

Corporate Governance

Report of the Supervisory Board

Dear shareholders,

The Supervisory Board comprehensively fulfilled all tasks incumbent upon it under applicable law, the Articles of Incorporation and By-Laws in fiscal 2024. In addition, the Supervisory Board closely supervised, carefully monitored and advised the Executive Board in the management of the company. It was also directly involved in a timely manner in all decisions of fundamental importance to the company.

The Executive Board provided the Supervisory Board with regular, timely and comprehensive updates at its meetings as well as verbally and in writing on all issues of relevance to the company. In particular, these include the business performance, business strategy, planning, significant business transactions in the company and the Continental Group, and the related risks and opportunities, as well as compliance issues. The members of the Supervisory Board were also available to the Executive Board for consultation outside the meetings. As chairman of the Supervisory Board, I had regular contact with the members of the Executive Board, in particular with its chairman, and discussed current company issues and developments with them. Pursuant to a suggestion of the German Corporate Governance Code, I also held discussions with investors in fiscal 2024 on topics specific to the Supervisory Board.

Meetings of the Supervisory Board and the committees

The Supervisory Board convened for five ordinary meetings and one extraordinary meeting in fiscal 2024, as well as for the strategy meeting. The meeting in June and the extraordinary meeting in August took place virtually, while all other meetings were held in person. At its meetings, the Supervisory Board regularly conferred part of the time in the absence of the Executive Board. In addition to these meetings, the Supervisory Board passed one resolution on the profile of skills and expertise and on the qualifications matrix by written procedure.

The Chairman's Committee held five meetings in the reporting year (four in person and one virtually) and passed two resolutions by written procedure. The Audit Committee met four times in 2024 (all in person). The Mediation Committee in accordance with Section 27 (3) of the German Co-determination Act (*Mitbestimmungsgesetz - MitbestG*) was not required to meet in 2024, and neither was the Committee for Related Party Transactions (RPT Committee) nor the Nomination Committee.

The special committee formed in connection with the Supervisory Board's investigation into the manipulation of emission limits by certain automotive manufacturers (Special Emissions Committee) was no longer required in the year under review and was dissolved following the conclusion of these investigations by resolution of the Supervisory Board at its meeting on April 26, 2024.

There are no other committees. All committees report to the plenary session. The corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code (*Handelsgesetzbuch - HGB*) starting on page 16 describes their responsibilities in more detail and names their members.

The following overview provides information on the individual attendance of the Supervisory Board members at meetings of the Supervisory Board and its committees.

Individual attendance of Supervisory Board members at in-person and virtual meetings of the Supervisory Board and its committees in fiscal 2024

	Attendance	
	Number of meetings	Percentage
Supervisory Board plenary session		
Prof. Dr.-Ing. Wolfgang Reitzle (chairman)	7 / 7	100
Dorothea von Boxberg	7 / 7	100
Stefan E. Buchner	7 / 7	100
Dr. Gunter Dunkel	7 / 7	100
Satish Khatu	7 / 7	100
Isabel Corinna Knauf	7 / 7	100
Sabine Neuß	7 / 7	100
Prof. Dr. Rolf Nonnenmacher	7 / 7	100
Klaus Rosenfeld	7 / 7	100
Georg F. W. Schaeffler	7 / 7	100
Christiane Benner	7 / 7	100
Hasan Allak	7 / 7	100
Dr. Kevin Borck (since September 16, 2024)	3 / 3	100
Dr. Matthias Ebenau (since April 26, 2024)	4 / 5	80
Francesco Grioli	7 / 7	100
Michael Iglhaut	7 / 7	100
Carmen Löffler	7 / 7	100
Dirk Nordmann (until April 26, 2024)	2 / 2	100
Anne Nothing (since April 26, 2024)	5 / 5	100
Lorenz Pfau (until April 26, 2024)	2 / 2	100
Jörg Schönfelder	7 / 7	100
Stefan Scholz (until September 1, 2024)	4 / 4	100
Matthias Tote (since April 26, 2024)	5 / 5	100
Elke Volkmann (until April 26, 2024)	2 / 2	100
Chairman's Committee		
Prof. Dr.-Ing. Wolfgang Reitzle (chairman)	5 / 5	100
Hasan Allak (since April 26, 2024)	3 / 3	100
Christiane Benner	5 / 5	100
Georg F. W. Schaeffler	5 / 5	100
Jörg Schönfelder (until April 26, 2024)	2 / 2	100
Audit Committee		
Prof. Dr. Rolf Nonnenmacher (chairman)	4 / 4	100
Francesco Grioli	4 / 4	100
Michael Iglhaut	4 / 4	100
Dirk Nordmann (until April 26, 2024)	1 / 1	100
Klaus Rosenfeld	4 / 4	100
Georg F. W. Schaeffler	4 / 4	100
Matthias Tote (since April 26, 2024)	3 / 3	100

