



## **Rules of Procedure for the Supervisory Board**

**of**

**GRAMMER AG**

(Version of 09 November 2022)

The Supervisory Board\* shall adopt the following rules of procedure in addition to the provisions in §§ 10 et seq. of the Articles of Association of the Company:

### **§ 1**

#### **Tasks**

- (1) The Supervisory Board performs its duties in accordance with the statutory provisions, the Articles of Association of GRAMMER AG and these Rules of Procedure. It is guided by the recommendations and suggestions of the German Corporate Governance Code (Code). The Supervisory Board monitors and advises the Executive Board on the management of the Company. It works closely with the Executive Board in a spirit of trust for the benefit of the Company. The Supervisory Board is involved in decisions of fundamental importance for the Company. Monitoring and advising the Executive Board also includes sustainability issues in particular.
- (2) All members of the Supervisory Board have the same rights and duties, unless otherwise provided by law, the Articles of Association or resolutions of the General Meeting. They

\*For reasons of better readability, the simultaneous use of masculine and feminine forms of language has been dispensed with. All references to persons are nevertheless valid for all genders.

are not bound by orders or instructions. In the exercise of their office, they shall exercise the diligence of a prudent and conscientious member of the Supervisory Board.

## **§ 2**

### **Secrecy**

Each member of the Supervisory Board and any other person attending meetings of the Supervisory Board shall be obliged to maintain secrecy about all confidential matters and secrets of the Company. Upon termination of the mandate, all confidential documents such as minutes, presentations, written documents, correspondence, records and the like, also in electronic form, shall be returned to the Company without delay or shall be destroyed in a professional manner without delay and the destruction shall be confirmed to the Company in writing.

## **§ 3**

### **Conflicts of interest**

- (1) Each member of the Supervisory Board is obliged to act in the interest of the Company. No member of the Supervisory Board may pursue personal interests in his decisions and take advantage of business opportunities to which the Company or a group company is entitled for himself.
- (2) Each member of the Supervisory Board shall disclose conflicts of interest, in particular those that may arise due to an advisory or executive function with customers, suppliers, lenders or other business partners, first to the Chairman of the Supervisory Board and then to the entire Board without delay. In its report to the General Meeting, the Supervisory Board shall provide information on any conflicts of interest that have arisen and how they have been dealt with. Material and not merely temporary conflicts of

interest in the person of a Supervisory Board member shall lead to the termination of the mandate, e.g. by way of resignation.

#### **§ 4**

##### **Chairperson and Deputy Chairperson**

- (1) The Supervisory Board elects - in accordance with §§ 27 (1) and (2) of the German Co-Determination Act (MitbestG) - the Chairperson and a Deputy Chairperson from among its members. In addition, a second Deputy Chairperson may be elected, whose election shall be governed by the general provisions on Supervisory Board resolutions. The election shall take place following the General Meeting at which the term of office of the previous Chairperson of the Supervisory Board ends, in a Supervisory Board meeting which does not require a special convocation. The oldest member of the Supervisory Board in terms of age shall preside over the election. Unless a shorter term of office is determined in the election, the Chairperson and the Deputy Chairpersons shall each be elected as Chairperson and Deputy Chairperson for the duration of their membership in the Supervisory Board.
- (2) If the Chairperson or a Deputy Chairperson retires before the end of the term of office, the new election of the Chairperson or the Deputy Chairperson shall take place before other resolutions of the Supervisory Board in a Supervisory Board meeting to be held without delay.
- (3) The first Deputy Chairperson shall have the rights and duties of the Chairperson only if the Chairperson is prevented and the law, the Articles of Association or these Rules of Procedure do not provide otherwise. A second Deputy Chairperson shall only have the rights and duties of the Chairperson if both the Chairperson and the first Deputy Chairperson are prevented. A Deputy Chairperson shall not have the second vote to which the Chairperson is entitled under the MitbestG.

- (4) The Chairperson is primarily responsible for the cooperation of the Supervisory Board with the Executive Board. He maintains regular contact with the Executive Board and regularly discusses issues of strategy, business development, the risk situation, risk management and compliance of the Company with the Executive Board Chairperson or Spokesperson in particular. He informs the Supervisory Board about important events that are essential for the assessment of the situation and development as well as for the management of the Company.
- (5) If both the Chairperson and the Deputy Chairpersons are prevented from exercising their duties, the oldest member of the Supervisory Board in terms of age shall assume this duty for the duration of the prevention.

