that the executive board of VT Group AG will file an application for the court appointment, in agreement with the employee representative bodies, of the following persons as employee representatives on the supervisory board: Carsten Bruns, Lothar Galli, Yvonne Hartmetz, Michael Köppl, Erwin Löffler, Ralf Schamel, Kirsten Vörkel and Anne Zeumer.
- 17.5 Vitesco Technologies GmbH has a supervisory board which currently consists of 16 members and is composed of an equal number of eight shareholder representatives and eight employee representatives. It is currently not intended that the spin-off will result in any changes to the number of members of the supervisory board of Vitesco Technologies GmbH.

- 17.6 Finally, the spin-off has no effect on the existence and size of the supervisory boards of Vitesco Technologies Emitec GmbH and of Vitesco Technologies Germany GmbH.

VI. Miscellaneous

18. Costs and taxes

- 18.1 Unless otherwise provided for in this Spin-off and Transfer Agreement together with its Annexes, the following shall apply with regard to the costs incurred in connection with the notarization of this Spin-off and Transfer Agreement and its implementation until the Closing Date (and the related costs for advisers, banks and other service providers): Continental AG and VT Group AG shall each bear their own costs for their respective shareholders' meetings and the costs for the respective applications for registration and registrations in the relevant commercial register, and each of them shall bear half of the costs for the joint spin-off report, the spin-off audit, the audits in connection with the capital increase against contributions in kind and the post-formation acquisition (including the related costs for advisers and banks). The costs for the planned stock exchange listing and the related evidenced costs for advisers (in particular, lawyers and auditors), banks and other service providers shall be solely borne by VT Group AG, if and to the extent incurred after October 22, 2019. The obligation of VT Group AG to bear the costs shall only arise as of the Closing Date. The portion of the costs allocated to VT Group AG as of the Closing Date will initially be advanced by Continental AG. VT Group AG will then reimburse the costs allocated to it to Continental AG after the Closing Date and upon issuance of an invoice by Continental AG. The parties hereto agree on further provisions regarding allocation of costs in connection with the spin-off in parts II., III., V., VII., IX. of the Group Separation Agreement (sec. 14) attached hereto as **Annex 14**.

- 18.2 Rules for the allocation of tax liabilities are agreed between the parties hereto in part VII. of the Group Separation Agreement attached hereto as **Annex 14**.

19. Right of withdrawal

In the event that the spin-off has not taken effect by January 13, 2022 in accordance with sec. 6.1, each party hereto may withdraw from this Spin-off and Transfer Agreement by written declaration to the other party.

20. Final provisions

- 20.1 This Spin-off and Transfer Agreement shall take effect when this Spin-off and Transfer Agreement has been approved by the respective shareholders' meetings of both parties hereto.
- 20.2 All disputes arising out of or in connection with this Spin-off and Transfer Agreement or about its validity between the parties hereto shall be finally settled in accordance with the Arbitration Rules of the German Arbitration Institute (*Deutsche Institution für Schiedsgerichtsbarkeit e.V. – DIS*), without recourse to the ordinary courts of law. The arbitral tribunal shall consist of three arbitrators. The president of the arbitral tribunal shall be qualified to hold the

office of a judge in the Federal Republic of Germany. The place of arbitration is Frankfurt am Main, Germany. The language of the arbitration shall be German. None of the parties shall be obligated to provide translations of English documents. The law applicable to the merits shall be the law of the Federal Republic of Germany.

- 20.3 The Annexes hereto constitute an integral part of this Spin-off and Transfer Agreement.
- 20.4 Any amendments and additions to this Spin-off and Transfer Agreement, including an amendment or contracting out of this provision, shall be made in writing, unless stricter requirements as to form are prescribed by law.
- 20.5 Should one or more provisions of this Spin-off and Transfer Agreement be or become void, invalid or unenforceable in whole or in part, this does not affect the validity of this Spin-off and Transfer Agreement and of its remaining provisions. The void, invalid or unenforceable provision shall be deemed replaced by a provision that comes closest in terms of form, substance, time, extent and scope to the economic purpose and intent of the void, invalid or unenforceable provision. The same applies if this Spin-off and Transfer Agreement contains any gaps.

Spin-Off and Transfer Agreement**Annex 3.1 – Spin-off Balance Sheet**Spin-off Balance Sheet as of January 1, 2021, 0:00 hrs

Assets	Euro		Equity and liabilities	Euro
Non-current assets			Equity	
Investments Shares in affiliated companies	4,655,239,000		Profits brought forward from the previous year (assets to be spun-off)	4,655,239,000
	4,655,239,000			4,655,239,000

Annex 13 – Articles of Association of VT Group AG

Final Status of the Articles of Association after the Spin-Off takes effect

Convenience Translation

Articles of Association

of

**Vitesco Technologies Group Aktiengesell-
schaft**

I.

General provisions

§ 1

Company name, registered office and financial year

- (1) The name of the Company is Vitesco Technologies Group Aktiengesellschaft.
- (2) The registered office of the Company is Hanover.
- (3) The financial year is the calendar year.

§ 2

Purpose of the Company

- (1) The object of the Company is the development, manufacture and sale of products for every kind of vehicles and other mobility concepts as well as other industrial products, in particular the development, manufacture and sale of systems and components and the provision of services for powertrains including electrical machinery, power electronics, control electronics, software, energy converters (like fuel cells) and energy storage devices (like batteries), sensors for physical and chemical properties, actuators, emission-reduction technology and combustion technology. In these sectors and in other sectors the Company may operate in the field of research, development, manufacture and sale of electronic, mechatronic and mechanical components and systems as well as software and technical equipment and render relating advisory and other services.
- (2) The Company may directly or indirectly pursue its corporate purpose through group or affiliated companies (including joint ventures). It may also limit its activities to a portion of the activities listed in paragraph 1.
- (3) The Company is entitled to engage in all transactions and take all measures which are connected with the object of the Company or which appear suitable to promote the object of the Company directly or indirectly, in particular to acquire and sell real estate, to establish auxiliary and subsidiary companies and branches at all locations in Germany and abroad, as well as to conclude joint venture agreements and inter-company agreements. The Company may combine companies under its uniform management and limit itself to the management of the companies or the administration of the investment. In particular, the Company is entitled to establish, take over, acquire or invest in other companies of the same or similar type. The Company may establish affiliated companies, acquire interests, alter the structure of companies it holds an interest in, combine companies under its uniform management or limit itself to the administration of the investment, sell interests and furthermore conclude intercompany agreements and cooperation agreements of any kind.

§ 3

Announcements and transmission of information

- (1) Announcements by the Company shall be made by publication in the Federal Gazette.
- (2) Information to the holders of listed securities of the Company may also be transmitted by means of remote data transmission under the conditions provided for by law.

II.

Share capital and shares

§ 4

Share capital

The share capital of the Company amounts to EUR 100,052,990 (in words: Euro one hundred million fifty two thousand nine hundred ninety). It is divided into 40,021,196 (in words: forty million twenty one thousand one hundred and ninety-six) registered no-par-value shares (shares without nominal value).

§ 5

Share certificates

- (1) The Management Board shall determine the form and content of the share certificates and any profit participation certificates and renewal coupons. The same applies to bonds and interest coupons.
- (2) The shares may be certificated in individual, collective and global certificates. The right of the shareholder to have his/her interest certificated is excluded, unless a certificate is required under the rules of a stock exchange on which the share is listed.

III.

Constitution

§ 6

Organs

The organs of the company are

- (1) the Management Board,
- (2) the Supervisory Board, and
- (3) the Shareholders Meeting.

1.

The Management Board

§ 7

Composition and rules of procedure

- (1) The Management Board of the Company shall consist of at least two members; otherwise, the Supervisory Board shall determine the number of members of the Management Board. The appointment of deputy members of the Management Board is permissible.
- (2) The Management Board may adopt rules of procedure for itself by unanimous resolution, unless the Supervisory Board issues rules of procedure for the Management Board.

§ 8

Representation of the Company

The Company is legally represented by action taken by two members of the Management Board or by one member of the Management Board together with an registered authorised signatory (*Prokurist*).

2.

The Supervisory Board

§ 9

Composition and term of office

- (1) The Supervisory Board is composed in accordance with statutory provisions.
- (2) The Shareholders Meeting may not appoint members of the Supervisory Board for a period longer than the end of the Shareholders Meeting which resolves on the formal approval of the actions of the Supervisory Board (*Entlastung*) for the fourth financial year after the beginning of the term of office. The financial year in which the term of office begins shall not be counted.
- (3) With the election of a Supervisory Board member, a substitute member can be elected at the same time, who will succeed to the Supervisory Board if the Supervisory Board member leaves the Supervisory Board before the end of his/her term of office without a successor having been appointed beforehand. If a substitute member takes the place of the retired member, his/her office shall expire at the end of the Shareholders Meeting in which a new election for the retired member takes place, but at the latest upon expiry of the term of office of the retired Supervisory Board member.
- (4) Each member of the Supervisory Board and each substitute member may resign with immediate effect for good cause. Each member of the Supervisory Board and each

substitute member may also resign from office without good cause by giving four weeks' written notice to the Chair of the Supervisory Board or the Management Board. The period of notice may be shortened by mutual agreement.

§ 10

Chair and Deputy Chair

- (1) The Supervisory Board shall elect the Chair and at least one Deputy Chair from among its members, each for the duration of their term of office. If the Chair of the Supervisory Board or his/her deputy resigns from this office in the course of an election period, a new election shall be held immediately. If the term of office of the Chair ends at the end of a Shareholders Meeting, the election of the Chair of the Supervisory Board shall be held following this Shareholders Meeting in a meeting of the Supervisory Board without the meeting being specially convened for this purpose. Deputies may also be elected at this meeting.
- (2) The Deputy Chair of the Supervisory Board shall only have the legal and statutory rights and duties of the Chair if the latter is prevented from acting. However, the Deputy Chair shall not be entitled to the second vote granted to the Chair by the German Co-Determination Act.

