

Rules of Procedure for the Supervisory Board of thyssenkrupp AG

Version of May 18, 2020



thyssenkrupp

§ 1 Duties and responsibilities

- (1) The duties and responsibilities of the Supervisory Board derive from the statutory provisions, the Articles of Association and these Rules of Procedure, in consideration of the German Corporate Governance Code.
- (2) To fulfill its duties, the Supervisory Board may commission auditors and legal and other internal and external advisors and invite them to Supervisory Board meetings according to its own best judgment. The costs shall be met by the Company.
- (3) The Supervisory Board sets out detailed communication and reporting requirements for the Executive Board in a Reporting Procedure, which is attached to these Rules of Procedure in Annex 1.
- (4) The Executive Board requires the Supervisory Board's prior consent to the transactions of the Company and its subsidiaries specified in the Articles of Association. The Supervisory Board may – also in individual cases – stipulate transactions to be subject to its consent. The approval of the Supervisory Board required under par. 4 sentence 1 may also be granted in the form of a general authorization for a group of the aforesaid transactions. An overview of transactions requiring approval is attached for information as Annex 2 to these Rules of Procedure.

§ 2 Supervisory Board member requirements

- (1) The Supervisory Board shall be composed in such a way that its members as a group possess the knowledge, ability and expert experience required to properly fulfill the duties and the statutory gender quota is observed. They must be familiar as a whole with the sectors in which the Group operates. At least one member must have expertise in the fields of accounting or auditing.
- (2) The Supervisory Board should include an appropriate number of independent members on the shareholder's representatives' side according to their assessment.
- (3) The Supervisory Board shall also take account of the objectives it has resolved for its composition and aim to fill out the competence profile for the entire Supervisory Board, when making proposals for the election of members of the Supervisory Board.
- (4) The term of office of a Supervisory Board member shall end no later than at the close of the Annual General Meeting after the Supervisory Board member reaches the age of 75.
- (5) Each member of the Supervisory Board shall ensure that he has sufficient time to perform his mandate. Members of the Supervisory Board shall on their own take on the necessary training and further education measures required for their duties. They shall be supported by the Company appropriately.
- (6) Consultancy and other service contracts between a Supervisory Board member and the Company are subject to the approval of the Supervisory Board.

§ 3 Supervisory Board chairman

- (1) The Supervisory Board chairman¹⁾ coordinates work within the Supervisory Board, chairs its meetings, and attends to the affairs of the Supervisory Board externally. If he is unavailable, his duties and authority shall be assumed by the vice chairman, and if he is unavailable by the second vice chairman insofar as a second vice chairman has been elected. The Supervisory Board chairman shall be independent of the company and the Executive Board.
- (2) The chairman of the Supervisory Board should be independent of the company and the Executive Board.
- (3) Following the Annual General Meeting at which the Supervisory Board members of the shareholders have been elected, a Supervisory Board meeting shall be held without notice. At this meeting the Supervisory Board shall elect the chairman and vice chairman from among its members in accordance with § 27 paras. 1 and 2 of the Codetermination Act (MitbestG). The Supervisory Board shall then elect if appropriate the further vice chairman envisaged under § 10 par. 3 of the Articles of Association at the proposal of the Supervisory Board members of the shareholders. § 27 paras. 1 and 2 MitbestG shall not apply to this election.
- (4) The Supervisory Board chairman and vice chairman shall be appointed for the duration of their term of office as Supervisory Board members, unless a shorter term of office is determined on election. In the event of the Supervisory Board chairman or vice chairman retiring from office before expiration of the term of office, the Supervisory Board shall without delay elect a replacement for the remaining term of office of the former incumbent.
- (5) The Supervisory Board chairman is authorized to issue the declarations of intent necessary for the implementation of Supervisory Board resolutions and to accept declarations of intent on behalf of the Supervisory Board.
- (6) The shareholder and employee representatives may raise an objection to joint compliance with the statutory quotas for the minimum numbers of women and men on the Supervisory Board before an election or court appointment. Such objections must be submitted to the Supervisory Board chairman in writing. The objection should include as a minimum that:
 - the objection to joint compliance refers to the next election or court appointment of Supervisory Board members,
 - the objection is raised on the basis of a majority resolution by the objecting representatives and
 - the person submitting the objection is authorized to do so.