## **§ 5**

### **Meetings**

- (1) As a rule, the meetings of the Supervisory Board shall be held in person at the registered office of the Company or at another meeting place to be announced in the invitation. The Chairperson may determine that a meeting of the Supervisory Board shall also be held entirely by telephone or video conference or that in exceptional cases individual members of the Supervisory Board may also participate in a meeting of the Supervisory Board by telephone or video conference.
- (2) The meetings of the Supervisory Board shall be held at least five times in each calendar year, with at least one meeting in each calendar quarter. In any case, two meetings must be held per calendar half-year. Additional meetings shall be convened when necessary, which may be in particular when important events occur that are of material importance for the assessment of the situation and development as well as for the management of the Company.

- (3) In at least one meeting each calendar year, the Supervisory Board deals in detail (i) with the strategy of the Company and (ii) with its work, its understanding of its role and its future focal points of activity. The Supervisory Board also meets regularly without the Executive Board.
  
- (4) A meeting of the Supervisory Board shall be convened in writing by the Chairperson of the Supervisory Board or, if he is prevented from doing so, by his Deputy, with two weeks' notice. Convening by e-mail is equivalent to a written invitation. In cases considered urgent, the Chairperson may shorten the notice period and convene a meeting orally or by telephone.

The place, day and time of the meeting as well as the agenda and planned resolutions shall be communicated with the convocation. The agenda shall be supplemented if a member of the Supervisory Board or the Executive Board so requests, stating the purpose and the reasons, and the supplement can be communicated before the end of the notice period. Proposals for resolutions on items on the agenda shall be communicated in good time and in such concrete terms before the meeting that it is possible for absent members of the Supervisory Board to cast their votes in writing.

- (5) As a rule, the documents required for the adoption of resolutions shall be sent to the members of the Supervisory Board one week before the meeting. In exceptional cases, the documents may also be sent with a shorter notice period.
  
- (6) The meeting shall be chaired by the Chairperson of the Supervisory Board or, in his absence, by his Deputy. The Chairperson of the meeting shall determine the course of the meeting and the type and order of voting.

## § 6

### Resolutions

- (1) As a rule, resolutions of the Supervisory Board shall be adopted in meetings. An absent member of the Supervisory Board may have his written vote submitted by another member of the Supervisory Board. This shall also apply to the submission of the second vote of the Chairperson of the Supervisory Board. The handing over of the written vote shall be deemed to be participation in the passing of the resolution.
- (2) The Supervisory Board shall constitute a quorum if, after all members have been invited, at least half of the members of which it must consist in total participate in the adoption of the resolution in person or by written vote in accordance with § 108 para. 3 German Stock Corporation Act (AktG). § 108 para. 2 sentence 4 AktG shall apply.
- (3) Resolutions may be passed on items on the agenda that were not communicated with the convocation only if no Supervisory Board member objects and the absent Supervisory Board members are given the opportunity to object or to cast their vote in writing within a reasonable period of time determined by the Chairperson. The resolution shall only become effective if none of the absent Supervisory Board members objects to the procedure for adopting the resolution within such time limit.
- (4) Resolutions shall be adopted by a simple majority of the votes cast, unless otherwise provided by law. If a vote results in a tie, each member of the Supervisory Board shall have the right to demand a new discussion and vote on the same matter. If the new vote again results in a tie, the Chairperson shall be entitled to the second vote in accordance with § 29 para. 2 of the MitbestG. A Deputy Chairperson shall not be entitled to the second vote.

- (5) A resolution may also be passed outside a meeting by way of a vote in writing or by telephone if the Chairperson of the Supervisory Board or a Deputy Chairperson has ordered such a vote. Voting by e-mail shall be equivalent to voting in writing. The above provisions shall apply accordingly. The resolutions adopted shall be subsequently confirmed in writing and signed by the Chairperson or, in his absence, by his Deputy.

## **§ 7**

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

- (1) Minutes shall be taken of the meetings of the Supervisory Board. The Chairperson shall appoint the taker of the minutes and the contents of the minutes of the meeting. The minutes may also be taken by a person who is not a member of the Supervisory Board. The minutes shall be signed by the Chairperson of the Supervisory Board or, in his absence, by his Deputy. The minutes shall state the place, day and time of the meeting, the participants, the items on the agenda, the essential content of the deliberations and the resolutions of the Supervisory Board. The minutes shall be forwarded to each member of the Supervisory Board.
- (2) The minutes shall be approved by resolution at a subsequent meeting.

## **§ 8**

### **Committees - General Regulation**

- (1) The Supervisory Board appoints committees from among its members. It appoints a committee in accordance with § 27 para. 3 of the MitbestG, which also assumes the tasks of a personnel committee and is referred to as the "Personnel and Mediation Committee", a Strategy Committee, an Audit Committee and a Nomination Committee. In addition, there is a Presidium. In addition, the Supervisory Board may form further committees from among its members.