§ 11

Convening of meetings

The Supervisory Board meetings are convened by the Chair or - if he/she is prevented from doing so - by his/her Deputy, stating the items on the agenda. Meetings may be convened by invitations in writing, by telephone, in text form or in any other legally permissible form. It shall be issued with a notice period of two weeks. In urgent cases, the notice period may be shortened.

§ 12

Meetings of the Supervisory Board and adoption of resolutions

- (1) The Chair of the Supervisory Board – and if the Chair of the Supervisory Board is prevented from acting, the Deputy Chair of the Supervisory Board – chairs the meeting. He/She shall determine the order in which the items on the agenda are addressed and the manner and order of voting. He/She may allow individual members of the Supervisory Board to participate in a meeting by means of a telephone or video conference or to cast their vote in writing subsequently within a reasonable period of time determined by him. The Chair of the Supervisory Board may furthermore determine that meetings of the Supervisory Board are conducted by telephone or video conference and that in these cases, resolutions are adopted or votes are cast also in such a manner. The members of the Supervisory Board may not object to the determination

of such form of adopting a resolution. Members of the Supervisory Board attending a meeting by means of telephone or video conference, shall be deemed to be present.

- (2) A meeting which has been called may be cancelled or postponed by the Chair of the Supervisory Board at his reasonable discretion. He/She shall appoint the minute keeper and decide on the consultation of experts and persons providing information for discussion of individual items on the agenda.
- (3) The Supervisory Board shall constitute a quorum if at least half of its members participate in the regarding the adoption of the resolution. A member participates in the vote regarding adoption of a resolution also if he/she abstains. Absent members of the Supervisory Board may participate in the vote on passing of a resolution by transferring to other members of the Supervisory Board their votes in writing. A written vote may also be cast by fax or other means of telecommunication.
- (4) If not all members of the Supervisory Board are present when a resolution is up for a vote and if the absent members of the Supervisory Board do not submit written votes, the vote on adoption of the resolution shall be postponed at the request of at least two members of the Supervisory Board present. In the event of an adjournment, the new vote on the resolution shall be undertaken at the next regular meeting of the Supervisory Board unless a special meeting of the Supervisory Board is called. A further minority request for adjournment is not permitted in the case of a new vote on the resolution.
- (5) If the Chair of the Supervisory Board attends the meeting or if an attending member of the Supervisory Board is in possession of the written vote of the Chair of the Supervisory Board within the meaning of Section 108 (3) sentences 1 and 2 of the German Stock Corporation Act (AktG), paragraph 4 shall not apply if the same number of shareholder and employee representatives are present in person or participate in the resolution by submitting their votes in writing or if any inequality is eliminated by the fact that individual Supervisory Board members do not participate in the resolution.
- (6) Resolutions of the Supervisory Board require a majority of the votes cast, unless other majorities are prescribed by law. This also applies to elections. In the event of a tie, a new vote shall be taken at the request of the Chair of the Supervisory Board, as far as legally permissible. If this new vote again results in a tie, the Chair of the Supervisory Board has two votes in accordance with Section 29 (2) of the German Co-Determination Act; Section 31 (4) of the German Co-Determination Act remains unaffected.
- (7) Resolutions may be passed outside of meetings by means of votes cast in writing, orally, by telephone, in text form or by other means of telecommunication, if the Chair of the Supervisory Board so determines in the individual case. The members of the Supervisory Board may not object to the determination of such form of adopting a resolution.

§ 13

Adaptation of the wording of the Articles of Association

The Supervisory Board is entitled to make amendments to the Articles of Association that only affect the wording.

§ 14

Committees and declarations of intent

- (1) The Supervisory Board may form committees from among its members. Section 27 (3) of the German Co-Determination Act remains unaffected. The Supervisory Board shall determine the tasks, powers and procedures of the committees. To the extent permitted by law, decision-making powers of the Supervisory Board may also be transferred to committees. The committee may elect a chairman from among its members, unless the Supervisory Board appoints a chairman. Article 12 (5) and (6) shall apply mutatis mutandis to resolutions passed by the committees, unless mandatory statutory provisions stipulate otherwise.
- (2) The Chair is authorised, on behalf of the Supervisory Board and its committees, to make the declarations of intent required to implement its resolutions.

§ 15

Compensation

- (1) The members of the Supervisory Board shall each receive, in addition to reimbursement of their reasonable cash expenses and any value added tax charged to them for their work on the Supervisory Board, a fixed basic remuneration of EUR 60,000 per annum payable in the last month of the financial year. The Chair of the Supervisory Board shall receive a fixed basic remuneration of EUR 120,000 and each Deputy Chair shall receive a fixed basic remuneration of EUR 90,000 for each of the Company's financial years.
- (2) For their activities in the following committees of the Supervisory Board, each of them receives additional compensation as follows:
 - the Chair of the Audit Committee receives EUR 30,000, every other member of the Audit Committee EUR 20,000;
 - the Chair of the Executive Committee receives EUR 30,000, every other member of the Executive Committee EUR 20,000.
- (3) The total additional remuneration for activities in committees of the Supervisory Board pursuant to paragraph 2 above is limited to EUR 40,000 for the Chair of the Audit Committee, EUR 40,000 for the Chair of the Executive Committee and

EUR 30,000 for all other members of the Supervisory Board. In each case, the highest upper limit applicable to an individual member of the Supervisory Board is decisive.

- (4) Each member receives an attendance fee of EUR 1,500 for each Supervisory Board meeting in which the member attends in person. This applies accordingly to personal attendance at committee meetings that do not take place on the day of a Supervisory Board meeting. If a member attends a Supervisory Board meeting which is conducted by telephone or video conference or if a member attends a Supervisory Board meeting by means of telephone or video conference, such attendance shall also be deemed personal attendance.
- (5) If the office of a member of the Supervisory Board or the function with increased remuneration begins or ends in the course of a financial year, the member of the Supervisory Board shall receive the remuneration or the increased remuneration pro rata temporis.
- (6) The Company may take out a pecuniary damage liability insurance policy for the members of the Supervisory Board at its own expense. It shall contain an appropriate deductible.

3.

The Shareholders Meeting

§ 16

Place of the Shareholders Meeting

The Shareholders Meeting shall take place at the registered office of the Company, at a German stock exchange, or in a German city with more than 150,000 residents.

§ 17

Convening of the Shareholders Meeting

Unless a shorter period is permitted by law, the Shareholders Meeting shall be called at least 30 days before the date of the meeting. This does not include the day of the Shareholders Meeting and the day on which it is convened. The notice period shall be extended by the days of the registration period (Article 18 (1) sentence 2).

§ 18

Conditions for participation and exercise of voting rights

- (1) Those shareholders who are entered in the Company's share register and who have registered in time are entitled to attend the Shareholders Meeting and to exercise their voting rights. The registration must be received by the Company at the address specified for this purpose in the invitation at least six days before the Shareholders Meet-

ing (registration period). The Management Board may provide for a shorter registration period, to be measured in days, in the notice calling the Shareholders Meeting. The Management Board is authorised to determine the details of registration for participation in the Shareholders Meeting and the exercise of voting rights. These details shall be announced in the notice calling the Shareholders Meeting.

- (2) Voting rights may be exercised by a proxy. The granting of the power of attorney, its revocation and the proof of authorisation to the Company must be in text form unless the convening of the Shareholders Meeting relaxes the requirement. Section 135 of the German Stock Corporation Act (AktG) remains unaffected.
- (3) The Management Board may provide that shareholders may participate in the Shareholders Meeting even without being present or represented in person and may exercise all or some of their rights in whole or in part by means of electronic communication (online participation). It is also authorised to regulate the individual aspects of the procedure. The details will be announced with the invitation to the Shareholders Meeting.
- (4) In addition, the Management Board may provide that shareholders may cast their votes in writing or by means of electronic communication (postal vote) even without attending the meeting. It may regulate the details of the procedure, in particular limiting voting to a designated transmission channel and setting a deadline for a postal vote. These individual issues will be announced in the notice calling the Shareholders Meeting.

§ 19

Conduct of the Shareholders Meeting

- (1) The Annual Shareholders Meeting shall be chaired by the Chair of the Supervisory Board or, if he/she is prevented from attending, by another shareholder representative on the Supervisory Board to be appointed by him. In the event that neither the Chair nor a member of the Supervisory Board designated by him/her takes the chair, the Chair of the meeting shall be elected by a simple majority of votes the shareholder representatives on the Supervisory Board present at the Shareholders Meeting.
- (2) The chairman shall chair the meeting. He/She determines the order in which the items on the agenda are discussed and the manner and order of voting. He/She is authorised to limit the shareholder's right to ask questions and speak to a reasonable amount of time, in particular at the beginning of or during the Annual Shareholders Meeting to set a reasonable time limit for the duration of the Annual Shareholders Meeting, for an individual agenda item, or for individual questions and statements and to determine a time for the beginning of voting on one or more agenda items.
- (3) The chairman of the meeting may permit the partial or complete video or audio transmission and recording of the Shareholders Meeting via electronic media in a manner

to be determined by him. The transmission can also be carried out in a way that allows unrestricted public access.

§ 20

Resolutions

- (1) Each no-par-value share entitles the holder to one vote in the Shareholders Meeting.
- (2) Resolutions of the Shareholders Meeting shall be adopted by the simple majority of votes cast and, where a majority of capital is required, by a simple majority of the share capital represented at the meeting at the time the resolution is adopted, unless mandatory provisions of law or the Articles of Association stipulate otherwise. A cancellation or amendment of sentence 1 or of this sentence 2 requires a majority of at least three-quarters of the share capital represented at the time the resolution is adopted.

IV.