The objecting representatives should announce their intention to object to joint compliance to the Supervisory Board chairman in good time to permit the orderly conduct of the election process, Annual General Meeting or court appointment. In the case of the election of shareholder representative members, the objection to joint compliance should be submitted at the latest one week before the meeting in which the Supervisory Board resolves on the shareholder representative candidates to be proposed to the Annual General Meeting for election. In the case of the election of employee representative members, the objection to joint compliance should be submitted at the latest before submission of the proposals for the election of employee representatives to the Supervisory Board. In the case of the court appointment of a member of the Supervisory Board, the objection to joint

¹⁾ For the sole purpose of linguistic simplification, in this code of procedure no distinction between male/female/divergent is made.

compliance should be submitted at the latest three days after the resignation of the mandate to which the court appointment relates.

- (7) Notices of the Supervisory Board and other public statements relating to matters of the Supervisory Board shall be issued by the Supervisory Board chairman, not by other members of the Supervisory Board. Any dialogue with investors of the Company on subjects that fall under the duties and responsibilities of the Supervisory Board shall be conducted by the Supervisory Board chairman. In preparation for the dialogue the Supervisory Board chairman shall discuss basic principles with the Executive Board. The Supervisory Board chairman may include further Supervisory Board and Executive Board members in a dialogue. He shall inform the entire Supervisory Board about the discussions.
- (8) The chairman shall represent the Supervisory Board in such a way that he adds the words "The Chairman of the Supervisory Board" to the Company name.

§ 4 Supervisory Board meetings

- (1) Supervisory Board meetings should be held once each calendar quarter and must be held twice each calendar half-year.
- (2) The Supervisory Board chairman shall convene the Supervisory Board meeting in writing at 14 days' notice and shall determine the form and venue of the meetings. In urgent cases the chairman may shorten the period of notice and convene meetings orally, by telephone, by fax or by electronic media. In justified exceptional cases, meetings can also be held by telephone or video conference on the instruction of the Supervisory Board chairman.
- (3) A meeting shall also be called with the aforesaid period of notice if applied for by a member of the Supervisory Board or the Executive Board of the Company stating the purpose and reasons. The application shall be directed to the chairman of the Supervisory Board.
- (4) The items of the agenda shall be announced in the invitation. Resolution proposals and discussion documents on agenda items should as a rule reach the Supervisory Board members at least a week before the meeting.
- (5) The meetings of the Supervisory Board shall be chaired by the Supervisory Board chairman. If the Supervisory Board chairman and vice chairmen are unavailable, a member determined by the attending Supervisory Board members shall chair the meeting. The chairman shall determine the sequence in which the items of the agenda are dealt with, and the method and sequence of voting.
- (6) The members of the Executive Board shall attend the meetings of the Supervisory Board unless the chairman of the Supervisory Board determines otherwise. The Supervisory Board should hold a meeting without the Executive Board on a regular basis.
- (7) In calculating the aforesaid periods, the day on which the invitation is sent and the day of the meeting shall not be counted.
- (8) The report by the Supervisory Board indicates the number of meetings of the Supervisory Board and the committees in which the respective members participated.

§ 5 Resolutions

- (1) Resolutions of the Supervisory Board shall generally be passed in meetings. Telephone and video conferences shall also count as meetings.
- (2) If Supervisory Board members are unable to attend meetings, they may have a written vote submitted by another member of the Supervisory Board. A vote transmitted by fax or using electronic media shall also be deemed to be a written vote. The submission of the written vote shall be deemed to be participation in the resolution.
- (3) In justified exceptional cases, at the instigation of the Supervisory Board chairman, a resolution of the Supervisory Board may also be passed outside meetings by votes cast orally, by telephone, in writing, by fax or by electronic media. However, if a member of the Supervisory Board objects to this procedure, the Executive Committee shall decide on the matter. At the instruction of the Supervisory Board chairman, a resolution passed in the meeting can be combined with a resolution passed outside the meeting (mixed resolution procedure).
- (4) The Supervisory Board shall only constitute a quorum if at least half of its full number of members as required by law or the Articles of Association take part in the resolution. A member abstaining from voting shall also be counted toward the Supervisory Board's quorum.
- (5) Subject to overriding provisions of the law, resolutions of the Supervisory Board shall be passed by a simple majority of the votes cast. An abstention shall not be considered as a vote cast. In the event of a tie, the Supervisory Board chairman – taking into consideration the “Agreement on codetermination” between the Metalworkers Union (IG Metall) / German Trade Union Federation (Deutscher Gewerkschaftsbund) and Thyssen AG/Fried. Krupp AG Hoesch-Krupp on March 20, 1998 – shall decide whether the matter shall be voted on again and whether the new poll shall be taken at the same or another meeting of the Supervisory Board. If a new vote on the same matter also results in a tie, the chairman shall have two votes. The second vote too may, in accordance with par. 2, be submitted in writing. Vice chairmen are not entitled to two votes.
- (6) Resolutions may only be passed on items of the agenda not announced at least one week before the meeting if no member objects to the procedure. In such cases, absent members shall be given the opportunity to object to the resolution within an appropriate period to be determined by the chairman. The resolution shall only become effective if no absent member objects within the period.
- (7) At the request of a Supervisory Board member, English translations shall be enclosed with the invitation, the resolution proposals and the written reports. In the same way, at the request of a Supervisory Board member the discussions of the Supervisory Board shall be simultaneously translated into English.