Key topics dealt with by the Supervisory Board and the Chairman's Committee

At each ordinary meeting of the plenary session, the Executive Board informed the Supervisory Board in detail of the sales, results and employment development in the Continental Group and individual group sectors as well as the financial situation of the company. Where the actual course of business deviated from the defined plans and targets, the Executive Board provided detailed explanations. It discussed the reasons for these deviations and the measures introduced in depth with the Supervisory Board. In addition, the Executive Board regularly informed the Supervisory Board about the Continental Group's main procurement and sales markets and about Continental AG's share price performance.

In addition, the work of the Supervisory Board and its collaboration with the Executive Board in the year under review continued to be shaped by the transformation process in the automotive industry, the weak macroeconomic environment and the resulting consequences for the company. Another focus area for the Supervisory Board was monitoring preparations for the reorganization of the Continental Group, with largely independent group sectors and the planned spin-off of the Automotive and Contract Manufacturing group sectors. At the start of the year, the Supervisory Board concluded its investigation into the manipulation of emission limits in vehicles of specific automotive manufacturers. The Supervisory Board will continue to pursue possible claims against former Executive Board members and managers. The Supervisory Board also regularly addressed the measures being taken to strengthen the risk management and internal control system as well as the compliance management system.

At the meeting on **March 12, 2024**, the company's annual financial statements and the consolidated financial statements for 2023 were discussed and subsequently approved in the presence of the auditor. As part of reporting for the current fiscal year, the Supervisory Board closely examined the business development and market situation, particularly for the Automotive group sector.

The decision by the Executive Board to hold the Annual Shareholders' Meeting in person in 2024, for the first time since the coronavirus pandemic ended, was also approved, as was the draft agenda for the Annual Shareholders' Meeting. In addition, the Supervisory Board also adopted its proposed resolutions for the Annual Shareholders' Meeting. These included proposals for the new election of shareholder representatives by implementation of the staggered board concept (see the section on personnel changes on the Supervisory Board and Executive Board), and the adjusted remuneration system for the Executive Board as part of the regular submission for approval. The Supervisory Board also addressed the status of the measures being taken to strengthen governance and compliance. Furthermore, the Supervisory Board received reports from internal and external experts on the key findings of the internal investigation into the supply of engine control units and engine control software by Continental in connection with the manipulation of emission limits by certain automotive manufacturers.

At the Supervisory Board meeting on **April 26, 2024**, in view of the fall in Continental AG's share price, the Supervisory Board discussed the reasons behind the weak business performance in the first quarter. Furthermore, the agreement reached with the public prosecutor's office in Hanover on the fine proceedings in connection with the supply of engine control units and engine control software was

discussed, and the Special Emissions Committee was dissolved upon completion of the internal investigation. The Supervisory Board also acknowledged the work carried out by the employee representatives leaving the committee at the end of the Annual Shareholders' Meeting on the same day and bade them farewell.