Annual accounts and distribution of profits

§ 21

Annual financial statements

- (1) The Management Board shall prepare the annual financial statements, the consolidated financial statements, and the respective management reports for the past financial year within the statutory period and submit them to the auditor. Immediately after their preparation, the annual financial statements, the management report and the proposal for the use of the balance sheet profit as well as the consolidated financial statements and the consolidated management report shall be submitted to the Supervisory Board. Sections 298 (2) and 315 (5) of the German Commercial Code remain unaffected.
- (2) The Supervisory Board shall submit its report to the Management Board within one month of receipt of these documents. If this is not done within this period, the Management Board shall immediately set the Supervisory Board a further period of at most one month. If the Supervisory Board report still has not been submitted to the Management Board before the expiry of this further period, the annual financial statements shall be deemed not to have been approved by the Supervisory Board. The preceding sentence shall apply mutatis mutandis to the consolidated financial statements.
- (3) The annual financial statements and management reports for the Company and the Corporate Group, the report of the Supervisory Board and the proposal of the Management Board for the use of the balance sheet profit for the year shall be available for inspection by the shareholders at the Company's offices from the time the notice

of the Shareholders Meeting has been given. The delivery for inspection may be waived if the documents are available for the same period of time on the Company's website.

- (4) The Management Board and the Supervisory Board are authorised, when adopting the annual financial statements, to allocate part or all of the net income for the year remaining after deduction of the amounts to be allocated to reserves required by law and any losses carried forward to other retained earnings. The transfer of a larger portion than half of the net income for the year is not permitted if the other retained earnings would exceed half of the share capital after the transfer.

§ 22

Annual Shareholders Meeting and use of the balance sheet profit

- (1) The Annual Shareholders Meeting, which decides on the discharge of the members of the Management Board and the Supervisory Board, the use of profits and the election of the auditor, shall take place within the first eight months of each financial year. The Shareholders Meeting may resolve in favour of a distribution in kind instead of or in addition to a cash distribution.
- (2) The balance sheet profit shall be distributed evenly among the shareholders, unless the profit is carried forward to new account or the Shareholders Meeting resolves on a different use.
- (3) Subject to the consent of the Supervisory Board, the Management Board is authorized to make an interim payment to the shareholders out of the prospective balance sheet profit in accordance with Section 59 of the German Stock Corporation Act (AktG) once the financial year has expired.

V.

Miscellaneous

§ 23

Choice of court

For all disputes between shareholders and the Company, the exclusive place of jurisdiction is the Company's registered office, unless mandatory legal provisions provide otherwise. The same applies to disputes between shareholders on the one hand and beneficiaries and/or obligors of financial instruments relating to shares of the Company on the other. The exclusive place of jurisdiction for disputes in which compensation is claimed for damages caused by false, misleading or omitted public capital market information is the registered office of the Company, unless mandatory legal provisions stipulate otherwise. Foreign courts have no jurisdiction over such disputes.

§ 24

Formation costs

The Company assumes the formation costs in an estimated amount of EUR 4,000.00.

Annex 14 – Group Separation Agreement

[Convenience translation – not legally binding]

Continental Aktiengesellschaft

Vitesco Technologies Group Aktiengesellschaft

Vitesco Technologies GmbH

GROUP SEPARATION AGREEMENT

18 March 2021

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This Group Separation Agreement (the *Agreement*) is entered into by and between the following parties:

- (1) **Continental Aktiengesellschaft** with registered office in Hanover, Germany, registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRB 3527 (**Continental AG**, and together with all direct and indirect subsidiaries and affiliates of Continental AG at the time of registration of the Spin-off in the commercial register the **Continental Group**);
- (2) **Vitesco Technologies Group Aktiengesellschaft** with registered office in Hanover, Germany, registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRB 219172 (**VT Group AG** and together with all direct and indirect subsidiaries and affiliates of VT Group AG at the time of registration of the Spin-off in the commercial register the **Vitesco Technologies Group**, and together with the Continental Group the **Groups** and each a **Group**); and
- (3) **Vitesco Technologies GmbH** with registered office in Hanover, Germany, registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRB 217030 (**Vitesco Technologies GmbH**),

(Continental AG, VT Group AG and Vitesco Technologies GmbH together the **Parties** and each a **Party**)

Preamble

- (A) Continental AG is the sole shareholder of VT Group AG.
- (B) The governing bodies of Continental AG resolved to have Vitesco Technologies GmbH with registered office in Hanover (registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRB 217030), together with its direct and indirect subsidiaries and shareholdings, listed on the stock exchange by way of a spin-off and transfer of certain participations (see Preamble D) to VT Group AG (the **Spin-off**).
- (C) The shareholders of Vitesco Technologies GmbH are (i) Vitesco Technologies 1. Beteiligungsgesellschaft mbH & Co. KG, registered in the commercial register of the Frankfurt am Main Local Court (*Amtsgericht*) under HRA 51177 (**VT 1. Beteiligung KG**) with a stake of 49.18%, (ii) Vitesco Technologies 2. Beteiligungsgesellschaft mbH & Co. KG, registered in the commercial register of the Hanover Local Court (*Amtsgericht*) under HRA 204634 (**VT 2. Beteiligung KG**) with a stake of 47.26% (VT 1. Beteiligungs KG and VT 2. Beteiligungs KG collectively referred to as **VT 1. and 2. Beteiligungs KGs**), and (iii) Continental Automotive France S.A.S. (*société par actions simplifiée*), registered in the commercial register (*registre du commerce et des sociétés*) of Toulouse under 314 722 026 (**CA France**) with a stake of 3.56%. Continental AG is the sole limited partner of VT 1. and 2. Beteiligungs KGs and the sole shareholder of their respective general partners.
- (D) The subject of the Spin-off are VT 1. and 2. Beteiligungs KGs and their respective general partners.

- (E) With this Agreement, which is attached as Annex to, and forms part of, the notarized spin-off and transfer agreement entered into between Continental AG and VT Group AG before the notary Dr Florian Hartl officiating at Hanover on March 18, 2021 (the ***Spin-off and Transfer Agreement***), the Parties wish to make provisions for various legal relationships existing between them and their respective Group Companies. Unless otherwise defined in this Agreement, terms used in the Spin-off and Transfer Agreement shall, when used in this Agreement, have the meaning ascribed to them in the Spin-off and Transfer Agreement. The following further terms used in this Agreement shall have the following meaning:

Banking Day means each day on which the banks in Hanover, Frankfurt/Main and Regensburg are open for general business and on which cashless payment transactions are settled.

Carve-Out means the legal and organizational transformation of the business activities of the former Powertrain division into Vitesco Technologies GmbH and its subsidiaries within the Continental Group, which was publicly announced on July 18, 2018 and mainly implemented as of January 1, 2019.

Financial Liabilities means (i) liabilities from contribution obligations to VT 1. and 2. Beteiligungs KGs, (ii) liabilities from intra-group loans (ICO Loans), and (iii) liabilities from cash pooling agreements.

Continental Group Companies means Continental AG and those companies which are or become group companies of Continental AG within the meaning of Section 18(1) of the German Stock Corporation Act (*Aktiengesetz – AktG*) as of the Closing Date.

Vitesco Technologies Group Companies means VT Group AG and those companies which are or become group companies of Continental AG within the meaning of Section 18(1) AktG as of the Closing Date.

Endeavor to ensure means that the relevant Party shall make serious efforts to achieve the result without being liable for the achievement of the result.

Group Company means a company which is or becomes a group company within the meaning of Section 18(1) AktG of one of the Parties as of the Closing Date.

Overdue Non-Financial Liabilities means trade accounts payable which are more than 90 days past due, other than accounts payable from contract manufacturing.

Tax(es) means (i) all federal, state or local taxes, together with all interest, penalties or other incidental tax charges, within the meaning of Section 3 of the German Fiscal Code (*Abgabenordnung – AO*) or any similar applicable law of a foreign jurisdiction, including but not limited to income tax, corporate income tax, trade tax, value-added tax, sales tax, capital tax, transfer tax, wage tax and other withholding tax, customs duties, and social security contributions, irrespective of whether (i) assessed by a tax authority or owed under tax allocation agreements or contractual tax indemnification obligations, or (ii) owed individually, as joint and several debtor or as person owing the liability,

provided that deferred taxes shall not be considered as taxes for the purposes of this definition.

Ensure means that the relevant Party is specifically liable for the achievement of the result.

Closing Date means the date of registration of the Spin-off in the commercial register for Continental AG.

Now, therefore, the Parties, after negotiations with the participation of their respective independent advisers, agree as follows:

I. Ensuring the continuation of the former Powertrain division

1. Allocation of assets, rights and obligations

The Parties assume that assets, rights and obligations have been allocated between the Parties and their respective Groups in such a way that the Parties and their respective Groups will be able to continue their respective activities to the same extent as before the Closing Date and that the functioning of each Group as a whole is secured. Therefore, the Parties transferred already as part of the Carve-Out (i) the business (including but not limited to assets, agreements and employees) as operated by the former Powertrain division of the Continental Group and all other activities attributable to the former Powertrain division, and (ii) all assets and employees as well as certain agreements to Vitesco Technologies Group Companies.

2. Negotiations on the adjustment of the allocation

- 2.1 If, after this Agreement has taken effect, a Party determines that, in its view, assets, rights and obligations were not correctly allocated contrary to the assumptions made in sec. 1 and, therefore, the assumptions made in sec. 1 prove to be incorrect, the Parties shall discuss whether the allocation made was actually incorrect. If this is the case, the Parties shall enter into serious negotiations on an adjustment of the allocation, which may possibly be made for a consideration. The Parties shall not unreasonably refuse to start and conduct serious negotiations. Sentence 1 of sec. 2.1 shall not apply if (i) the disadvantages caused by the incorrect allocation can be avoided by the relevant Party using its own resources or procurement from third parties, provided that this does not involve significantly higher costs and efforts than the adjustment of the allocation, or (ii) the Parties conducted negotiations on the allocation of the asset, right or obligation in connection with the Carve-Out or the preparation for the Spin-off.
- 2.2 Claims under this sec. 2 shall become time-barred at the end of December 31, 2022.