- (2) The members of the committees are appointed for the duration of their term of office as a member of the Supervisory Board. The committee members elect a chairperson at the first meeting after their appointment.
- (3) The meetings of the committees shall be convened by the respective committee chairperson; in the case of the Presidium, each member shall be entitled to convene meetings. Each member has the right to request the convening of a committee meeting, stating the reason.
- (4) The minutes of the committee meetings are made available to all members of the Supervisory Board. The respective committee chairpersons also report regularly to the Supervisory Board on the work of the committees.
- (5) The regulations made for the Supervisory Board in the Articles of Association and these Rules of Procedure shall apply mutatis mutandis to the committees of the Supervisory Board, unless deviations from these Rules of Procedure are made in individual cases or the law provides otherwise. If the Chairperson of the Supervisory Board is a member of a committee, he may also make use of the statutory second vote when voting in the committee.

## **§ 9**

### **Presiding Committee**

- (1) The Presiding Committee consists of the Chairperson and the Deputy Chairperson of the Supervisory Board. A chairperson is not appointed for this committee.
- (2) The Presiding Committee shall meet as required, but at least before each ordinary meeting of the Supervisory Board.



- (3) The Presiding Committee supports the Chairperson of the Supervisory Board in his duties, in particular in preparing meetings, resolutions for the Supervisory Board and in coordinating the work of the Supervisory Board.

## **§ 10**

### **Personnel and Mediation Committee**

- (1) The Personnel and Mediation Committee shall perform the duties pursuant to § 27 para. 3 in conjunction with § 31 para. 3 sentence 1 of the MitbestG as well as the tasks of a personnel committee. The Personnel and Mediation Committee shall consist of the Chairperson of the Supervisory Board, the Deputy Chairperson and one member each elected by the members of the Supervisory Board representing the employees and the members of the Supervisory Board representing the shareholders by a majority of the votes cast. The chairperson shall be independent of the Company and the Executive Board.
- (2) The Personnel and Mediation Committee shall meet at least twice per calendar year. It has a quorum if at least three members participate in the decision-making process.
- (3) The Personnel and Mediation Committee deals with the personnel decisions of the entire Supervisory Board in an advisory and preparatory capacity, in particular on the following topics:
  - a) Appointment and dismissal of the members of the Executive Board; in doing so, the Committee shall note that only persons who are not older than 63 years of age at the time of their appointment or reappointment shall be appointed to the Executive Board;
  - b) Remuneration system for the Executive Board (§ 87a para. 1 AktG);

- c) Determination of the total remuneration of the individual Executive Board members in accordance with a remuneration system approved by the Annual General Meeting pursuant to § 120a para. 1 AktG;
- d) material contractual elements of the employment contracts of the members of the Executive Board, including the material provisions regarding their amendment, termination, extension and cancellation;
- e) Remuneration system for the Supervisory Board (§ 113 AktG);
- f) Approval of contracts with Supervisory Board members pursuant to § 114 AktG;
- g) Conclusion of other legal transactions with members of the Executive Board pursuant to § 112 AktG as well as legal transactions between the Company and a company in which a member of the Executive Board holds a majority interest;
- h) Approval of legal transactions of an affiliated company with a member of the Executive Board or a company in which a member of the Executive Board holds a majority interest.

The Personnel and Mediation Committee prepares the respective recommendations, Basis for decisions and draft resolutions for the entire Supervisory Board.

- (4) The Personnel and Mediation Committee decides instead of the entire Supervisory Board on:
- a) Consent to other activities of a member of the Executive Board pursuant to § 88 AktG as well as consent to other sideline activities, in particular to the exercise of supervisory board mandates and mandates in comparable supervisory bodies of business enterprises outside the Group and the decision as to whether and to what extent any remuneration is to be credited;
  - b) Approval of loans to members of the Executive Board and Supervisory Board of the Company pursuant to §§ 89, 115 AktG;

- c) Regulation of the legal relationships between the Company and its retired members of the Executive Board;
  - d) Deferral of the publication of inside information pursuant to Article 17 (4) of the Market Abuse Regulation (MAR), provided that the Supervisory Board is responsible for this.
- (5) The Personnel and Mediation Committee shall negotiate the employment contracts with the members of the Executive Board. It may authorise the chairperson of the committee or the Chairperson of the Supervisory Board, if he is not the chairperson of the committee, to conduct the negotiations. In any case, the Chairperson of the Supervisory Board is authorised to represent the Company on behalf of the Supervisory Board in concluding the employment contracts with the members of the Executive Board as well as in implementing the contractual regulations, in particular concerning their cancellation, extension and termination.
- (6) The Personnel and Mediation Committee regularly discusses long-term succession planning for the Executive Board. In doing so, it takes into account the Company's management planning and also pays attention to diversity.

