

# **By-Laws for the Supervisory Board of Continental Aktiengesellschaft**

**[Non-binding Convenience Translation]**

# **By-Laws for the Supervisory Board of Continental Aktiengesellschaft**

## **Section 1**

### **Basic Principles**

The Supervisory Board is responsible for advising and supervising the Executive Board regularly in the management of the Corporation. It performs its activities in accordance with applicable law, the Articles of Incorporation and these By-Laws. In particular, the Supervisory Board must be involved in decisions of fundamental importance to the Corporation through the submission of transactions that require approval in accordance with Section 14 of the Articles of Incorporation and Section 4 of these By-Laws.

## **Section 2**

### **Meetings and Resolutions**

- (1) Supervisory Board meetings are convened at least three weeks before the meeting date, stating the location for the meeting. Preparatory documents are to be provided to the Supervisory Board members as early as possible, i.e. usually ten days before the meeting. Documents on the annual financial statements and the planning are supplied at the latest on a working day five days before the meeting date. The invitation and documents, including the reports to be prepared in textform in accordance with Section 3, may be sent in writing or in a form of telecommunication equivalent to writing (including e-mail or database access).
- (2) In cases regarded as urgent, the invitation may be sent at shorter notice. Even in such cases, however, there must be at least three days between the invitation and the meeting date.
- (3) Items communicated to the Chairperson of the Supervisory Board by members of the Supervisory Board no later than ten days before the meeting must be added to the agenda. The Chairperson of the Supervisory Board must notify all Supervisory Board members immediately of any such additions.
- (4) The Supervisory Board adopts resolutions in accordance with Section 13 of the Articles of Incorporation. Items or motions that are not on the agenda or were not properly communicated to the Supervisory Board members are permitted to be put forward for resolution only if none of the Supervisory Board members present at the meeting object to this and absent Supervisory Board members are given the opportunity to

cast their votes subsequently in writing by a suitable deadline to be set by the Chairperson.

- (5) No separate invitation is required for the constitutive Supervisory Board meeting (Section 11 (1) of the Articles of Incorporation and Section 6 (1) of these By-Laws). A notification in the agenda identifying the items to be resolved is not required for the resolutions to be adopted at this meeting regarding the election of the Supervisory Board Chairperson and Deputy Chairperson and the formation and composition of committees.
- (6) Minutes of the Supervisory Board meetings must be recorded and these must be signed by the person chairing the respective meeting. Each member of the Supervisory Board receives a copy in the form stipulated in Section 2 (1) sentence 4. The original document and/or an electronic reproduction conforming to the original in pictorial and content are stored at the Company.
- (7) The Executive Board participates in the Supervisory Board meetings, provided the Chairperson of the Supervisory Board does not determine otherwise. The Executive Board attends meetings of the Supervisory Board or its committees, in which the auditor is called in as an expert, only if the Chairperson of the Supervisory Board or the Chairperson of the respective Committee so decides. The Supervisory Board meets regularly without the Executive Board.

### **Section 3**

#### **Reporting by the Executive Board**

The Executive Board reports to the Supervisory Board regularly, promptly and comprehensively in accordance with applicable law on all relevant issues for the Company regarding strategy, planning, business development, risk situation, risk management and compliance. The Executive Board reports on deviations of the actual business from previous plans and targets and explains the reasons for them. In particular, the Executive Board reports in textform on:

- a) the development of the Corporation's earnings, balance sheet, cash flow, financial indebtedness, capital expenditure, inventories, receivables and workforce; the earnings of the divisions; and the earnings and balance sheet of Continental AG in the fiscal year to date as well as the forecast for the year as a whole (all to be reported on a quarterly basis) and
- b) the development of the sales and earnings of the Corporation and the divisions in the fiscal year to date as well as the forecast for the year as a whole (to be reported at the Supervisory Board meetings).

The quarterly report as at December 31 each year may be limited to the information that is not included in the annual or consolidated financial statements, in the management report of the Company or the management report of the Corporation, or in the auditor's report.