At the meeting on **June 27, 2024**, the Supervisory Board passed a resolution on the succession plan for the position of chief financial officer and the associated establishment of a newly configured Executive Board function for Group Finance, Integrity and Law, to be headed by Olaf Schick. Business development was also discussed in detail, paying particular attention to the macroeconomic situation, including the threat of tariffs on automobiles from China. A particular focus was placed on the situation in the Automotive group sector and the measures taken there to cut costs and improve earnings. The projects and measures planned for the rest of the year and beyond to strengthen the risk and compliance management system were also presented.

At the extraordinary meeting on **August 5, 2024**, the Executive Board presented to the Supervisory Board the results of an analysis it had carried out regarding a possible spin-off of the Automotive and Contract Manufacturing group sectors with subsequent listing. In addition to the benefits of an independent, agile Automotive organization, the financial feasibility was also explained. Following this, the Supervisory Board discussed in detail the impact of such a transaction, both on the group sectors and on employees, and gave the Executive Board suggestions for the further detailed evaluation of the possible spin-off.

The Supervisory Board took the opportunity provided by the full-day strategy meeting on **September 18, 2024**, to visit the Continental Automotive Romania location in Timisoara, Romania. There, the Executive Board and Supervisory Board discussed the strategic goals and strategic planning for the Continental Group and the individual group sectors in detail. These discussions also addressed the future setup of an independent Automotive organization and the requirements necessary for a successful stock market listing. The Executive Board additionally presented the plans to the Supervisory Board for the remaining group sectors, according to which Tires and ContiTech would also become largely independent under a lean holding structure. As part of the ContiTech strategy, topics discussed included the status of the realignment resulting from the planned sale of the Original Equipment Solutions (OESL) business area. Discussions also covered experiences with personnel programs aimed at dealing with the effects of the transformation of the automotive industry, possible growth areas for individual group sectors and their sustainability strategy.

At the meeting on **September 19, 2024**, the Supervisory Board addressed the assertion of possible claims for damages against former Executive Board members in connection with Continental's role in the manipulation of emission limits in vehicles produced by specific automotive manufacturers, based on the presentation of findings of an external analysis. In addition, the Supervisory Board's Sustainability Working Group reported on its activities to support the group sectors' sustainability targets. The Executive Board also presented the status of measures to bolster IT security. In the course of the presentation on ongoing business development, the



Executive Board reported in detail on the reasons behind the quality situation for the MK C2 integrated brake system, as well as the current status in this regard and the measures introduced.

At the meeting on **December 18, 2024**, Olaf Schick's resignation effective September 30, 2025, was approved without the Executive Board present. Olaf Schick had made this request to the Supervisory Board due to his appointment to the Board of Management of Mercedes-Benz Group AG. In addition, the Supervisory Board determined the targets for the short-term incentive (STI) and the long-term incentive (LTI). The Supervisory Board also discussed the status of deliberations on the future composition of the Executive Board of Continental AG. In the presence of the Executive Board, the Supervisory Board extensively addressed the annual planning for 2025

and the long-term planning. It also approved the planning and investment plans for fiscal 2025. This gave the Supervisory Board the opportunity to discuss possible growth areas that had been included in planning for the individual group sectors with the Executive Board. Additionally, the Executive Board reported in detail on the status of preparations for the planned spin-off of the Automotive and Contract Manufacturing group sectors and Continental's organizational realignment. In particular, the Executive Board presented the process for allocating the group functions' approximately 2,600 employees to the group sectors. The Supervisory Board also approved several internal capital increases in preparation for the organizational changes.

