

# CODE OF PROCEDURE FOR THE SUPERVISORY BOARD

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as per November 28, 2019

Convenience translation, original German version is legally binding.

Solely for reasons of language simplicity, only the masculine gender is used in these Code of Procedure, which form should be understood to always include all gender identities.

## **§ 1 General provisions**

The Supervisory Board manages its activities in accordance with the requirements of law, the Articles of Association, and this Code of Procedure. Furthermore, the Supervisory Board complies with the respectively valid provisions of the German Corporate Governance Code to the extent that it has not declared any divergence to such.

## **§ 2 Chair, Deputy Chair**

(1) At the first meeting held subsequent to the Annual General Meeting at which the Supervisory Board members were elected for a new term in office pursuant to the Articles of Association, the Supervisory Board elects a Chair and a Deputy Chair from among its members. This first meeting is chaired by the oldest member in terms of age. No separate invitation to this Supervisory Board meeting is required.

(2) The Supervisory Board Chair and Deputy Chair are each elected for the term in office of the members thereby elected. Should either individual retire from the Board prior to the expiry of his or her term in office, the Supervisory Board must without delay hold a new election for the remaining term of the retiring member.

(3) The Supervisory Board Chair is authorized on behalf of the Supervisory Board to submit and accept declarations of intent on the part of the Supervisory Board.

(4) Unless stipulated otherwise in this Code of Procedure, the Deputy Chair has the same rights and duties as the Supervisory Board Chair should the latter be indisposed.

## **§ 3 Convening of meetings**

(1) The Supervisory Board must hold no fewer than two meetings each calendar half-year.

(2) Supervisory Board meetings are convened by the Chair by post, fax, telephone, or e-mail with a notice period of 10 days. The day on which the convening of the meeting is communicated and the day of the meeting itself are not included in this calculation. In urgent cases, the convening period may be shortened. Meetings are held at the company headquarters unless a different venue is stipulated in the invitation.

(3) Upon the convening of the meeting, the agenda items must be forwarded to the Supervisory Board members, as must all relevant documents required for decisions to be taken, and in particular the annual financial statements and auditor's report. The agenda is to be extended if so requested by a member of the Supervisory Board or the Board of Management, with notification of the purpose and reasons for such extension, no later than five calendar days prior to the Supervisory Board meeting. Resolutions may only be adopted in respect of any agenda item not correctly announced provided that no Supervisory Board member objects. Paragraph (2) Sentence 2 applies accordingly.

## **§ 4 Meeting procedures and participation**

(1) Meetings are chaired by the Supervisory Board Chair.

(2) The Chair determines the language in which the meeting is to be held. Should any Supervisory Board member be unfamiliar with this language, then a simultaneous interpreter must be provided.

(3) The Supervisory Board Chair determines the order in which agenda items are addressed, as well as the nature and order of voting procedures. If so requested by the Board of Management or required due to compelling reasons, he or she may defer the discussion of and adoption of resolutions on individual agenda

items to a subsequent meeting. If it appears necessary, he or she may adjourn the meeting for a maximum of one week, particularly in the event of a parity of votes.

(4) If requested, members of the Board of Management participate in the meetings of the Supervisory Board. The Supervisory Board should nevertheless also meet regularly without the members of the Board of Management.

(5) The Chair decides on the summoning of experts and informants to discuss individual agenda items.

## **§ 5 Adoption of resolutions**

(1) Supervisory Board resolutions are generally adopted at meetings. A meeting does not always require all members to be physically present; in legitimate cases, meetings may also be held as conference calls or as video conferences. Absent Supervisory Board members may participate in the adoption of resolutions at a meeting by having their written votes submitted by another member.

(2) The Supervisory Board and its committees are permitted to adopt resolutions in writing, by mail, fax, or comparable forms of communication. Paragraphs (3) and (4) and § 6 apply accordingly.

(3) The Supervisory Board has a quorum when invitations to the meeting were sent to all members at their most recently known addresses and all members participate in the adoption of the respective resolution. Abstention counts as participation in the adoption of the resolution.

(4) Resolutions are adopted with a simple majority of votes cast unless other forms of majority are mandatorily required by law. Abstentions are not counted when determining the results of voting. Should voting result in a parity, the Chair decides whether a repeat vote should be held at the same meeting.

## **§ 6 Minutes of meetings and resolutions**

(1) Supervisory Board meetings are recorded in minutes. These minutes may also be compiled by a minute-taker determined by the Chair who, provided that no Supervisory Board member objects, need not be a member of the Supervisory Board. The minutes must be signed by the Supervisory Board Chair. The minutes must include the venue and date of the meeting, the names of those attending, the agenda items, the material content of discussions, and the resolutions adopted by the Supervisory Board. A copy of the minutes must be forwarded to each Supervisory Board member within two weeks.

(2) Resolutions not adopted at actual meetings pursuant to § 5 Paragraph (2) are documented by the Supervisory Board Chair in a protocol. A copy of this protocol must be forwarded to each member within two weeks.