## **§ 11**

### **Strategy Committee**

- (1) The Strategy Committee shall consist of two members elected by the employee representatives of the Supervisory Board and two members elected by the shareholder representatives of the Supervisory Board by a majority of the votes cast.
- (2) The Committee shall meet at least twice per calendar year. It has a quorum if at least three members participate in the decision-making process.

- (3) The Committee deals with questions of corporate strategy in an advisory and preparatory capacity, in particular on the following topics:
- a) Advising the Executive Board on the strategic development of the Company;
  - b) Monitoring and reviewing the implementation of the strategy and reporting on it to the Supervisory Board;
  - c) Preparation of the strategy meetings of the Supervisory Board;
  - d) Preparing the resolutions of the Supervisory Board on matters of strategy and making corresponding recommendations.

## **§ 12**

### **Audit Committee**

- (1) The Audit Committee shall consist of two members elected by the employee representatives of the Supervisory Board and two members elected by the shareholder representatives of the Supervisory Board by a majority of the votes cast. The chairperson shall be independent of the Company, the Executive Board and the controlling shareholder. He shall not be the Chairperson of the Supervisory Board or a former member of the Executive Board of the Company whose appointment ended less than two years ago. At least one member of the Audit Committee shall have accounting expertise and at least one other member of the Audit Committee shall have auditing expertise. The chairperson of the Audit Committee shall have appropriate expertise in at least one of the two areas.
- (2) The Audit Committee shall meet at least four times per calendar year. It constitutes a quorum if at least three members participate in the decision-making process.
- (3) The Audit Committee shall in particular have the following tasks:

- a) Monitoring of accounting and the accounting process (incl. sustainability reporting) as well as discussion of the quarterly reports and the half-year report;
  - b) Monitoring the audit of the financial statements, in particular the selection, independence, rotation and efficiency of the auditor as well as the performance of the auditor, including the additional permissible non-audit services to be provided by the auditor;
  - c) regular assessment of the quality of the audit;
  - d) Issuing the audit mandate to the auditor and determining the focal points of the audit as well as concluding the fee agreement; and
  - e) the effectiveness of the internal control system, the risk management system, the internal audit system and compliance.
- (4) The Committee deals with the following topics in particular in an advisory and preparatory capacity:
- a) Review of the annual and consolidated financial statements, the management report of the Company and the Group;
  - b) Review of the dependency report and the remuneration report as well as the sustainability reporting;
  - c) Proposal to the Annual General Meeting for the appropriation of profits; and
  - d) Proposal of the Supervisory Board to the Annual General Meeting for the election of the auditor
- and submits the corresponding resolution recommendations to the Supervisory Board.
- (5) Each member of the Audit Committee shall be entitled to inspect all business records and books of the Company. The Audit Committee shall be entitled to obtain information in connection with the work of the Audit Committee from the Auditors, the Executive Board and the officers of the Company who report directly to the Board.

- (6) The Audit Committee is assisted by the auditor in monitoring the management, in particular in auditing the accounting and monitoring the accounting-related control and risk management systems.

### **§ 13**

#### **Nomination Committee**

- (1) The Nomination Committee comprises of three members elected by the shareholder representatives of the Supervisory Board by a majority of the votes cast.
- (2) The Nomination Committee shall meet as required. It shall only constitute a quorum if all members participate in the adoption of the resolution.
- (3) The task of the nomination committee is to recommend suitable candidates to the Supervisory Board for its election proposals to the General Meeting.
- (4) Before submitting a candidate recommendation to the Supervisory Board, the Nomination Committee defines requirements for the specific mandate to be filled. In addition to the knowledge, skills and professional experience required, the candidate recommendation shall take into account the specific objectives designated by the Supervisory Board for its composition in accordance with the Code and the competence profile drawn up for the entire Supervisory Board. For its composition, the Supervisory Board shall, within the framework of the Company-specific situation, in particular give due consideration to the international activities of the Company, potential conflicts of interest, the number of independent Supervisory Board members, the specified age limit and diversity.

#### **§ 14**

##### **Self-assessment**

The Supervisory Board regularly assesses how effectively it as a whole and its committees perform their duties. In addition to qualitative criteria to be defined by the Supervisory Board on the effectiveness and efficiency of the work of the Supervisory Board and its committees, the subject of the self-assessment is in particular the procedures in the Supervisory Board and committees, the flow of information between the committees and the plenum as well as the timely and sufficient provision of information to the Supervisory Board by the Executive Board. For this purpose, the Supervisory Board specifies the information and reporting duties of the Executive Board in more detail.

#### **§ 15**

##### **Entry into force**

These Rules of Procedure shall enter into force on **09 November 2022** and replace all previously valid Rules of Procedure of the Supervisory Board.