§ 6 Minutes

- (1) For every meeting of the Supervisory Board, minutes shall be prepared which state the venue and date of the meeting, the participants, the items of the agenda, the main content of the discussions and the resolutions of the Supervisory Board.
- (2) The minutes shall be signed by the chairman of the meeting and brought to the attention of all members of the Supervisory Board.
- (3) The resolution on the approval of the minutes shall be passed in the next meeting of the Supervisory Board.
- (4) Paragraphs 1 and 2 shall apply analogously to resolutions of the Supervisory Board passed outside meetings.

§ 7 Compensation

Supervisory Board compensation is based on § 14 of the Articles of Association of thyssenkrupp AG.

§ 8 Secrecy and confidentiality

- (1) Every member of the Supervisory Board shall keep secret any confidential reports and confidential discussions in the Supervisory Board and in the committees, minutes of meetings, and secrets of the Company, especially trade and business secrets and inside information which have become known to them through their work on the Supervisory Board (confidential information). The unauthorized disclosure of confidential information – including in electronic form – is a breach of secrecy. The members of the Supervisory Board shall in particular comply with the insider rules of the European Market Abuse Regulation and its implementing regulations.
- (2) The secrecy obligation applies to disclosures to everybody except for the other Supervisory Board members; the statutory requirements governing the disclosure of inside information must be observed at all times. Where necessary for Supervisory Board work, a Supervisory Board member may disclose confidential information only to employees or advisers who are either sworn to secrecy under statutory or professional regulations or who have previously signed a confidentiality agreement, compliance with which the Supervisory Board member shall monitor.
- (3) If a Supervisory Board member wishes to give third parties information in respect of which it cannot safely be ruled out that it is confidential or relates to secrets of the Company, the member shall notify the chairman of the Supervisory Board in advance and give him the opportunity to comment.
- (4) The secrecy obligation shall begin upon taking office and continue to apply after leaving office until the Company's interest in maintaining secrecy ceases.

§ 9 Conflicts of interest

- (1) (1) Each member of the Supervisory Board is obliged to protect the interests of the Company. In his decisions he shall not pursue personal interests or take personal advantage of business opportunities to which the Company is entitled.
- (2) Each member of the Supervisory Board shall immediately disclose to the Supervisory Board chairman any conflicts of interest, in particular those which may result from a consultant or directorship function with clients, suppliers, lenders or other third parties. The disclosure procedure shall be agreed with the Supervisory Board chairman. In its report to the Annual General Meeting, the Supervisory Board shall provide information on any conflicts of interest which have occurred and how they have been dealt with.
- (3) Any material and not merely temporary conflicts of interest in respect of the person of a Supervisory Board member shall result in the termination of his mandate, e.g. through resignation. A Supervisory Board member whose professional activity significantly changes compared with that at the time of his election shall discuss the possible termination of his mandate with the Supervisory Board chairman.

§ 10 Self-Assessment of the Supervisory Board activities

The Supervisory Board regularly assesses how effectively the Supervisory Board as a whole and its committees perform their duties. The subject of the assessment are, in addition to the qualitative criteria to be determined by the Supervisory Board, in particular the procedures followed by the Supervisory Board and the flow of information between the committees and the entire Supervisory Board as well as the provision of adequate information in good time to the Supervisory Board and its committees.

