

**- Translation for Convenience -**

**Rules of Procedure for the Supervisory Board of  
Heidelberger Druckmaschinen Aktiengesellschaft  
Dated July 26, 2023**

**I. Supervisory Board and its members**

**Article 1  
Tasks of the Supervisory Board**

- (1) The Supervisory Board advises the Management Board on and monitors its management of the Company. Monitoring and consulting also include sustainability issues.
- (2) The Supervisory Board works closely with the Management Board for the good of the Company. The Management Board is responsible for providing the Supervisory Board with sufficient information, which the Supervisory Board actively supports in line with these Rules of Procedure. Each year, the Supervisory Board and Management Board are to report on corporate governance through the corporate governance declaration.
- (3) The Supervisory Board assesses how effectively the Supervisory Board as a whole and its committees are fulfilling their task on a regular basis, at least once after half the regular term of office of its members, and states in the corporate governance declaration if and how self-assessment was carried out. It defines specific objectives for its composition, and develops a competence profile for the entire body. The competence profile shall also include expertise on sustainability issues that are significant for the company. The status of implementation shall be disclosed in the form of a skills matrix in the corporate governance declaration.
- (4) The Supervisory Board appoints and dismisses the members of the Management Board. In conjunction with the Management Board, the Supervisory Board ensures long-term succession planning, sets an age limit for Management Board members, and reports on this in the corporate governance declaration.

The Supervisory Board determines the remuneration of the individual Management Board members at the suggestion of the Human Resources Committee. In addition, it decides on the remuneration system for the Management Board and reviews it on a regular basis.

Remuneration of the individual Management Board members is determined by the Supervisory Board, taking into account any payments from Group companies, on the basis of a performance assessment. Criteria for the appropriateness of remuneration are the tasks of the individual Management

Board member, their personal performance, the Company's economic situation, success, and future prospects, and customary levels of remuneration taking into account a comparison with the peer group and the Company's remuneration structure. The remuneration structure must be geared towards the sustainable, long-term development of the Company. If the Supervisory Board consults an external remuneration expert to assess the appropriateness of remuneration, the Supervisory Board must ensure that the expert is independent of the Management Board and the Company.

- (5) The Supervisory Board decides on essential adaptations to these Rules of Procedure if this is necessary to ensure compatibility of the provisions of these Rules of Procedure with the requirements of the law, the Articles of Association, and the German Corporate Governance Code in accordance with the annual declaration of compliance.

## **Article 2**

### **Membership of the Supervisory Board**

- (1) Each member of the Supervisory Board must have the capabilities required to fulfill their tasks properly. Each Supervisory Board member ensures that they have sufficient time to exercise their mandate. Supervisory Board members should not hold office beyond the end of the Annual General Meeting following their seventy second birthday.
- (2) Any Supervisory Board member who additionally serves on the Management Board of a listed company should not, in total, hold more than two Supervisory Board mandates at non-Group listed companies that do not belong to the group of the company at which Management Board activity is exercised, or hold comparable posts on supervisory bodies that involve comparable requirements, or chair any Supervisory Board of non-Group listed companies.
- (3) Any Supervisory Board member who does not serve on a Management Board of a listed company should not, in total, hold more than five Supervisory Board mandates at non-Group listed companies or hold comparable posts; chairing of a Supervisory Board counts double here.
- (4) No more than two former members of the Company's Management Board may serve on the Supervisory Board at any one time. The Supervisory Board should contain a number of shareholder representatives that it deems appropriate; the shareholder structure should be taken into account here. A Supervisory Board member shall be regarded as independent if they are independent of the Company and its Management Board and independent of a controlling shareholder. When assessing the independence of Supervisory Board members, particular consideration must be given to the indicators listed in the German Corporate Governance Code.
- (5) Supervisory Board members may not hold executive roles or act in an advisory capacity at major competitors of either the Company or one of its Group companies, and may not have personal ties with a major competitor.

- (6) The members of the Supervisory Board are required to resign from their mandate in the event of material conflicts of interest that are not only temporary.
- (7) Management Board members may not join the Supervisory Board any sooner than two years after the end of their term of office unless they are elected at the suggestion of shareholders who hold more than 25 percent of the Company's voting rights.
- (8) At least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing.