II. Collateral, insurance payments, third-party losses; settlement of Financial Liabilities

3. Discharge of Cross-Collateral, settlement of Financial Liabilities

- 3.1 If any collateral has been provided by a Group Company (*Collateral Provider*) for liabilities of a company of the other Group (*Principal Debtor*) and such collateral exists on the Closing Date (*Cross-Collateral*), the Parties shall (i) endeavor to ensure a discharge of the Cross-Collateral, and/or (ii) ensure an indemnification as between the Parties.
- 3.2 Endeavors to ensure a discharge of Cross-Collateral shall be made, in particular, for liabilities to banks. An indemnification as between the Parties shall be ensured, in particular, for other guarantees, such as obligations under customer contracts and state aid projects.
- 3.3 In the case of a discharge of Cross-Collateral, the relevant Group parent company (Continental AG or VT Group AG) shall endeavor to ensure that the se-

cured party will release the collateral. If this is not practicable (in particular in the case of guarantees or other collateral provided to customers or other contractual partners of the Vitesco Technologies Group or in connection with state aid), the relevant Group parent company (Continental AG or VT Group AG) of the relevant Principal Debtor shall fully indemnify the relevant Collateral Provider from and against any claims arising from the Cross-Collateral and any related costs (including costs for the defense against claims and for legal advice) and shall pay an annual guarantee fee at normal commercial rates in accordance with the terms of a separate fee agreement. The parent company of the respective other Group shall, within the scope of the indemnification, ensure that the Collateral Provider will not assert any recourse claims of its own against the Principal Debtor, so that, in particular, no double burden will arise within the Principal Debtor's Group. The obligations arising from this sec. 3 shall not lapse as a result of the sale of an interest in the Principal Debtor.

3.4 If a third party asserts a claim against the Collateral Provider, the following procedure shall apply:

3.4.1 The Collateral Provider shall continuously inform the Principal Debtor in a comprehensive manner about the claim and shall, to the extent permitted by law, promptly provide any information that it receives to the Principal Debtor.

3.4.2 The Collateral Provider and the Principal Debtor shall cooperate as closely as possible, with due regard to their mutual interests, in the defense against the claim. In particular, the Collateral Provider shall conduct the defense against the claim with due care.

3.4.3 In-court and out-of-court settlements shall be made only upon mutual agreement between the Collateral Provider and the Principal Debtor.

3.5 The balance of Financial Liabilities existing between companies of the two Groups shall be settled by the Closing Date. The settlement shall be effected in accordance with a separate agreement.

3.6 The sum of Overdue Non-Financial Liabilities owed by Vitesco Technologies Group Companies to Continental Group Companies shall be settled no later than within a period of four weeks from the Closing Date by the relevant Vitesco Technologies Group Company or VT Group AG. The settlement shall be effected in accordance with a separate agreement.

4. Insurance payments and compensation for third-party losses

4.1 Should an event of loss or other circumstances occur or become known at a Group Company (*Injured Party*) after the Closing Date, for which a company of the other Group (*Insurance Creditor*) is entitled (or would be entitled but for the Spin-off) to a claim for compensation, any other claim or any other right under an insurance policy covering one or more periods prior to the Closing Date (*Insurance Claim*), the Parties shall ensure that the Insurance Claim

inures to the economic benefit of the Injured Party or the right can be exercised by or in accordance with the instructions given by the Injured Party:

- 4.1.1 The Parties shall ensure that a claim against the Insurance Creditor for payment of an amount corresponding to the Insurance Claim will be granted to the Injured Party, and the Injured Party undertakes to assert this claim only if and to the extent that the Insurance Creditor has received a corresponding payment from the insurance company.
 - 4.1.2 The Parties shall ensure that the Insurance Claim is asserted vis-à-vis the insurance company, if necessary, with the cooperation of the Injured Party and the Insurance Creditor. The Group parent company of the Injured Party shall ensure that the Injured Party will bear the costs and expenses of asserting the claim against the insurance company and will indemnify the Insurance Creditor in this respect.
 - 4.1.3 The Group parent company of the Insurance Creditor shall ensure that payments made by the insurance company in respect of the Insurance Claim are paid to the Injured Party. The Group parent company of the Injured Party shall ensure that claims for compensation to which the Injured Party is entitled against third parties with respect to the loss for which the Insurance Claim exists are assigned by the Injured Party to the Insurance Creditor in the amount of any payment made to the Injured Party.
- 4.2 Subject to sec. 4.1, the following shall apply: to the extent that a company of one Group suffers a loss, and a company of the other Group is entitled to a claim for compensation in this respect against a third party, the latter Party shall, upon the request of the other Party, assign or ensure the assignment of this claim for compensation to the other Party.
- 4.3 The Vitesco Technologies Group Companies shall continue to be covered by Continental AG's group insurance policies until the Closing Date, unless Vitesco Technologies GmbH has already entered into its own group insurance policies for the Vitesco Technologies Group Companies; this insurance coverage shall terminate at the latest on the Closing Date. At the latest with effect from the Closing Date and subject to sec. 4.4 below, Vitesco Technologies GmbH and the Vitesco Technologies Group Companies shall take out separate insurance with coverage for the Vitesco Technologies Group Companies.
- 4.4 Events of loss which occur prior to July 1, 2021 and relate to supplies and services provided prior to July 1, 2021 shall be covered by Continental AG's group insurance policies. For events of loss which occur after July 1, 2021 and relate to supplies and services provided prior to the Closing Date, Vitesco Technologies GmbH shall take out insurance through its property damage & business interruption insurance for itself and its respective Group Companies.

III. Liability

5. Mutual indemnifications

5.1 To the extent that claims are asserted against a Group Company based on liability arising on a contractual, quasi-contractual, statutory, common law or other legal basis for circumstances existing before the Closing Date which relate to the business operations of companies of the other Group and are not covered by an insurance, an internal settlement of the costs incurred as a result of the relevant obligation and any related and necessary costs and expenses and suffered losses shall be effected as between the Parties in accordance with the following provisions.

5.1.1 To the extent that contractual agreements are in place between the relevant companies of the two Groups, the settlement shall be effected exclusively in accordance with these agreements. For the avoidance of doubt: Any claim relating to a breach of supervisory obligations (e.g. under sections 130, 30 of the German Act on Regulatory Offences (*Ordnungswidrigkeitengesetz* – “OWiG”) must also be settled under such contractual agreements. The relevant Party shall ensure that the settlement obligations are fulfilled by the companies of its Group.

5.1.2 To the extent that no contractual agreements are in place, the Group Company to whom those business operations or products which gave rise to the claims of the relevant company of the other Group are attributable (in each case before or after the Closing Date) shall be primarily liable for the internal settlement. On a secondary basis, the following parameters shall be taken into account:

- (a) allocation of liability in accordance with recognized principles developed in law or by courts;
- (b) causal contributions of the acting persons;
- (c) receipt of benefits from the underlying circumstances;
- (d) potential increases in liability or in sanctions and potential limitations of liability in connection with specific characteristics or circumstances of the companies involved.

For the avoidance of doubt: Claims relating to a breach of supervisory obligations (e.g. under sections 130, 30 OWiG) are not taken into account in the internal settlement provisions above, meaning that the determination of any breach of supervisory obligations (or an agreement thereon, e.g. on the occasion of, or in connection with, regulatory or judicial proceedings) is to be disregarded. Otherwise, the parameters set out in sec. 5.1.2(a) through sec. 5.1.2(d) shall apply.

The relevant Party shall ensure that the settlement obligations are fulfilled by the companies of its Group. For the avoidance of doubt: (i) The provisions of this sec. 5.1 also apply to regulatory proceedings, also including the imposition of monetary charges such as, for example, fines.

- 5.2 If a Group Company is subject to a liability due to circumstances before the Closing Date which are not covered by an insurance and this liability is increased with regard to the amount or other modalities of this liability due to the fact that the relevant company was part of the respective other Group until the Closing Date, an internal settlement shall be effected in accordance with the principles set out in sec. 5.1; especially the parameters set out in sec. 5.1.2 shall apply accordingly.
- 5.3 The company against whom the claim is asserted shall continuously inform the other Party in a comprehensive manner about the claim and shall, to the extent permitted by law, promptly provide any information that it receives to the other Party.
- 5.4 The company against whom the claim is asserted and the other Party shall cooperate as closely as possible, with due regard to their mutual interests, in the defense against the claim. In particular, the company against whom the claim is asserted shall conduct the defense against the claim with due care.
- 5.5 To the extent that a Party is entitled to a claim for internal settlement as between the Parties pursuant to sec. 5.1, and a company of the other Group is entitled to a claim for compensation in this respect against a third party, this Party shall, upon the request of the other Party, assign or ensure the assignment of this claim for compensation to the other Party. The Party who is entitled to settlement shall assist the Party who is liable for settlement in the enforcement of the assigned claims against third parties.
- 5.6 The provisions in sec. 5.1 of this Agreement shall not apply to the tax matters governed by part VII of this Agreement.
- 5.7 The Parties agree that the provisions of this sec. 5 shall also apply to any obligations arising from contractual, quasi-contractual, statutory or common law liability or from liability based on other legal grounds, also including from or in connection with the proceedings conducted by the public prosecutor's offices in Hanover and Frankfurt am Main in connection with illegal defeat devices in diesel engines.

IV. Share transfer

6. Transfer of the stake in Vitesco Technologies GmbH held by Continental Automotive France S.A.S.

The Parties shall transfer the 3.56% stake in Vitesco Technologies GmbH held by CA France at market value to VT 1. and 2. Beteiligungs KGs prior to the Closing Date.