The **Chairman's Committee** held five meetings in the year under review, in which it primarily prepared the personnel-related decisions of the plenary session and made recommendations for resolutions. At its first meeting on **March 12, 2024**, proposals to the plenary session relating to the setting of targets to be achieved within the scope of the short-term incentive (STI) for fiscal 2023 and the 2020-2023 long-term incentive (LTI) tranche were resolved. At the meeting on **April 26, 2024**, the Chairman's Committee discussed matters such as possible organizational changes to the work of the Supervisory Board, such as through the introduction of further committees, which was ultimately decided against. At its meeting on **June 27, 2024**, it decided to recommend to the plenary session that an Executive Board function for Group Finance, Integrity and Law be established, combining the responsibilities of the former Group Finance and Controlling function and Integrity and Law function. This recommendation also included transferring responsibility for Group Information Technology (IT), which was previously part of the Finance function, to the chief executive officer. It also decided to recommend to the plenary session that Olaf Schick, as the new chief financial officer, should take over the newly created function effective July 1, 2024. At the meeting on **September 19, 2024**, the Executive Board informed the Chairman's Committee about the planned sale of Zonar Systems, Inc., Seattle, Washington, USA, and explained the reasons for initiating this sales process. The Chairman's Committee also discussed the possible impact of the planned spin-off of Automotive and Contract Manufacturing on the composition of the Executive Board. In **November 2024**, the Chairman's Committee approved the sale of Zonar Systems to GPS Trackit by means of two written resolutions adopted by circular resolution. At its meeting on **December 18, 2024**, recommendations to the plenary session relating to the targets for the variable remuneration of the Executive Board were resolved. It was also decided to recommend to the plenary session that it formally approve Olaf Schick's resignation effective September 30, 2025.

Key topics dealt with by the Audit Committee

The Audit Committee was also informed by the Executive Board in detail and on an ongoing basis about sales, results and employment development in the Continental Group and individual group sectors as well as the financial situation of the company. The Executive Board is assisted by the head of Accounting and the head of Group Controlling, who attend the meetings of the Audit Committee and can thereby provide information directly. In addition, the chairman of the Audit Committee is in regular contact with the Executive Board member for Group Finance, Integrity and Law and

with the auditor outside of meetings and has access to senior employees entrusted with tasks relating to accounting, the internal control system, the risk management system, internal auditing and compliance. The chairman of the Audit Committee shares key information with the Audit Committee.

As a focus of each of its quarterly meetings, the Audit Committee talked with the Executive Board about the accounting as at the end of the previous quarter and the outlook for the year as a whole as well as the quarterly statements and the half-year financial report prior to their publication. Another focus of the Audit Committee's work in the past fiscal year was again on dealing with the risk management and internal control system as well as the compliance management system. The work of the Group Compliance and Group Internal Audit functions and reporting on significant risks and incidents were also regular topics at each meeting. This included in particular the matters described in more detail in the report on risks and opportunities and in the notes to the consolidated financial statements.

At its meeting on **March 4, 2024**, the Audit Committee discussed the company's annual financial statements and the consolidated financial statements as well as the combined non-financial statement for 2023 with the Executive Board and the auditor, and recommended their approval to the plenary session of the Supervisory Board. The committee also received a report on the status of an external analysis of Continental's internal audit system. Another topic of discussion was special effects, which are adjusted for the calculation of earnings for the purposes of determining the variable remuneration of the Executive Board.

At the meeting on **May 2, 2024**, alongside its regular recurring topics, the Audit Committee also addressed in detail the progress made in strengthening the technical compliance management system. The committee also received reports on the plans to change the structure of internal auditing activities and on the progress made in strengthening IT governance.

At the meeting on **August 1, 2024**, in addition to the half-year financial statements, one of the main topics on the Audit Committee's agenda were the ongoing preparations for future sustainability reporting in accordance with Directive (EU) 2022/2464 on corporate sustainability reporting (Corporate Sustainability Reporting Directive, CSRD). In addition, the status of several ongoing internal investigations was presented to the committee.