### **Article 3**

#### **Rights and obligations of Supervisory Board members**

- (1) Regarding the activities and responsibilities of the Supervisory Board, all of its members have the same rights and obligations. They are not required to comply with orders or instructions.
- (2) Even after leaving office, the members of the Supervisory Board must not disclose confidential information or secrets of the Company, namely trade and commercial secrets, of which they become aware while serving on the Supervisory Board. This particularly applies to confidential reports and confidential advice. The same applies to other facts relating to the Company that are not in the public domain and, if publicly disclosed, could significantly affect the stock exchange price or market price of the shares and other securities of the Company. If a member of the Supervisory Board wishes to pass on information to third parties and the possibility cannot be ruled out that the information is confidential or involves secrets of the Company, the member is obliged to notify the Chair of the Supervisory Board in advance and give the Chair the opportunity to issue an opinion. Each Supervisory Board member must ensure that the employees they enlist to assist them maintain confidentiality in the same way.
- (3) Each member of the Supervisory Board is obliged to uphold the Company's interests. In their decision-making, they must not pursue personal interests or exploit business opportunities that arise for the Company for their own gain. Each Supervisory Board member must immediately disclose conflicts of interest to the Chair of the Supervisory Board, in particular those that may arise as a result of an advisory or executive role at customers, suppliers, lenders, or third parties. The Chair of the Supervisory Board must disclose any conflicts of interest to the Supervisory Board.
- (4) Regulations regarding remuneration of the Supervisory Board members for their Supervisory Board activities are set out in the Company's Articles of Association. The Company shows a breakdown of the remuneration of the Supervisory Board members and other remuneration paid or benefits granted to them in the (Group) management report.

- (5) Each D&O insurance policy taken out for the benefit of the members of the Supervisory Board should provide for a deductible of 10 percent of the damages, up to maximum of one and a half times the fixed annual Supervisory Board remuneration of the Supervisory Board member as set out in Article 16 of the Company's Articles of Association if and insofar as the Company follows a corresponding recommendation of the German Corporate Governance Code in accordance with the annual declaration of compliance.
- (6) The members of the Supervisory Board themselves are responsible for undertaking the training measures required for their tasks. The Company shall give them appropriate assistance with this. Measures taken are to be reported on in the Supervisory Board's report.
- (7) The members of the Supervisory Board are subject to the notification obligations of Section 19 of the EU Market Abuse Regulation<sup>1</sup> (**MAR**), taking into account the related regulations and legal provisions<sup>2</sup>. Reference is additionally made to Section 19 MAR and Commission Delegated Regulation (EU) 2016/522<sup>3</sup>.

#### **Article 4 Chair and Deputy Chair**

- (1) Immediately after the Annual General Meeting at the end of which the new period of office begins, at a meeting held without special invitation, the Supervisory Board elects from its members a Chair and a Deputy Chair for the respective term of office in accordance with the provisions of the German Stock Corporation Act (AktG) and the German Co-Determination Act (MitbestG). The vote is overseen by the oldest member of the Supervisory Board.
- (2) The Chair of the Supervisory Board should be independent of the Company and the Management Board. When assessing the independence of the Chair of the Supervisory Board, particular consideration must be given to the indicators listed in the German Corporate Governance Code.
- (3) If the Chair or Deputy Chair steps down before the end of their term of office, the Supervisory Board must immediately elect a successor for the remaining term of office of the departing Chair or Deputy Chair.
- (4) The Company should notify the shareholders of proposed candidates for Chair

<sup>1</sup> Regulation (EU) no. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (Market Abuse Regulation) and to repeal Directive 2003/6/EC of the European Parliament and of the Council and Directives 2003/124/EC, 2003/125/EC, and 2004/72/EC.

<sup>2</sup> e.g. COMMISSION DELEGATED REGULATION (EU) 2016/522 dated December 17, 2015 supplementing Regulation (EU) no. 596/2014 of the European Parliament and of the Council as regards an exemption for certain third countries' public bodies and central banks, the indicators of market manipulation, the disclosure thresholds, the competent authority for notifications of delays, the permission for trading during closed periods and types of notifiable managers' transactions, EU Official Journal dated April 5, 2016, L 88/1.