V. Cooperation

7. Obligations to cooperate

- 7.1 The Parties shall endeavor to ensure, by taking all actions which are necessary or appropriate, that the implementation of the Spin-off, the completion of the Carve-Out and the subsequent stock exchange listing of VT Group AG can be effected. Unless otherwise agreed, this shall not give rise to any obligations of the Parties to provide funds or capital, to transfer assets or to provide collateral.
- 7.2 The obligations to cooperate set out in this sec. 7 represent a minimum standard; any further reaching obligations to cooperate and additional provisions regarding endeavors to ensure the (i) transfer of contracts entered into in the context of operating activities (e.g. customer contracts, procurement contracts) (the ***Operating Contracts***), and (ii) reaching of an agreement with third parties of Operating Contracts utilized by both Vitesco Technologies Group Companies and Continental Group Companies (including framework agreements, for example with suppliers, under which both Vitesco Technologies Group Companies and Continental Group Companies receive or provide supplies or services) (the ***Shared Operating Contracts***) under the contractual agreements between the relevant companies of the two Groups shall remain valid.
- 7.3 Both for Operating Contracts and Shared Operating Contracts, the Parties shall, to the extent that this is necessary and has not yet been done, jointly endeavor to ensure that the consent of third parties to the transfer will be obtained or that an agreement with third parties will be reached. The Parties agree that Operating Contracts which are solely used by companies of one Group shall be transferred to the companies of that Group. For Shared Operating Contracts, the Parties agree that they shall, to the extent permitted by law, jointly endeavor to ensure that an agreement with the relevant third parties will be reached, which will enable all Group Companies concerned to leave the current contract terms (including prices, quantities and capacities) for their respective business areas unchanged (whether by partial transfer or duplication of Shared Operating Contracts, entering into new separate contracts or other structures).
- 7.4 To the extent that and for as long as consents and agreements pursuant to sec. 7.3 have not been obtained from or reached with the relevant third parties after the Closing Date, the Parties shall jointly ensure that the relevant company of one Group will be placed, in the internal relationship between the companies, by the relevant company of the other Group in a position as if the relevant Operating Contract was validly transferred or an agreement with the relevant third party on the relevant Shared Operating Contract was reached (as applicable), to the extent that this is permitted under the terms of the relevant Operating Contract or Shared Operating Contract and by law. In particular, the Group Company which is party to the relevant Operating Contract or Shared Operating Contract shall, to the extent permitted under the terms of the relevant Operating Contract or Shared Operating Contract, pass on the relevant supplies or services to the companies of the other Group and exercise the relevant rights and fulfill the relevant obligations on a fiduciary basis on behalf of

the companies of the other Group. In return, the companies of the other Group shall indemnify the Group Company which is party to the relevant Operating Contract or Shared Operating Contract from and against any expenses, claims and liability in connection with the relevant rights and obligations. For the avoidance of doubt: The foregoing provisions also include Operating Contracts which were entered into after the Carve-Out but have not yet been validly transferred pursuant to this sec. 7.4.

- 7.5 To the extent that, as part of an agreement reached for Shared Operating Contracts, minimum purchasing volumes, capacity commitments, maximum liability amounts or other overarching matters under the Shared Operating Contracts need to be allocated between Vitesco Technologies Group Companies and Continental Group Companies, the Parties shall, to the extent permitted by law, agree in good faith on the allocation criteria, taking into account the proportions of utilization during the twelve (12) months preceding the Closing Date. In particular with regard to the capacity commitments, the allocation criteria shall be based on those proportions of utilization by the Parties' Group Companies which were used as a basis when the capacity was agreed with the third parties to the Shared Operating Contracts (in particular suppliers). The Parties shall review on an ongoing and case-by-case basis whether this approach is permitted by law, in particular under competition law.
- 7.6 The Continental Group has developed rules for handling supply shortages which define how fair supplies to the relevant customers can be ensured in the event of a lack of availability of components (the ***Fair Share Rules***). The Fair Share Rules provide how the components shall be allocated between the individual manufacturing sites of the companies of the two Groups. With regard to the supply of semiconductors, the following shall apply: The Parties shall reach an agreement on an allocation of the supply commitments of the individual suppliers of semiconductors – in each case for (i) the third quarter of 2021 and (ii) the fourth quarter of 2021 – between the needs of the two Groups in accordance with the Fair Share Rules by April 30, 2021 and at the latest by June 30, 2021. This agreement shall result in a quantity structure for the supply of semiconductors by the relevant supplier to the Continental Group (the ***Continental Quantity Structure***) and to the Vitesco Technologies Group (the ***VT Quantity Structure***, and together with the Continental Quantity Structure the ***Quantity Structures***). For the third and fourth quarters 2021, this agreement on the Quantity Structures shall be made on the basis of the customer call-offs as of November 13, 2020. As soon as an agreement on the Quantity Structures has been reached with regard to a supplier, the Parties shall jointly endeavor to exert influence on the relevant supplier prior to the Closing Date in order to achieve supplies to them in accordance with the Quantity Structures. In the event of any changes in the supply commitments made by a supplier, the Quantity Structures shall be changed accordingly (illustrative example: if a supplier increases its supply commitments by 10%, the Continental Quantity Structure and the VT Quantity Structure shall be increased in each case by 10%). In this case, the Parties shall jointly endeavor to exert influence on the relevant supplier in order to achieve supplies to the two Groups in accordance with the changed Quantity Structures. The Parties shall request the relevant suppliers prior to the Closing Date whether they will be able to meet

their needs for semiconductors for 2022 and, to the extent permitted by law and actually necessary, agree with the suppliers prior to the Closing Date how the needs of the two Groups can best be met.

- 7.7 Claims under sec. 7.3, sec. 7.4, sec. 7.5 and sec. 7.6 shall become time-barred at the end of December 31, 2022.
- 7.8 The Parties agree to apply the Fair Share Rules until the Closing Date but in no event beyond September 30, 2021. The provisions of this sec. 7.8 shall govern, in particular, the supplies of semiconductors to the Parties.
- 7.9 To the extent that a Group Company – especially in the light of the joint use of the infrastructure of the Continental Group – faces any matters after the Closing Date the appropriate handling of which requires the cooperation of a company of the other Group due to special requirements resulting from the fact that both companies were part of the Continental Group prior to the Closing Date, the relevant company of the other Group is, to the extent permitted by law, obliged to cooperate accordingly. Each Party shall bear its own costs incurred as a result of such a cooperation. In particular, VT Group AG shall ensure after the Closing Date that the Vitesco Technologies Group Companies will make available to Continental AG such financial data as Continental AG needs for performing its financial reporting duties for the period until the Closing Date. The Parties assume that special requirements within the meaning of this sec. 7.9 will be noticed and claimed within a period of 18 months from the Closing Date.
- 7.10 If a Group Company intends to sell a business or part of a business to third parties after the Closing Date (for example by selling an interest in one or more Group Companies or by selling the assets attributable to that part of the business and transferring the contractual obligations attributable to that part of the business), and the cooperation of companies of the other Group is necessary or appropriate for the sale due to the fact that both companies were part of the Continental Group or due to the contractual obligations between companies of the two Groups continuing after the Closing Date, the parent company of the other Group shall, with due regard to its own interests, seek to ensure that its Group Companies will perform those cooperation actions which are mandatorily required from a legal perspective, to the extent that the relevant Group Companies can be reasonably expected to perform those actions and those actions are permitted by law. This does not give rise to an obligation to consent to the transfer of contracts to third parties. A cooperation cannot be unreasonably refused. The company intending to sell shall reimburse the parent company and/or the respective Group Company or Companies of the other Group for any costs associated with the cooperation and compensate them for any disadvantages (for example, as a result of an early termination of contract manufacturing).
- 7.11 In regulatory and judicial proceedings which (i) are conducted with or against a company of one Group and (ii) (also) concern a company or the business of the respective other Group and (iii) (at least also) relate to the period prior to the Closing Date, the Parties shall, to the extent necessary and permitted by law, support each other and, where necessary and appropriate,

- (a) provide each other with any information and documents which are necessary or appropriate (i) to comply with orders issued by an authority or court, (ii) to obtain permits, (iii) to produce evidence, (iv) to defend themselves against or terminate proceedings before any authority or court, and (v) to fully clarify the facts under investigation,
- (b) grant each other access to the employees (including to minutes of any interviews conducted with employees concerning the relevant matter) of the respective other Group, to the extent it is ensured that any such interviews are restricted to activities as employees of a company of the respective other Group, and
- (c) provide a Party not directly involved in such regulatory or judicial proceedings and their lawyers, following a specific request received from such Party, (i) with information on the status of such regulatory or judicial proceedings, (ii) with information and documents from, or relating to, such regulatory or judicial proceedings or make documents available for inspection, (iii) enable such Party, to a reasonable extent, to have direct contact with the lawyers conducting such regulatory or judicial proceedings and release them from secrecy vis-à-vis the respective other Party and its lawyers, and (iv) endeavor to ensure the involvement of such Party and its lawyers in such regulatory or judicial proceedings to the extent that such Party demands involvement in such regulatory or judicial proceedings.

Each Party shall consult the respective other Party on the handling of, further steps to be taken with regard to, and options to terminate such regulatory or judicial proceedings, as available, and to consider the interests of the other Group and, as appropriate, the extent of any existing claim for internal settlement pursuant to sec. 5 when taking their decisions. In doing so, the Parties shall, to the extent permitted by law, attempt to reach agreement as to whether and, if so, how the relevant regulatory or judicial proceedings may be terminated while paying as much regard as possible to the interests of both Parties. If the Parties fail to reach such agreement and if a full internal settlement obligation exists under sec. 5, the provisions in sec. 7.12(a) sentence 1 and in sec. 7.12(b) shall apply accordingly, with the settlement limit pursuant to sec. 7.12(a) sentence 2 not being applicable; instead, the amount of the settlement obligation corresponds (and is limited) to the amount that would be payable in the event of a premature termination of such regulatory/judicial proceedings as desired by the Party not directly involved in such proceedings. In the event that either Parties is not subject to a full internal settlement obligation under sec. 5, the Parties shall endeavor to ensure that agreement is reached on the utilization of any existing option to terminate regulatory/judicial proceedings. The foregoing shall be without prejudice to right of the Party directly involved in the proceedings to take all procedural steps; the respective other Party is not entitled to take or not take any procedural steps.