§ 11 Committees

- (1) The Supervisory Board shall form expert committees from among its members which shall fulfill the duties assigned to them in the name and on behalf of the full Supervisory Board within the scope allowed by law. The duties and responsibilities of the committees may be specified in Rules of Procedure for the committees by resolution of the full Supervisory Board.
- (2) Members of Supervisory Board committees shall be appointed for the duration of their term of office as Supervisory Board members, unless a shorter term of office is determined at the election or the committee has been formed for a limited period.
- (3) The Mediation Committee, Personnel Committee and Executive Committee should be identical in composition. With the exception of the Mediation and Nomination Committees, the chairmen of the committees shall be elected at the proposal of the Nomination Committee.
- (4) Committees shall constitute a quorum when half the full number of members required under these Rules of Procedure take part in the resolution. Committees with fewer than six members shall only constitute a quorum when at least three committee members take part in the resolution.

- (5) If a vote in a committee is tied, the chairman of the committee shall have two votes in a renewed vote on the item if this too is tied. Vice chairmen are not entitled to two votes. The provisions of this paragraph do not apply to the committee under § 27 par. 3 MitbestG.
- (6) The committee chairmen shall report regularly to the full Supervisory Board on the discussions and resolutions of the respective committees.
- (7) The provisions made for the Supervisory Board in the Articles of Association and Rules of Procedure shall apply analogously to committees unless specified otherwise in the Rules of Procedure of the committees.

§ 12 Mediation Committee

- (1) Directly after the election of the Supervisory Board chairman and vice chairman, the Supervisory Board shall form the committee pursuant to § 27 par. 3 MitbestG. This committee shall be composed of the Supervisory Board chairman, the vice chairman elected in accordance with § 27 paras. 1 and 2 MitbestG as well as one member elected by the Supervisory Board members of the shareholders and one elected by the Supervisory Board members of the employees by majority of the votes cast.
- (2) The Mediation Committee shall be responsible for the duties assigned to it in its rules of procedure.

§ 13 Executive Committee

The Supervisory Board shall form an Executive Committee (Praesidium). In addition to the Supervisory Board chairman and vice chairman, the Executive Committee shall comprise one Supervisory Board member elected at the proposal of the Nomination Committee and one at the proposal of the employee representatives on the Supervisory Board. The Executive Committee shall be responsible for the duties assigned to it in the Rules of Procedure for the Executive Committee.

§ 14 Audit Committee

The Supervisory Board shall form an Audit Committee. The Audit Committee shall be composed of three Supervisory Board members elected at the proposal of the Nomination Committee and three elected at the proposal of the employee representatives on the Supervisory Board. The Audit Committee shall be responsible for the duties assigned to it in the Rules of Procedure for the Audit Committee.

§ 15 Strategy, Finance and Investment Committee

The Supervisory Board shall further form a Strategy, Finance and Investment Committee. This committee shall be composed of four Supervisory Board members elected at the proposal of the Nomination Committee and four elected at the proposal of the employee representatives on the Supervisory Board. The Strategy, Finance and Investment Committee shall be responsible for the duties assigned to it in its Rules of Procedure.

§ 16 Nomination Committee

The Supervisory Board shall form a Nomination Committee comprising up to five shareholder representatives on the Supervisory Board. The members of the Nomination Committee and the chairman of the Nomination Committee shall be elected by the shareholder representatives on the Supervisory Board. The Nomination Committee shall be responsible for the duties assigned to it in its rules of procedure.

§ 17 Personnel Committee

The Supervisory Board shall form a Personnel Committee. The Personnel Committee shall be composed of the chairman and vice chairman of the Supervisory Board and one Supervisory Board member elected at the proposal of the Nomination Committee and one at the proposal of the employee representatives on the Supervisory Board. The Personnel Committee shall be responsible for the duties assigned to it in its Rules of Procedure.

§ 18 Termination of Supervisory Board membership

- (1) Each member of the Supervisory Board can resign from office by giving two weeks' notice in writing to the Executive Board. Resignation without notice is possible for cause.
- (2) After leaving office Supervisory Board members shall destroy or return to the Company all company documents including copies and duplicates supplied to them in connection with their work.

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