<sup>3</sup> COMMISSION DELEGATED REGULATION (EU) 2016/522 dated December 17, 2015 supplementing Regulation (EU) no. 596/2014 of the European Parliament and of the Council as regards an exemption for certain third countries' public bodies and central banks, the indicators of market manipulation, the disclosure thresholds, the competent authority for notifications of delays, the permission for trading during closed periods and types of notifiable managers' transactions, EU Official Journal dated April 5, 2016, L 88/1.

of the Supervisory Board.

- (5) The Deputy Chair only has the rights and obligations of the Chair of the Supervisory Board if the Chair is unavailable and the law or the Articles of Association contain no provisions to the contrary.
- (6) The Chair of the Supervisory Board should maintain regular contact with the Chair of the Management Board between meetings and discuss issues relating to the Company's strategy, planning, business performance, the risk situation, risk management, and compliance with the Chair of the Management Board.
- (7) Declarations by the Supervisory Board are issued in the name of the Supervisory Board by the Chair, or by the Deputy if the Chair is unavailable. The Chair, and not every Supervisory Board member, is authorized to receive declarations for the Supervisory Board.
- (8) In addition, the Chair of the Supervisory Board must perform the duties assigned to him in the Articles of Association.

## **Article 5 Meetings**

- (1) Meetings of the Supervisory Board are convened by the Chair of the Supervisory Board or, if the Chair is unavailable, by the Deputy Chair of the Supervisory Board or by the Management Board acting on behalf of the Chair of the Supervisory Board. Meetings of the Supervisory Board must be convened at least twice per calendar half-year. In addition, a meeting of the Supervisory Board must be convened immediately if this is requested by a Supervisory Board member or the Management Board with indication of the purpose and the reasons. A meeting of this kind must be held within two weeks after being convened. If the request is not complied with, this Supervisory Board member or the Management Board can convene a meeting of the Supervisory Board themselves, communicating the subject matter and setting out an agenda.
- (2) The meetings of the Supervisory Board must be convened at least fourteen days before the date of the meeting. Meetings may be convened in writing, by fax or using other common means of communication (e.g. by e-mail or phone). The agenda items must be communicated in the invitation. Proposed resolutions on agenda items should be communicated sufficiently in advance of the meeting to allow the submission of written votes from absent members of the Supervisory Board.
- (3) The Chair of the Supervisory Board can cancel or postpone a convened meeting at their own discretion. The Chair decides on whether to call in experts and consultants to advise on individual agenda items.
- (4) The members of the Management Board attend the meetings unless the Chair of the Supervisory Board determines otherwise. The Supervisory Board should also meet regularly without the Management Board.

- (5) As required, the shareholder and employee representatives on the Supervisory Board can prepare for the Supervisory Board meetings separately and, if applicable, with members of the Management Board.

## **Article 6 Resolutions**

- (1) The resolutions of the Supervisory Board are usually passed in meetings. Outside meetings, resolutions may be passed in writing, by phone, fax or e-mail or using other common means of telecommunication, including by video conference in particular, if this is stipulated in the individual case by the Chair of the Supervisory Board or, if he is unavailable, by the Deputy Chair. The other members of the Supervisory Board do not have a right to object to this.
- (2) The Chair of the Supervisory Board chairs the meeting. The Chair determines the order in which the agenda items are discussed as well as the type and order of votes. The Chair can adjourn discussion and voting on individual agenda items at their own discretion.
- (3) The Supervisory Board is quorate if at least half its members vote on the resolution. A member is also considered to have taken part in the resolution if he/she abstains. Absent Supervisory Board members can vote on resolutions by arranging the submission of written votes (including by fax). Absent members of the Supervisory Board may also cast their votes during or after the meeting by phone, fax, e-mail or using other common means of telecommunication, including by video conference in particular, if this is stipulated in the individual case by the Chair of the Supervisory Board or, if he is unavailable, by the Deputy Chair before the passing of the resolution begins and allowing for an appropriate period of time. The other members of the Supervisory Board do not have a right to object to this.
- (4) The resolutions of the Supervisory Board are passed by a majority of votes cast unless other majorities are required by law. Abstentions do not count as votes cast. If a vote by the Supervisory Board is tied, the Supervisory Board must vote again on the same resolution in the same meeting if this is requested by one of its members. If this vote is also tied, the vote of the Chair of the Supervisory Board counts double, including if the Chair submits written votes in accordance with Section 108 (3) AktG. The vote of the Deputy Chair does not count double. Section 31 MitbestG is decisive with regard to the appointment of Management Board members and revocation of their appointment.
- (5) If requested by two members of the Supervisory Board, the resolution on individual agenda items or all agenda items must be postponed if there would not be an equal number of shareholder and employee members of the Supervisory Board participating. Postponements of more than two months are not permitted. A further postponement of the resolution on the same agenda item is not permitted.