- 7.12 With regard to the investigations conducted by the public prosecutor's offices in Hanover and Frankfurt/Main in connection with illegal defeat devices in diesel engines, the Parties shall enter into a separate agreement in which the principles described in sec. 7.11 will be set out in more detail. In addition and

without prejudice to sec. 7.11, the Parties shall attempt in accordance with such separate agreement and to the extent permitted by law, to reach agreement as to whether and, if so, how the relevant proceedings may be terminated while paying as much regard as possible to the interests of both Parties. If the Parties fail to reach an agreement, the following provisions regarding the proceedings referred to in sec. 7.12 sentence 1 shall apply:

- (a) If the Party directly involved in proceedings wants to continue proceedings and if the respective other Party has informed the Party directly involved in proceedings in writing of its intention to avail of an existing option to settle such proceedings, the Party directly involved in proceedings may nevertheless continue such proceedings. In this case, any existing internal settlement claim under sec. 5 the Party directly involved in such proceedings has against the respective other Party is limited to such amount as such Party would have been required to bear when availing of the existing option to terminate such proceedings by that date.
- (b) If the Party directly involved in proceedings wants to avail of an existing option to terminate such proceedings whereas the respective other Party wants to continue such proceedings, the Party directly involved in proceedings must continue such proceedings if the respective other Party provides a reasoned statement from a reputable law firm according to which continuing such proceedings is most probable to result in lower monetary charges than availing of the existing option to terminate such proceedings.

Any other provisions of sec. 7.11 shall apply subject to the separate agreement pursuant to sec. 7.12 sentence 1.

- 7.13 With regard to regulatory or judicial proceedings which (in each case on the basis of the relevant sales revenues) exclusively or mainly concern companies or the business of the Vitesco Technologies Group but continue to be conducted with or against a Continental Group Company after the Closing Date, the Parties shall jointly endeavor to ensure, to the extent permitted by law, that the relevant party is replaced and the proceedings are taken over by a Vitesco Technologies Group Company.
- 7.14 In case of (compliance) investigations and internal audits which concern a company or the business of the respective other Group and (at least also) relate to the period prior to the Closing Date, the Parties shall, to the extent necessary and permitted by law, support each other and, where necessary and appropriate,
 - (a) provide each other with any information and documents which are necessary or appropriate (i) to comply with orders issued by an authority or court, (ii) to obtain permits, (iii) to produce evidence, (iv) to defend themselves against or terminate proceedings before any authority or court, and (v) to fully clarify the facts under investigation, and
 - (b) grant each other access to the employees (including to minutes of any interviews conducted with employees concerning the relevant matter)

of the respective other Group, to the extent it is ensured that any such interviews are restricted to their activities as employees of a company of the respective other Group.

- 7.15 The Parties agree that, until and beyond the Closing Date, external expenses will still be needed, among other things for the separation of shared systems. in particular in the areas IT, Finance, HR and Quality, and will be incurred at Continental AG, the Continental Group Companies, VT Group AG and the Vitesco Technologies Group Companies (together the ***Separation Expenses***). Separation Expenses incurred until the Closing Date will be allocated between the Parties in accordance with a separate agreement, taking into account the practice pursued until then in the Continental Group. Separation Expenses incurred after the Closing Date will be borne by each Party or their respective Group Company themselves.

8. Rights to information

- 8.1 The Parties agree that, from the time when this Agreement takes effect, VT Group AG shall have rights to information and inspection vis-à-vis VT 1. and 2. Beteiligungs KGs equivalent to those of a limited partner in VT 1. and 2. Beteiligungs KGs. These rights to information and inspection may be asserted vis-à-vis VT 1. and 2. Beteiligungs KGs on the basis of the power of attorney granted by Continental AG to VT Group AG (Annex 6.3 to the Spin-off Agreement).
- 8.2 The Parties agree that the information requests made by one Party must not actually exclude the rights to information of the other Party. Accordingly, in the event of an increased need for information, the Parties shall coordinate their actions with regard to information requests made to VT 1. und 2. Beteiligungs KGs.

9. Surrender of documents and migration of data

- 9.1 Each Party shall surrender to the other Party, within a reasonable period of time, to the extent permitted by law and notwithstanding the right to make and retain copies to the extent permitted by law, any and all records such as deeds or documents in physical or electronic form and any other information in physical or electronic form (***Documents***) that were generated before the Spin-off took effect (***Historical Documents***), to the extent that such Documents are attributable exclusively to the respective other Party or the respective other Group. Sentence 1 of this sec. 9.1 shall apply accordingly to data, provided that, to the extent permitted by law, the obligation to surrender shall be replaced with an obligation to migrate data which were generated before the Spin-off took effect (***Historical Data***). Each Party shall ensure that its respective Group Companies will act accordingly.
- 9.2 Each Party may request that the other Party shall retain any and all documents and data, to the extent that they are attributable exclusively to the respective other Party or the respective other Group, itself and at its own expense. If one Party offers to the other Party that the relevant documents or data be collected or transferred but this offer is not accepted, or the documents and data are not

collected and transferred, within six (6) months, the former Party is released from the retention obligation.

- 9.3 The obligations set out in this sec. 9 represent a minimum standard; to the extent that contractual agreements between the relevant companies of the two Groups contain further reaching obligations or additional provisions, these shall remain valid.

10. Rights to inspection, access to data and retention periods

- 10.1 Each Party shall, to the extent permitted by law, grant the other Party, upon its request and against reimbursement of the costs incurred, the right to inspect Historical Documents retained by it and access to Historical Data retained by it and the right to make copies thereof during usual office hours and after adequate advance notice, to the extent that the relevant Party has and proves to have a legitimate interest in this. Each Party shall ensure that its respective Group Companies will act accordingly.
- 10.2 A legitimate interest of the respective other Party exists in any case in which the Documents to be inspected are retained by the Party retaining them on behalf (or at least also on behalf) of the respective other Party in accordance with sec. 10.3 below, and otherwise at least in cases in which the relevant Documents are necessary to assert transferred rights and/or fulfill transferred obligations or to comply with reporting and information requirements imposed by law or by authorities or courts, or for notification procedures (such as merger control) or other regulatory, judicial and arbitral proceedings (except for judicial or arbitral proceedings against the Party or any of its Group Companies which is to grant the right to inspect Documents or the access to data).
- 10.3 One Party may request the other Party in writing that Documents and data be retained by companies of the Group of the other Party even after expiry of the statutory retention periods if it has a legitimate interest in this. In such a case, the requesting Party shall bear the costs for the continued retention, unless it proves that the company retaining the Documents and/or data has a legitimate interest of its own in continuing their retention. This shall not apply to Documents and data the destruction of which is mandatorily required by law (in particular, data protection law) upon expiry of the statutory retention periods. The other Party is released from the retention obligation if it offers that the relevant documents and data be collected or transferred but this offer is not accepted, or the documents and data are not collected and transferred, within six (6) months.
- 10.4 The obligations set out in this sec. 10 represent a minimum standard; to the extent that contractual agreements between the relevant companies of the two Groups contain further reaching obligations or additional provisions, these shall remain valid.

VI. Material agreements between the Groups

11. Contract manufacturing and services

- 11.1 The Parties shall enter into a framework agreement relating to mutual contract manufacturing at mixed-use manufacturing sites (***Framework Contract Manufacturing Agreement***), which will come into force on July 1, 2021.
- 11.2 The Parties shall enter into a framework agreement relating to mutual research and development services and related services and works (***Framework Research and Development Agreement***).
- 11.3 Continental AG acknowledges that Vitesco Technologies Group Companies currently use preliminary services provided by Elektrobit Automotive GmbH for the performance of obligations under customer contracts. The Parties, having regard to their interests, shall negotiate and enter into an agreement on arm's length basis in order to ensure that the Vitesco Technologies Group Companies will be able to perform their obligations to customers also after the Spin-off.

VII. Taxes

12. Taxes resulting from the Spin-off

- 12.1 Continental AG and VT Group AG shall each pay 50% of any transfer taxes (including real estate transfer tax) which may be incurred as a result of the spin-off of the Spin-off Assets. As between the Parties, each Party shall indemnify the respective other Party (or, at the choice of the Party asserting the claim, the relevant Continental Group Company or Vitesco Technologies Group Company) from and against any amount of transfer taxes incurred by the respective other Party or relevant Continental Group Company or Vitesco Technologies Group Company that exceeds the percentage of transfer taxes to be paid by the Party asserting the claim pursuant to the first sentence of this paragraph.
- 12.2 Any other taxes incurred as a result of the spin-off of the Spin-off Assets shall be borne by the Party or the other Continental Group Company or Vitesco Technologies Group Company which owes the taxes in accordance with the applicable tax laws or is liable for the payment of the taxes under any other contractual provisions.

13. Payment of offsetting effects

- 13.1 To the extent that (i) the Continental Group Companies pay taxes under applicable law or contractual provisions and such taxes were incurred and are incurred as a result of and in connection with the Carve-Out (***Separation Taxes***), (ii) the assessed amount of such Separation Taxes is higher or lower than initially declared (especially as a result of a tax audit) (and this higher or lower amount is, especially under procedural law, still permitted), and (iii) the higher assessment gives rise to offsetting effects for a Vitesco Technologies Group Company (or a company which is consolidated for tax purposes with a Vitesco Technologies Group Company) which may result in a potential tax reduction (e.g. as a result of higher depreciations for tax purposes), or the lower assess-

ment gives rise to offsetting effects for a Vitesco Technologies Group Company (or a company which is consolidated for tax purposes with a Vitesco Technologies Group Company) which may result in a potential tax increase (e.g. as a result of lower depreciations for tax purposes) (and these potentially tax-reducing or tax-increasing offsetting effects can, under procedural law, still be taken into account at the relevant Vitesco Technologies Group Company or company consolidated for tax purposes with it), the present value of these offsetting effects calculated using the Lump-Sum Settlement Approach pursuant to sec. 13.3 shall be paid, in the case of a higher assessment, by VT Group AG to Continental AG or, in the case of a lower assessment, by Continental AG to VT Group AG (***Offsetting Effect Claim***).

13.2 An Offsetting Effect Claim shall be excluded if and to the extent that Continental AG or another Continental Group Company receives an indemnification against, or other compensation, for the relevant Separation Tax from a third party.