At the meeting on **November 6, 2024**, the Audit Committee issued the mandate for the audit of the 2024 annual and consolidated financial statements, as well as the report on relations with affiliated companies and the remuneration report, and for the audit of sustainability reporting, to the auditor appointed by the Annual Shareholders' Meeting, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hanover branch (PwC). In addition, the Audit Committee defined an approval framework for commissioning the auditor with permissible non-audit services in accordance with the EU Audit Regulation. The Executive Board regularly informs the Audit Committee about the use of this authorization. The committee also once again discussed sustainability reporting for fiscal 2024 and dealt in depth with ongoing preparations for the planned spin-off of the Automotive and Contract Manufacturing group sectors. The focus here was on special financial reporting requirements resulting from the spin-off.

Corporate governance

At its meeting on December 18, 2024, the Supervisory Board adopted its declaration in accordance with Section 161 of the German Stock Corporation Act (*Aktiengesetz - AktG*) on the recommendations of the German Corporate Governance Code. In February 2024, the Supervisory Board resolved, by written procedure, an extensive revision of the qualifications matrix to be prepared in accordance with the German Corporate Governance Code. The new matrix contains a more detailed description of the expertise that the Supervisory Board should possess through its members. The information provided by the individual members is based on a self-assessment, which is to be updated regularly. Alongside this new qualifications matrix, the Supervisory Board also resolved to update its profile of skills and expertise and the targets for its composition.

The chairman of the Supervisory Board was not notified of any potential conflicts of interest in 2024. Conflicts of interest notified by three Supervisory Board members in fiscal 2022 were resolved in the year under review. Up until said resolution, it continued to be ensured that the Supervisory Board members in question did not participate in discussions of the Supervisory Board and its committees on topics that could constitute a conflict of interest, and also did not receive any information in this regard. These still did not constitute such significant and long-term conflicts of interest that would have required the members to step down. In its opinion, the Supervisory Board also had an appropriate number of independent members, in particular on the shareholder side, as defined in the code at all times in the period under review. Further information on this topic and on corporate governance in general is included in the corporate governance statement pursuant to Sections 289f and 315d *HGB* (starting on page 16).

Annual and consolidated financial statements and sustainability reporting for 2024

PwC audited the annual financial statements as at December 31, 2024, prepared by the Executive Board in accordance with the provisions of the *HGB*, the 2024 consolidated financial statements and the combined management report for the company and the Continental Group, including the accounts and the system for early risk recognition. The 2024 consolidated financial statements of Continental AG were prepared in accordance with the International Financial Reporting Standards (IFRS). The auditor issued unqualified opinions. In addition, PwC audited the Executive Board's report on relations with affiliated companies pursuant to Section 312 *AktG* (dependent company report). PwC issued the following unqualified opinion on this report in accordance with Section 313 (3) *AktG*:

"Based on the results of our statutory audit and evaluation we confirm that:

- › the actual information included in the report is correct,
- › with respect to the transactions listed in the report, payments by the company were not unduly high, and
- › there are no circumstances in favor of a significantly different assessment than that made by the Executive Board in regard to the measures listed in the report."

The Audit Committee discussed the documents relating to the annual financial statements, including the dependent company report, as well as the auditor's reports and the remuneration report with the Executive Board and the auditor on March 3, 2025. Furthermore, the plenary session of the Supervisory Board discussed these at length at its meeting to approve the annual financial statements on March 12, 2025. The discussions also covered the combined non-financial statement (in accordance with Sections 315b and 315c in conjunction with Sections 289b to 289e *HGB*) and the sustainability report (in accordance with the European Sustainability Reporting Standards, ESRS) for the Continental Group and Continental AG (jointly referred to as "sustainability reporting"). The required documents were distributed to all members of the Audit Committee and the Supervisory Board in good time before these meetings so that the members had sufficient opportunity to review them. The auditor was present at these discussions. The auditor reported on the main results of the audits of financial and sustainability reporting (the latter with limited audit assurance) and was available to provide additional information to the Audit Committee and the Supervisory Board. Based on its own review of the annual financial statements, the consolidated financial statements, the combined management report of Continental AG and of the Continental Group, as well as the dependent company report including the final declaration of the Executive Board, and based on the report and the recommendation of the Audit Committee, the Supervisory Board concurred with the results of the auditor's audit. There were no objections. The Supervisory Board approved the annual financial statements and the consolidated financial statements. The annual financial statements are thereby adopted.