- (6) The Chair of the Supervisory Board must prepare and implement the voting of the Supervisory Board.

### **Article 7**

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

- (1) Minutes of the meetings of the Supervisory Board must be taken; they must be signed by the chair of the respective meeting and filed in the Company's records. The Chair of the Supervisory Board or, in their absence, the chair of the meeting appoints the minute-taker. The minutes must record the location and date of the meeting, the participants, the agenda items, the key content of discussions, and the resolutions of the Supervisory Board. A copy of the minutes must be sent to each Supervisory Board immediately after being signed by the Chair of the Supervisory Board.
- (2) Resolutions that were not passed in meetings are noted in minutes by the Chair of the Supervisory Board. A copy of the minutes is sent to each Supervisory Board immediately.
- (3) The minutes as per paragraph 2 are deemed to be approved if no member of the Supervisory Board who took part in the voting has sent a written objection to the Chair of the Supervisory Board within one month of being sent a copy of the minutes. In the event of an objection, the minutes of the resolutions not adopted at a meeting will be approved at the next meeting of the Supervisory Board.
- (4) The resolutions passed by the Supervisory Board can be recorded verbatim at the meeting and instantly signed by the Chair of the Supervisory Board or, in their absence, by the chair of the meeting. If resolutions are recorded separately in this way at the meeting, objection is possible at the meeting only.

### **Article 8**

#### **Transactions requiring approval**

- (1) The Management Board requires the approval of the Supervisory Board:
  - a) for acquisitions, disposals and the encumbrance of property and hereditary building rights, for acquisitions and disposals of shares in companies, for accepting warranties, guarantees or similar liabilities if the value of any one of these transactions exceeds €20 million, for accepting warranties, guarantees or similar liabilities only if these occur outside usual business operations, and
  - b) for taking up loans.
- (2) Approval as per paragraph 1 a) is not required for transactions with affiliated companies.

- (3) The Management Board additionally requires the approval of the Supervisory Board if it cooperates with affiliated companies in transactions as per paragraph 1 by means of instruction, approval, voting, or in any other way.
- (4) In addition, related-party transactions as per Section 111a AktG require the approval of the Supervisory Board or a committee appointed in accordance with Section 107(3) sentences 4 to 6 AktG.
- (5) Regardless of the provision of Section 112 AktG, transactions with a value in excess of €25,000 between the Company or one of its affiliates and a Management Board member or persons or enterprises related to a Management Board member require the approval of the Supervisory Board.
- (6) The Supervisory Board must give its consent to other activities of a Management Board member pursuant to Section 88 AktG, and approve other ancillary activities of Management Board members, in particular the holding of places on supervisory boards and places on comparable governing bodies of companies outside the Group.

## **II. Committees**

### **Article 9 General regulations**

- (1) From amongst its members, the Supervisory Board forms an Executive Committee (Article 10), a Human Resources Committee (Article 11), an Audit Committee (Article 12), a Strategy Committee (Article 13), a Nomination Committee (Article 14), and a committee in accordance with Section 27(3) of the German Co-Determination Act (MitbestG) (Article 15). Their members should be elected at the Supervisory Board meeting referred to in Article 4(1) sentence 1. Other committees can be formed if required. The respective committee members and the committee chair should be mentioned by name in the corporate governance declaration.
- (2) Taking into account the requirements set out in these Rules of Procedure, the Supervisory Board appoints a member of each committee as the chair of that committee unless stated otherwise in these Rules of Procedure.
- (3) The meetings of the committees are convened by the chair of the respective committee. Each member of a committee has the right to request the convening of a meeting of this committee, stating the reason for doing so. In general, at least one week's notice of convening must be given.
- (4) Committees that make decisions instead of the Supervisory Board are quorate only if half their members, but no fewer than three members, vote on the resolutions. In these committees, the chair of the committee holds the casting vote as per Article 6(4) sentence 4.