13.3 The present value of the offsetting effects shall be calculated as follows as of the date on which the Offsetting Effect Claim came into existence:

13.3.1 on the assumption of an even distribution of the offsetting effects over a period of

- (a) eight (8) years for property, plant and equipment and intangible assets (with the exception of goodwill that is not subject to scheduled amortization),
- (b) one (1) year for current assets,
- (c) fourteen (14) years for provisions for pensions, and
- (d) one (1) year for other items of equity and liabilities;

where goodwill that is not subject to scheduled amortization and financial investments shall be valued at a present value of zero (0) euro;

13.3.2 on the irrebuttable assumption that the taxable earnings of the relevant Vitesco Technologies Group Company (or company consolidated for tax purposes with it) or Continental Group Company (or company consolidated for tax purposes with it) are sufficient for a set-off against the offsetting effects;

13.3.3 on the basis of the tax rates applicable in the year in which the Offsetting Effect Claim came into existence, applying a discount factor of 6% p.a.

(the ***Lump-Sum Settlement Approach***).

13.4 To the extent that circumstances which may give rise to an Offsetting Effect Claim become known, or should have become known within an appropriate group organization, to Continental AG or VT Group AG, Continental AG or VT Group AG, as applicable, shall inform the other Party in writing within

twenty (20) Banking Days, and Continental AG and VT Group AG shall cooperate with each other in accordance with sec. 14.2.

- 13.5 If and to the extent that the offsetting effects result from a change in a purchase price for a collection of assets or in the other value at which the transfer of such a collection of assets is measured, Continental AG and VT Group AG shall reach an agreement on the allocation of the purchase price or other value between the individual transferred assets with the aim to ensure that this allocation will be recognized by the tax authorities. In the event that such an agreement cannot be reached or that this is requested by a party or that an expert opinion needs to be presented to the tax authorities, the decision shall be made by an expert from an internationally recognized accounting firm to be appointed jointly by Continental AG and VT Group AG, and the costs for such an expert shall be borne equally between Continental AG and VT Group AG. If Continental AG and VT Group AG cannot agree on an expert, the expert shall be selected by the chairman of the Board of Directors of the Institute of Public Auditors in Germany, Incorporated Association (*Institut der Wirtschaftsprüfer in Deutschland e.V. – IDW*) upon request of both Parties or one of the Parties.
- 13.6 An Offsetting Effect Claim may only be asserted if the offsetting effects at the relevant Continental Group Companies or Vitesco Technologies Group Companies may result, in the aggregate, in a potential reduction or increase of the assessment basis of the relevant tax by one (1) million euro or more. In such a case, the claim can be asserted in full (***Exemption Threshold***). This Exemption Threshold applies separately to each jurisdiction in which the relevant Continental Group Company or Companies or Vitesco Technologies Group Company or Companies is or are resident for tax purposes.
- 13.7 An Offsetting Effect Claim shall be due on the date falling twenty (20) Banking Days after the relevant Party asserted the Offsetting Effect Claim in writing vis-à-vis the other Party.
- 13.8 This sec. 13 shall apply accordingly for the benefit of VT Group AG to the extent that Vitesco Technologies Group Companies pay Separation Taxes (e.g. in the case of a transfer of assets by a Vitesco Technologies Group Company to a Continental Group Company as part of the Carve-Out (so-called “reverse carve-out”), if and to the extent that the transferring Vitesco Technologies Group Company or another Vitesco Technologies Group Company pays the tax incurred as a result of such a reverse carve-out).

14. Cooperation in tax matters

- 14.1 Subject to the obligations to cooperate set forth in secs. 14.2 to 14.4 below, the responsibility for compliance with the obligations of the Vitesco Technologies Group Companies with regard to tax proceedings lies with VT Group AG and the Vitesco Technologies Group Companies as from the Closing Date.
- 14.2 The Parties shall, in any tax matters (***Relevant Tax Matters***) which may give rise to an obligation for one of the Parties pursuant to part VII (Taxes) or which arise under an agreement between a Vitesco Technologies Group Company and a Continental Group Company entered into as part of the Carve-Out

(*Separation Agreement*), endeavor to ensure that the tax burden on each Party and the other Group Companies will, to the extent permitted by law, be reduced as far as possible or that a tax refund will be obtained, provided that also an adverse change in losses, loss carry forwards or similar items shall be considered as tax burden; the Parties shall also ensure, to the extent permitted by law, that the Group Companies participate in such endeavors.

- 14.3 The cooperation in Relevant Tax Matters relating to taxes which are incurred by a Vitesco Technologies Group Company but have to be paid by a Continental Group Company under a Separation Agreement (*Pre-Separation Taxes* and Relevant Tax Matters relating to Pre-Separation Taxes *Pre-Separation Tax Matters*) includes, in particular, the following obligations:

14.3.1 To the extent that a tax return (including modifications thereof) to be filed by a Vitesco Technologies Group Company relates to a Pre-Separation Tax, VT Group AG shall ensure that the draft of such a tax return is submitted to Continental AG for review at least forty (40) Banking Days prior to the expiry of the filing deadline. Continental AG shall inform VT Group AG within (20) Banking Days whether it agrees with the tax return or whether it requests changes; otherwise the tax return shall be deemed approved by Continental AG. VT Group AG guarantees that the tax return will be filed only with the prior approval of Continental AG. If the two Parties are unable to agree on the contents of the tax return, Continental AG shall decide, to the extent permitted by law.

14.3.2 VT Group AG shall ensure that, in any Pre-Separation Tax Matter, copies of all tax assessment notices, tax assessments, letters from the tax authorities relating to tax audits (audit orders, auditor enquiries, provisional and final audit findings, provisional and final audit reports) and letters from the authorities and, as the case may be, from the competent court in other tax-related regulatory or judicial proceedings (*Pre-Separation Tax Proceedings*) are forwarded to Continental AG within seven (7) Banking Days of receipt by a Vitesco Technologies Group Company.

14.3.3 With regard to Pre-Separation Tax Proceedings, VT Group AG shall ensure and guarantee that (i) Continental AG and/or its consultants who are bound to professional secrecy are granted the opportunity to participate in the Pre-Separation Tax Proceedings, (ii) upon the request of Continental AG, any tax assessment or any other decision by a tax authority or a court is challenged or appeals or other remedies are lodged against it, and (iii) the written instructions given by Continental AG with regard to the conduct of the Pre-Separation Tax Pro-

ceedings are followed, unless these instructions are incompatible with applicable law. Continental AG shall bear its internal and external costs as well as the costs for any appeals or other remedies to the extent that these are lodged upon its request; VT Group AG shall bear itself its internal costs and the costs of any own advisers used by it.

- 14.4 Continental AG and VT Group AG shall file any notifications to be submitted as a result of the Spin-off in accordance with Section 19 of the German Real Estate Transfer Tax Act (*Grunderwerbsteuergesetz*) upon mutual agreement. Continental AG shall send to VT Group AG a corresponding draft of a real estate transfer tax notification within five (5) Banking Days after the Closing Date, which shall then be discussed and agreed between the two Parties.

15. Limitation period

Claims under this part VII (Taxes) shall become time-barred upon expiry of six (6) months after and to the extent that the tax assessment on which the relevant claim is based has become final, binding and non-appealable but (i) not earlier than upon expiry of six (6) months after the Closing Date, and (ii) not earlier than upon expiry of six (6) months after the relevant claim becomes enforceable and known (i.e., in particular, any Exemption Thresholds or amounts under this Agreement or under other agreements have been exceeded).

16. General rules

- 16.1 Offsetting Effect Claims shall be calculated on a pro rata basis in proportion to the participation (taking into account the relevant successive interests) held by VT Group AG or Continental AG in the respective Vitesco Technologies Group Company or Continental Group Company, as applicable, on the Closing Date.
- 16.2 To the extent that this part VII (Taxes) contains provisions relating to taxes and tax matters, these provisions relating to taxes and tax matters shall take precedence over other provisions in the Spin-off and Transfer Agreement or in this Agreement and these other provisions shall, therefore, not be applicable to that extent.
- 16.3 If one of the Parties is required to provide information, notifications or instructions to the other Party pursuant to this part VII (Taxes), these statements shall be addressed to a contact person to be specified by each Party to the respective other Party in writing. If such information, notifications or instructions are required to be made in writing, Section 126 of the German Civil Code (*Bürgerliches Gesetzbuch* – **BGB**) shall apply, provided that this requirement as to form shall also be fulfilled by a fax or an email; this shall also apply to the specification of a contact person. All notifications and instructions shall be given in writing.
- 16.4 If one of the Parties is required to provide information to the other Party pursuant to this part VII (Taxes) and fails to duly fulfill these requirements, the relevant Party shall compensate the respective other Party for any resulting

damage or loss in accordance with statutory requirements (in particular Section 280 BGB).

VIII. Obligation to review agreements internally

The Parties agree that any conclusion of agreements between a company of one Group and a company of the respective other Group is subject to a prior internal review of potential tax and legal risks by the parties to the relevant agreements.

IX. Further provisions

17. Confidentiality

17.1 Information which is available to a company of one Group about a company of the respective other Group due to the fact that both companies were part of the Continental Group prior to the completion of the Spin-off or which is made available at a later date due to rights to obtain information under this Agreement or the Spin-off and Transfer Agreement are referred to hereinafter as ***Confidential Information***, irrespective of whether they relate to companies of the Groups or third parties.

17.2 Confidential information shall not include information which

17.2.1 is in, or becomes part of, the public domain other than through a breach of an obligation of confidentiality under this Agreement; or

17.2.2 to which a Party or one of its Group Companies has or had legitimate access through a third party without restriction regarding its use or disclosure; or

17.2.3 was independently developed by a Party after conclusion of this Agreement, without reference to any Confidential Information..