PwC issued an unqualified opinion for the sustainability reporting. Based on the Supervisory Board's own review, the Audit Committee's report on its preliminary examination and its recommendation, and PwC's audit and unqualified opinion on the sustainability reporting, the Supervisory Board finds that the sustainability reporting was prepared in accordance with Sections 315b and 315c in conjunction with Sections 289b to 289e HGB, as well as the provisions of the ESRS. The auditor reviewed the remuneration report prepared by the Executive Board and the Supervisory Board and issued a report that is attached to the remuneration report.

The Supervisory Board together with the Executive Board will propose to the Annual Shareholders' Meeting on April 25, 2025, that a dividend of €2.50 per share entitled to dividends be paid out for the past fiscal year and that the retained earnings be carried forward to new account.

Personnel changes on the Supervisory Board and Executive Board

As reported, the term of office for the previous Supervisory Board ended with the close of the Annual Shareholders' Meeting on April 26, 2024. The previous shareholder representatives were all, without exception, re-elected by the Annual Shareholders' Meeting. At the same time, the staggered board concept for shareholder representatives was introduced with these elections. Under this concept, the terms of office of the shareholder representatives do not run in parallel; instead, groups of five representatives are elected in staggered cycles for a term of office of four years. To establish this rhythm of staggered election cycles, five shareholder representatives were elected for a one-time term of office of two years. These were:

- › Dr. Gunter Dunkel
- › Satish Khata
- › Sabine Neuß
- › Prof. Dr.-Ing. Wolfgang Reitzle
- › Georg F. W. Schaeffler

The following five shareholder representatives were elected for a term of office of four years:

- › Dorothea von Boxberg
- › Stefan E. Buchner
- › Isabel Corinna Knauf
- › Prof. Dr. Rolf Nonnenmacher
- › Klaus Rosenfeld

The following personnel changes took place among the employee representatives: Dirk Nordmann, Lorenz Pfau and Elke Volkmann did not stand for re-election. Stefan Scholz also stepped down from the board on September 1, 2024. The Supervisory Board would like to thank the departing employee representatives for their valuable contribution to the work of the Supervisory Board over their many years of service. The new members of the Supervisory Board on the employee side are:

- › Dr. Kevin Borck, head of Marketing & Strategy for the Industrial Solutions EMEA business area in ContiTech, as the representative for senior executives
- › Dr. Matthias Ebenau, trade union secretary and president of IG Metall Hanau-Fulda
- › Anne Nothing, chairwoman of the Works Council for the Babenhausen location
- › Matthias Tote, chairman of the Works Council of Benecke-Kaliko AG, Hanover-Vinnhorst plant, and chairman of the Central Works Council, Rubber Group

Further information on the members of the Supervisory Board and its committees who were in office in the year under review can be found on pages 10 and 11 and on pages 333 and 334.

As described above, the Supervisory Board resolved at its meeting on June 27, 2024, to consolidate the Finance and Controlling function and the Integrity and Law function into a single Executive Board function, and appointed Olaf Schick to head this new function effective July 1, 2024. Katja Garcia Vila stepped down from her position as CFO effective June 30, 2024. The Supervisory Board would like to thank Katja Garcia Vila for her many years of successful work for the company.

As reported, Olaf Schick will step down from the Executive Board with effect from September 30, 2025. A decision on his successor will be made in due course. There were no other personnel changes on the Executive Board.

The Supervisory Board would like to thank the Executive Board, all the employees and the employee representatives for their considerable dedication over the past year.

Hanover, March 18, 2025



Prof. Dr.-Ing. Wolfgang Reitzle
Chairman