- (5) The chairs of the respective committees report to the Supervisory Board on the work of the committees on a regular basis.
- (6) Article 5(2) sentences 2, 3 and 4, (3) and (4) as well as Articles 6 and 7 correspondingly apply to the internal arrangements of the committees, unless stated otherwise in this section II.

#### **Article 10 Executive Committee of the Supervisory Board**

- (1) The Executive Committee comprises the Chair and Deputy Chair of the Supervisory Board as well as two shareholder representatives and two employee representatives on the Supervisory Board. The Chair of the Supervisory Board is the Chair of the Executive Committee.
- (2) The Executive Committee advises on key issues and prepares resolutions of the Supervisory Board. The Executive Committee can decide on the approval for measures of the Management Board required as per Article 8(1) to (3) instead of the Supervisory Board if the matter cannot be deferred and a resolution of the Supervisory Board cannot be passed in time.

#### **Article 11 Human Resources Committee**

- (1) The Human Resources Committee comprises the Chair and Deputy Chair of the Supervisory Board as well as four further members, namely two shareholder representatives and two employee representatives on the Supervisory Board. The Chair of the Supervisory Board is the Chair of the Human Resources Committee. The Chair of the Human Resources Committee should be independent of the Company and the Management Board.
- (2) The Human Resources Committee prepares the human resources decisions of the Supervisory Board: Furthermore, it submits proposed resolutions to the Supervisory Board regarding the retention or modification of the structure of the remuneration system of the Management Board. The committee prepares decisions of the Supervisory Board in line with the following paragraphs and complies with the regulations set out therein.
  - a) The Human Resources Committee prepares the conclusion, modification, and termination of employment contracts with the members of the Management Board for the Supervisory Board, including total remuneration of the individual Management Board members. Total remuneration of the Management Board members comprises the monetary remuneration components, the pension commitments, the other commitments, in particular in the event of termination of activity, fringe benefits of all kinds, and benefits from third parties that were promised with regard to management board activity or granted in the financial year.

The remuneration structure must be geared towards the sustainable, long-term development of the Company here. The monetary remuneration components comprise fixed and variable elements. The Supervisory Board must ensure that variable remuneration components have a multi-year assessment basis. All remuneration components must be appropriate, both individually and as a whole, and in particular must not cause inducement to enter into inappropriate risks. When preparing Management Board contracts, the Human Resources Committee must observe the recommendations of the German Corporate Governance Code in accordance with the annual declaration of compliance as well as stipulations of a remuneration system passed by the Supervisory Board.

- b) The Human Resources Committee prepares the resolution of the Supervisory Board on the remuneration system in accordance with Section 87a AktG.
  - c) Reappointment of a Management Board member more than a year before the end of the term of office while curtailing the current appointment should only be carried out only in exceptional circumstances.
  - d) The appointment of Management Board members should not extend beyond their 65th birthday.
- (3) The Human Resources Committee votes instead of the Supervisory Board on
- (a) other legal transactions with Management Board members pursuant to Section 112 AktG as well as approval of transactions with a value in excess of €25,000 between the Company or one of its affiliates and a Management Board member or persons or enterprises related to a Management Board member;
  - (b) consent to other activities of a Management Board member pursuant to 88 AktG, and approval of other ancillary activities, in particular the holding of places on supervisory boards and places on comparable governing bodies of companies outside the Group;
  - c) the granting of loans to the persons stated in Sections 89 and 115 AktG, and
  - d) approval of contracts with Supervisory Board members pursuant to Section 114 AktG.
- (4) The Human Resources Committee reports on long-term succession planning for the Management Board on a regular basis. In doing so, it takes into account the Company's executive planning and invites the Management Board to explain this. With regard to the composition of the Management Board, the Supervisory Board also bears diversity in mind.

- (5) Members of the Management Board must declare conflicts of interest to the Chair of the Supervisory Board and the Chair or Spokesperson of the Management Board immediately, and inform the other Management Board members. The Chair of the Supervisory Board must inform the Chair of the Human Resources Committee of any conflict of interest declared by a Management Board member.