## **Section 4**

### **Legal Transactions Requiring Approval**

- (1) The Executive Board requires the Supervisory Board's approval for the following transactions and measures:
  - a) annual planning and annual investment plans for fixed asset investments and financial investments;
  - b) closing business operations or separable parts of business operations, if more than 500 employees are to be affected by the measure;
  - c) taking on new business areas and discontinuing significant existing business areas;
  - d) significant changes in the organization of the Company or the Corporation;
  - e) granting and revoking general power of attorney for the Company;
  - f) acquiring, selling or otherwise disposing of subsidiaries and associated companies and investments in other companies, and acquiring, selling or otherwise disposing of business units, operations or parts of them, if the value exceeds EUR 30 million in each individual case. This does not include transactions only involving the Company and its subsidiaries;
  - g) acquiring and selling non-current assets, if the measure is not explicitly included in the approved investment plan and the value exceeds EUR 30 million in each individual case;
  - h) acquiring, selling and encumbering real estate, rights equivalent to real estate and rights to real estate, if these transactions are not explicitly included in the approved investment plan and exceed EUR 30 million. This does not include transactions only involving the Company and its subsidiaries;
  - i) issuing bonds or borrowing loans with a term of more than twelve months if the amount exceeds EUR 100 million in each individual case. This does not include extending the term of existing bonds and loans;
  - j) assuming guarantees and granting other forms of collateral for third parties outside the Corporation, if the amount of the collateral exceeds EUR 30 million in each individual case;

- k) resolutions on the transactions and measures specified under letter b) and letters f) to j) at subsidiaries and associated companies.
- (2) The Executive Board shall ensure that the measures specified in paragraph (1) at subsidiaries and associated companies to an appropriate extent also require approval from the body supervising the management.
- (3) The Committee for Related Party Transactions (§ 10) resolves on matters requiring an approval according to paragraph (1) letters f) to j), which require an approval pursuant to Section 111b (1) AktG on transactions with related parties. Subject to the foregoing sentence, the Supervisory Board hereby transfers resolutions on the transactions requiring approval as specified above in paragraph (1) letters e) to k) to the Chairman's Committee until further notice, provided that each member of the Chairman's Committee can call for the decision to be transferred back to the full Supervisory Board in each individual case. With respect to transactions pursuant to paragraph (1) letter (f), the transfer of resolutions to the Chairman's Committee applies only if the value does not exceed EUR 100 million.

## **Section 5**

### **Duty of Confidentiality/Conflicts of Interest**

- (1) All members of the Supervisory Board are required to maintain secrecy with regard to all confidential information and secrets of the Company and its associated companies, specifically trade or business secrets that they obtain in their capacity as a Supervisory Board member, even after the end of their term of office as a Supervisory Board member (Section 116 in conjunction with Section 93 (1) sentence 2 AktG). If Supervisory Board members use an assistant in connection with their work on the Supervisory Board, they must require this person to maintain secrecy in the same way.
- (2) If members of the Supervisory Board wish to disclose information they have obtained in their capacity as a Supervisory Board member to third parties and they are unsure whether or not this disclosure is permitted, they must inform the Chairperson of the Supervisory Board in advance.
- (3) Each member of the Supervisory Board will inform the Chairperson of the Supervisory Board of any conflict of interest, in particular resulting from a consulting function or the membership in a corporate body with customers, suppliers, lenders or other third parties. In the event of a significant conflict of interest that is not merely temporary, the Supervisory Board member in question shall resign in accordance with applicable law.

## **Section 6**

### **Committees**

- (1) Legally required committees and other committees of the Supervisory Board are usually formed at the constitutive Supervisory Board meeting for the duration of the Supervisory Board's term of office, unless otherwise stipulated in mandatory applicable law, the Articles of Association or these By-Laws.
- (2) The committees are convened by the Chairperson of the respective committee, giving notice of at least one week before the meeting date. Half of their members, but at least three members, participating in a resolution constitute a quorum.
- (3) The Committee Chairperson reports regularly to the Supervisory Board on the work of the respective committee.