(3) The minutes and protocols referred to in Paragraphs (1) and (2) are deemed approved if no Supervisory Board member who participated in the adoption of the resolution submits a written objection to the wording of the minutes or protocols to the Supervisory Board Chair within two weeks of such documents being forwarded. Supervisory Board members may object only to the wording of the minutes or protocols, but not to the resolution to which they pertain.

(4) Resolutions adopted by the Supervisory Board may be documented with their actual wordings at the meeting and duly signed by the Supervisory Board Chair as part of the minutes. Should resolutions be separately documented in this way at the meeting, members may only raise objectives at the meeting.

## § 7 Duty of confidentiality

(1) Supervisory Board members are obliged to maintain confidentiality towards third parties concerning information of which they become aware in the course of their activities as Supervisory Board members in cases in which the publication of such information could compromise the interests of the company or an affiliate of such. Supervisory Board members must also ensure that any employees or advisors they consult are similarly bound to maintain confidentiality. This duty of confidentiality also applies once their term in office has expired. Specifically, the duty of confidentiality also covers disclosures of voting behavior, the content of discussions, the positions adopted and personal opinions voiced by individual Supervisory Board members.

(2) Should a Supervisory Board member deem it appropriate to communicate information that may involve this kind of disclosure or secrets, the Supervisory Board Chair must be informed in advance. Should the Supervisory Board Chair not consent to the communication of such information, the other Supervisory Board members must be informed and requested to adopt a position without delay. The respective Supervisory Board member is obliged to maintain confidentiality concerning the information until such position is adopted. Should the Supervisory Board Chair intend to communicate information, the communication of which is not obviously permitted, then Sentences 2 and 3 apply accordingly. This does not apply to the forwarding of information on a statutory basis.

(3) When retiring from office, Supervisory Board members are obliged to hand over to the company without delay all documents, such as written documents, correspondence, minutes of meetings, records and the like, which refer to company matters and which are in their possession. This obligation also applies to duplicates and photocopies. Supervisory Board members do not have any rights of retention over such documents.

## § 8 Appointment and dismissal of members of the Board of Management

(1) Only such individuals that have not yet reached the age of 67 are permitted to be members of the Board of Management. When setting the term for which members of the Board of Management are appointed, due account should therefore be taken of their age. The Supervisory Board is required to work together with the Board of Management to ensure long-term succession planning.

(2) Upon the first-time appointment of a member of the Board of Management, the maximum five-year term in office should not be the norm. Only in the event of exceptional circumstances may a member of the Board of Management be reappointed prior to expiry of the term of appointment, with simultaneous rescission of the current appointment.

## § 9 Transactions requiring the approval of the Supervisory Board

The Board of Management is required to seek Supervisory Board approval for the cases listed in the Articles of Association (§ 12.3) and the Code of Procedure for the Board of Management (§ 10 Measures/Transactions Requiring Approval) on the level of STRATEC SE.

## § 10 Committees

In view of its size, with three members, the Supervisory Board foregoes forming committees.

## § 11 Composition of the Supervisory Board

(1) In proposing candidates for election as Supervisory Board members, the Supervisory Board should ensure that its members have the knowledge, skills, and professional expertise needed to perform their duties correctly and that such members are sufficiently independent. The Supervisory Board should set specific targets for its composition that, given the company's specific situation, take due account of its international activities, potential conflicts of interest, and diversity. In particular, these specific targets should provide for the appropriate participation of women.

(2) Only such individuals that have not yet reached the aged of 75 upon election or that have not sat on the Supervisory Board for at least 12 years upon election may be members of the Supervisory Board.

(3) When proposing candidates for election as Supervisory Board members, it should be ensured that the Supervisory Board does not include more than one member who sat on the company's Board of Management in the five years prior to election or who currently holds a directorship or performs an advisory function at any of the company's material competitors.

(4) The Supervisory Board states specific targets for its composition and compiles a competence profile for the body as a whole.

(5) Individuals that are members of the Board of Management of a listed company and already hold three Supervisory Board mandates at listed companies not associated pursuant to § 15 et seq. of the German Stock Corporation Act (AktG) may not be elected as members of the Supervisory Board.

(6) In proposing candidates for election as new Supervisory Board members, the Supervisory Board will satisfy itself that the individual thereby proposed is able to devote the expected amount of time required.

## § 12 Conflicts of interest

(1) Every Supervisory Board member must inform the Supervisory Board without delay of any potential conflicts of interest, particularly if they could arise as a result of an advisory function or directorship at customers, suppliers, lenders, or other business partners. The disclosure method is to be agreed with the Supervisory Board Chair.

(2) In its report, the Supervisory Board will inform the Annual General Meeting of any conflicts of interest that have arisen and how they were addressed.

(3) Material conflicts of interest involving a Supervisory Board member that are not merely temporary lead to the immediate termination of that member's Supervisory Board mandate by way of resignation.

## § 13 Self-evaluation

The Supervisory Board reviews the efficiency of its activities and those of its committees on a regular basis, and at least once a year. In this, it may draw on support from external advisors.