## **Article 12 Audit Committee**

- (1) The Audit Committee comprises at least six and no more than eight members, consisting of an equal number of shareholder representatives and employee representatives on the Supervisory Board. Of the members of the Audit Committee, at least one member must have expertise in the field of accounting and at least one other member must have expertise in the field of auditing. The accounting expertise shall consist of special knowledge and experience in the application of accounting principles and internal control and risk management systems. The expertise in the field of auditing shall consist of special knowledge and experience in the auditing of financial statements. Accounting and auditing shall also include sustainability reporting and the audit thereof. The Chair of the Audit Committee shall have expertise in at least one of the two fields. The Chair of the Audit Committee shall be independent of the Company, of the Management Board, and of a controlling shareholder, and not be a former member of the Management Board of the Company whose appointment ended less than two years ago. The Chair of the Supervisory Board shall not be the Chair of the Audit Committee.
- (2) In particular, the Audit Committee deals with auditing of accounts, monitoring of the accounting process, the effectiveness of the internal control system, risk management system, and internal audit system, auditing of financial statements, in particular the selection and independence of the auditor, the quality of the final audit, the services additionally performed by the auditor, awarding of the audit assignment to the auditor, determination of the main focal points of audits, and the fee agreement, as well as compliance. Accounting particularly comprises the consolidated financial statements and the Group management report, interim financial information, and the separate financial statements according to the German Commercial Code (HGB). Accounting and auditing also include sustainability reporting including the audit. The Audit Committee discusses the half-year and quarterly publication with the Management Board prior to publication.
- (3) The Audit Committee shall discuss with the auditor the assessment of the audit risk, the audit strategy and audit planning as well as the audit results.
- (4) The Audit Committee shall consult regularly with the auditor also without the Management Board.
- (5) The Audit Committee leads the process for selecting the auditor, and submits recommendations to the Supervisory Board for the Supervisory Board's

proposal to the Annual General Meeting for the appointment of the auditor. The Audit Committee takes appropriate measures to establish and monitor the independence of the auditor. Before submitting a proposal for election, the Audit Committee should obtain a declaration from the intended auditor in accordance with the statutory requirements, in particular the applicable version of the Audit Regulation<sup>4</sup>. The declaration should also include whether and, if applicable, what links there are between the auditor and the Company that may give rise to doubts regarding the auditor's independence, as well as services provided by the auditor in the previous financial year and contractually agreed future services of the auditor for the Company if the Company follows a corresponding recommendation of the German Corporate Governance Code in accordance with the annual declaration of compliance.

- (6) The Chair of the Audit Committee should make a contractual agreement with the auditor in which the auditor undertakes to inform the Chair of the Audit Committee immediately of any reasons for exclusion and indications of partiality of the auditor if these are not resolved immediately. The Chair of the Audit Committee shall regularly discuss the progress of the audit with the auditor and report thereon to the Committee.
- (7) The Audit Committee reports on the quality of auditing on a regular basis.
- (8) The Audit Committee is entitled to perform its tasks to an appropriate extent, and to obtain external advice after informing the Chair of the Supervisory Board, and can take decisions on measures to investigate and assess compliance violations instead of the Supervisory Board.
- (9) The Audit Committee helps the Supervisory Board to comply with and implement the regulations set out in Article 20.

### **Article 13 Strategy Committee**

- (1) The Strategy Committee comprises the shareholder representatives on the Supervisory Board as well as two employee representatives on the Supervisor Board who are chosen by their fellow employee representatives. The Chair of the Supervisory Board is the Chair of the Strategy Committee.
- (2) The Strategy Committee deals with the strategy of the Company and the related strategic considerations of the Management Board. The Strategy Committee advises the Management Board in preparing for the Supervisory Board meeting at which the entire Supervisory Board deals with the Company's strategy and takes any necessary decisions on the Company's strategic orientation.
- (3) The other Supervisory Board members have the right to attend the meetings of the Strategy Committee as guests.

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<sup>4</sup> Regulation (EU) no. 537/2014 of the European Parliament and of the Council of April 16, 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.

## **Article 14 Nomination Committee**

- (1) The Nomination Committee comprises the Chair of the Supervisory Board, as well as two further shareholder representatives on the Supervisory Board who are chosen by their fellow shareholder representatives. The Chair of the Supervisory Board is the Chair of the Nomination Committee.
- (2) The Nomination Committee submits to the Supervisory Board suggestions for the nomination of suitable candidates for the election of the Supervisory Board at the Annual General Meeting or to fill vacant places on the Supervisory Board by way of judicial appointment. In doing so, the committee assesses the knowledge, skills, and specialist experience of the applicants, ensures a balanced spread of this knowledge, these skills and this specialist experience within the Supervisory Board, and particularly takes into account the goals designated by the Supervisory Board for its composition, the skills profile for the entire body as well as the requirements pursuant to Article 2, and pays attention to diversity, the appointment of a suitable number of independent members as per the German Corporate Governance Code, and potential conflicts of interest. The Nomination Committee describes the requirements associated with the mandate or mandates, and explains them to the Supervisory Board in connection with its proposal.