## **Section 7**

### **Standing Committee and Chairman's Committee**

The Chairman's Committee comprises the Chairperson and Deputy Chairperson of the Supervisory Board and the other members of the Standing Committee pursuant to Section 27 (3) of the German Co-Determination Act (MitbestG). The Chairman's Committee is chaired by the Chairperson of the Supervisory Board. The Chairman's Committee is responsible for the following matters:

- a) preparation for the appointment of Executive Board members and – subject to the exclusive responsibility of the full Supervisory Board for the tasks pursuant to Section 107 (3) sentence 3 in conjunction with Section 87 (1) and (2) sentence 1 and 2 AktG – concluding, terminating and amending employment contracts with members of the Executive Board and making other arrangements (if any) with members of the Executive Board;
- b) approval of loans to be granted to Supervisory Board and Executive Board members and to other persons as defined in Sections 89 and 115 AktG;
- c) approval of contracts with members of the Supervisory Board in accordance with Section 114 AktG;
- d) approval of the transactions specified in Section 4 (1) of these By-Laws in accordance with Section 4 (3).

## **Section 8**

### **Audit Committee**

- (1) The Supervisory Board has an Audit Committee that addresses in particular the review of the accounting, the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, as well as the audit of the financial statements and compliance. The Audit Committee also monitors the necessary independence of the auditor, issues the audit mandate to the auditor, determines key audit matters and agrees the fees with the auditor. The Audit Committee conducts an evaluation of the quality of the audit on a regular basis. The tasks and rights of the Audit Committee are described in detail in the By-Laws for the Audit Committee, which are resolved by the Supervisory Board.
- (2) The Audit Committee consists of six members selected by the Supervisory Board, three of whom should be shareholder representatives and three of whom should be employee representatives. One member of the Audit Committee shall have accounting expertise and at least one other member of the Audit Committee shall have audit expertise.
- (3) The Supervisory Board appoints the Chairperson of the Audit Committee. The Chairperson of the Audit Committee shall have special knowledge and experience in the application of accounting principles and internal control processes, shall be familiar with audits and shall be independent within the meaning of the German Corporate Governance Code. The Chairperson of the Supervisory Board cannot be appointed as Chairperson of the Audit Committee; nor can a former member of the Company's Executive Board whose term of office ended less than two years ago.

## **Section 9**

### **Nomination Committee**

- (1) The Supervisory Board has a Nomination Committee that:
  - a) suggests targets to the Supervisory Board regarding its composition and reviews these on a regular basis;
  - b) suggests a skills profile to the Supervisory Board and reviews it on a regular basis, and
  - c) suggests suitable candidates for shareholder representatives to the Supervisory Board for its proposals to the Annual Shareholders' Meeting.

- (2) The Nomination Committee consists of (a) the shareholder representatives on the Chairman's Committee, (b) the Chairperson of the Audit Committee, if he or she is a shareholder representative, or else the longest-serving shareholder representative on the Audit Committee, and (c) another shareholder representative on the Supervisory Board who is elected by a majority of votes cast by the shareholder representatives.

## **Section 10**

### **Committee for Related Party Transactions**

- (1) The Supervisory Board has a committee which decides on the approval pursuant to Section 111b (1) AktG on transactions with related parties (the "**RPT-Committee**").
- (2) The RPT-Committee consists of the Chairperson of the Supervisory Board, the Chairperson of the Audit Committee and two additional members whom the Supervisory Board appoints from the employee representatives. The RPT-Committee is chaired by the Chairperson of the Supervisory Board.
- (3) In case a member of the RPT-Committee cannot be a member of the committee pursuant to Section 107 (3) sentence 5 AktG in a decision on a transaction with related parties, the Supervisory Board appoints, for the purposes of this decision, another member of the Supervisory Board who is not precluded. In the event the committee is no longer constituted in accordance with Section 107 (3) sentence 6 AktG, the Supervisory Board shall restore the legal composition by the removal and appointment of committee members accordingly. When appointing new committee members, the Supervisory Board shall take into account that a precluded shareholder's representative is replaced by another shareholder representative and/or a precluded employee representative by another employee representative.

## **Section 11**

### **Entry into Force**

This version of the By-Laws entered into force on December 14, 2021.