17.3 The parent company of each Group undertakes to the parent company and the Group Companies of the respective other Group

17.3.1 to keep the Confidential Information secret at all times and not to disclose any Confidential Information to third parties without the prior written consent of the respective other Group parent company;

17.3.2 to prevent unauthorized disclosure of Confidential Information and access to Confidential Information by unauthorized third parties;

17.3.3 to take all necessary steps to avoid a violation of the provisions of the German Data Protection Act (*Bundesdatenschutzgesetz*); and

17.3.4 to promptly notify the other Group parent company if it comes to its attention that Confidential Information has been disclosed to a third party without authorization.

The steps taken by a Party to ensure the protection of its own Confidential Information shall be deemed to be the standard of due care for the obligation pursuant to sec. 17.3 of this Agreement.

The Group Companies, affiliates, employees, advisers, auditors as well as funding sources (including their advisers) of a Group shall not be deemed to be third parties to the extent they legitimately need the Confidential Information for their activity.

- 17.4 Each Party shall ensure that its Group Companies comply with the provisions of sec. 17.3 of this Agreement.
- 17.5 If a Party or one of its Group Companies is required to disclose Confidential Information by law, a statutory regulation, stock exchange regulation or any other administrative regulation or any contractual obligation agreed prior to the conclusion of this Agreement, or if authorities require it to disclose Confidential Information in a way that is not evidently unlawful, the Party or the relevant Group Company may disclose Confidential Information to this extent to the authorized recipients.

18. Assertion of claims

- 18.1 Claims under this Agreement shall inure to the sole benefit of the Parties. This Agreement does not give rise to rights for the benefit of third parties and of the companies affiliated with a Party, unless expressly provided for in this Agreement. Each Party may authorize a company affiliated with it to assert claims under this Agreement and to accept performance in satisfaction of the claim. Claims under this Agreement may be assigned within a Group without the consent of the Party against whom the claims are asserted. An assignment to third parties requires the prior consent of the Party against whom the claims are asserted.
- 18.2 The assertion of a claim under this Agreement shall be notified to the respective other Party in writing. Each Party undertakes to authorize the company in its Group which is best suited, in terms of proximity to the subject-matter, for the proper handling, negotiation and, if applicable, satisfaction of the asserted claim to conduct the negotiations with regard to the asserted claim.
- 18.3 The performance in satisfaction of the asserted claim shall be made to the Party who asserted the claim, unless the latter Party requests that such performance is made to a company affiliated with it. Each Party may use one of its Group Companies for the satisfaction of its obligations under this Agreement. The Parties may mutually agree on other satisfaction modalities.
- 18.4 The right of each Party to carry out a cause-based allocation of the expenses necessary for the satisfaction to its Group Companies shall remain unaffected.

19. Subsidies

- 19.1 If a claim for the recovery of public subsidies which were granted to a Group Company prior to the Closing Date, together with interest, is made by an authority, court or other entitled third party after the Closing Date, and the claim results from an action or omission (including the non-fulfillment of the condi-

tions for subsidies) by a company of the respective other Group (***Claim for Recovery***), the relevant Group parent company shall ensure that the companies of its Group support the relevant company of the other Group, to the extent permitted by law, in the defense against the Claim for Recovery. This support may be provided, in particular, by making available necessary documents or information.

- 19.2 To the extent that the Claim for Recovery is ordered by a non-appealable decision of an authority or court, an internal settlement in accordance with the rules set out in sec. 5.1 shall be effected.

20. Coordination Committee

- 20.1 The Parties shall establish a special body for monitoring compliance with this Agreement and, in particular, the cooperation agreed in this Agreement, and for the settlement of disputes (***Coordination Committee***).

- 20.2 The Coordination Committee shall consist of two members representing one Group and two members representing the other Group. The members representing the Continental Group shall be appointed by Continental AG, and the members representing the Vitesco Technologies Group shall be appointed by VT Group AG; the members appointed shall be specified in writing to the respective other Party.

- 20.3 The Coordination Committee shall hold meetings upon the request of one of its members within seven working days of the date of the request; the Parties may at their discretion decide within the same period to be represented in the meeting by one or two persons other than those specified in sec. 20.2 in order to ensure that the meeting can be held without undue delay.

- 20.4 In the meetings of the Coordination Committee, claims under this Agreement and other questions in connection with the implementation of this Group Separation Agreement can be discussed between the Parties. The Coordination Committee shall pursue the aim to achieve a balance of interests between the two Parties, and its members shall, with due regard to their own interests, assert the interests of the respective other Group within their own group to the best possible extent.

- 20.5 The Coordination Committee may adopt rules of procedure governing the procedure for convening meetings and the waiver of such a convening as well as the control and reporting duties of its members within the scope of their respective powers.

21. Dispute resolution

- 21.1 The Parties shall seek to amicably settle any disputes which may arise out of this Agreement or its validity or in connection with this Agreement or the agreements entered into for its implementation. A discussion between the Parties of the subject matter of the dispute in writing, by email, orally or by telephone upon a request to enter into negotiations made by one Party shall be considered as an attempt of amicable settlement.

- 21.2 Each Party may notify the Coordination Committee about any dispute relating to this Agreement between one or more companies of one Group and one or more companies of the other Group if such dispute has not been fully settled within a period of four weeks after receipt of the request pursuant to sec. 21.1. A Party may notify the Coordination Committee also before the expiry of four weeks after receipt of the request pursuant to sec. 21.1 if the other Party refuses to negotiate or has not responded to a request to enter into negotiations within four business days (excluding Saturday).
- 21.3 The limitation period for such claims which are the subject matter of the dispute shall be suspended within the meaning of Section 209 BGB upon receipt of the notification about the dispute by the Coordination Committee.
- 21.4 The Coordination Committee shall discuss the dispute within a period of four weeks after receipt of the notification with the aim of reaching a full settlement of the dispute.
- 21.5 If the Parties dissolved the Coordination Committee upon mutual agreement or if the Coordination Committee has not been able to reach a full settlement of the dispute upon expiry of the period specified in sec. 21.4, each Party may notify the chairpersons of the executive boards of Continental AG and VT Group AG about the dispute without undue delay.
- 21.6 The chairpersons of the executive boards shall discuss the dispute within a period of four weeks after receipt of the notification with the aim of reaching a full settlement of the dispute.
- 21.7 If the chairpersons have not been able to reach a full settlement of the dispute within four weeks after receipt of the notification, each of the companies directly involved in the dispute shall be entitled to initiate arbitral proceedings in accordance with sec. 21.9.
- 21.8 The Parties agree that they shall not be permitted to file a request for arbitration as long as the procedures set out in secs. 21.1 to 21.7 have not been completed. Upon expiry of six months after receipt of the notification about the dispute pursuant to sec. 21.2 by the Coordination Committee, the Parties shall be permitted to file a request for arbitration.
- 21.9 All disputes arising out of or in connection with this Agreement or its validity between the Parties shall be finally settled in accordance with the Arbitration Rules of the German Arbitration Institute (*Deutsche Institution für Schiedsgerichtsbarkeit e.V. – DIS*) without recourse to the ordinary courts of law. The arbitral tribunal shall be comprised of three arbitrators. The president of the arbitral tribunal shall be qualified to hold judicial office in the Federal Republic of Germany. The seat of the arbitration shall be Frankfurt/Main. The language of the arbitration shall be German. The Parties shall not be obligated to provide translations of English documents-

22. Miscellaneous

- 22.1 This Agreement shall be notarized and shall come into force upon adoption of the resolution of the shareholders' meeting of Continental AG on the approval of the Spin-off and Transfer Agreement.

- 22.2 This Agreement shall terminate upon receipt of a withdrawal declaration pursuant to sec. 19 of the Spin-off and Transfer Agreement, by which a party to the Spin-off and Transfer Agreement withdraws from that Agreement.
- 22.3 Any amendments and additions to this Agreement, including a contracting out of this provision, shall be made in writing, unless stricter requirements as to form are prescribed by law.
- 22.4 To the extent that this Agreement contains provisions regarding obligations of Continental Group Companies or Vitesco Technologies Group Companies and the relevant companies do not become a Party to this Agreement, the relevant provisions shall be construed in such a way that the relevant Group parent company is obliged to ensure that the companies of its Group comply with the provisions of this Agreement.
- 22.5 In the event of any inconsistencies between this Agreement and other agreements between companies of the Groups, this Agreement shall prevail, unless otherwise specifically provided in this Agreement.
- 22.6 Unless expressly otherwise provided in this Agreement, claims under this Agreement shall become time-barred at the end of December 31, 2030.
- 22.7 This Agreement shall be governed by the laws of the Federal Republic of Germany.
- 22.8 In preparation for the Spin-off, the Parties and their respective Group Companies have entered into various agreements (among others, the contracts specified in sec. 11) and will possibly enter into further agreements until the Closing Date. The Spin-off shall take effect even if these agreements should be or become void, invalid or unenforceable in whole or in part. Should these agreements be or become invalid in whole or in part, the Parties shall enter into the relevant agreements again with retroactive effect or, if this is not practicable, enter into new agreements that come closest to what the parties to the relevant agreement intended or would have intended in accordance with the economic purpose and intent of the agreement that is void, invalid or unenforceable in whole or in part; the Parties shall also ensure the cooperation of the companies of their respective Groups, to the extent that they are parties to the relevant agreements.
- 22.9 Should one or more provisions of this Agreement be or become void, invalid or unenforceable in whole or in part, this does not affect the validity of this Agreement and of its remaining provisions. The void, invalid or unenforceable provision shall be deemed replaced by a provision that comes closest in terms of form, substance, time, extent and scope to the economic purpose and intent of the void, invalid or unenforceable provision. The same applies if this Agreement contains any gaps.

Continental Aktiengesellschaft

By:

Signature

Signature

Name/Title

Name/Title

Vitesco Technologies Group Aktiengesellschaft

By:

Signature

Signature

Name/Title

Name/Title

Vitesco Technologies GmbH

By:

Signature

Signature

Name/Title

Name/Title

Appendix 3

General Engagement Terms

for

Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]

as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: The German term "*Textform*" means in written form, but without requiring a signature] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.