The Nomination Committee regularly examines the structure, size, and composition of the Supervisory Board as well as the amount of time required for the work of the Supervisory Board, and submits suggested changes to the Supervisory Board as required.

In addition, the Nomination Committee deals with issues relating to succession planning of the Supervisory Board members.

- (3) When presenting its nominations to the Annual General Meeting, the Supervisory Board should disclose the personal and business relationships of each candidate to the Company, the executive bodies of the Company, and any major shareholders in the Company. In this case, "major shareholder" refers to shareholders who directly or indirectly hold more than 10 percent of the shares in the Company with voting rights. Disclosure should be limited to facts that an objective shareholder would deem to be crucial to their voting decision in the view of the Supervisory Board.

## **Article 15 Committee as per Section 27(3) of the German Co-Determination Act (MitbestG)**

Immediately after the election of the Chair and Deputy Chair of the Supervisory Board, in order to undertake the task referred to in Section 31(3) sentence 1 MitbestG, the Supervisory Board sets up a committee comprising the Chair and Deputy Chair as well as a member elected by the shareholder representatives on the Supervisory Board

and a member elected by the employee representatives on the Supervisory Board, in each case by a majority of the votes cast.

### **III. Rules on information**

#### **Article 16**

#### **Routine reports to the Supervisory Board pursuant to Section 90(1) sentence 1 no. 1-3 AktG**

- (1) At least once per year, the Management Board reports on its intended business policy and on other basic corporate planning issues at the Company and the Group. This report includes the main areas of management planned by the Management Board. In particular, this includes an explanation of the intended development and strategic orientation of the Group, the presentation of the financial and accounting policy for the Group and its divisions, and an explanation of deviations in actual performance from previously reported objectives with reasons. In addition, these topics must be reported on immediately if changes to the situation or new questions demand immediate reporting. The corporate planning that the Management Board presents before the start of a financial year contains in particular an earnings plan, an investment plan, a financial plan, and a human resources plan for the Group and its divisions for the forthcoming financial year as well as a forecast for the two subsequent financial years.
- (2) At the meeting of the Supervisory Board in connection with the resolution on the annual financial statements and the consolidated financial statements (the accounts meeting), the Management Board reports on the profitability of the Company and the Group and in particular on the return on equity. This report – with comparisons against the previous year and against planning – includes details of the earnings power of the Group as a whole and its individual divisions on the basis of informative profitability data.
- (3) The Management Board reports on the course of business, in particular sales and the position of the Company and the Group, on a regular basis, at least once a quarter. The current development of the Company's net assets, financial position and results of operations, human resources development, and material risks of the Group and individual divisions must be reported on here. Deviations from the previous year and from the forecast must be explained.
- (4) The Management Board reports on the Company's risk management system, internal audit system, and compliance to the Audit Committee. The Supervisory Board can ask to receive direct reporting if one of its members requests this.
- (5) The reports pursuant to this Article 16 must be prepared as promptly as possible, and generally in writing.

#### **Article 17**

### **Special reports to the Supervisory Board pursuant to Section 90(1) sentence 1 no. 4 AktG**

The Management Board reports on all transactions that may be of substantial importance to the profitability or liquidity of the Company and/or the Group. These reports must generally be prepared in writing and – if possible – promptly enough to enable the Supervisory Board to comment on them before the transactions are undertaken. If necessary, the Chair of the Supervisory Board convenes an extraordinary meeting of the Supervisory Board.

### **Article 18 Reports to the Chair of the Supervisory Board pursuant to Section 90(1) sentence 3 AktG**

The Management Board reports to the Chair of the Supervisory Board as promptly as possible in the event of other significant reasons. A business transaction at an affiliated company that may have a significant impact on the Company's situation of which the Management Board has become aware is also to be regarded as a significant development. Insofar as this development requires, the Chair of the Supervisory Board then informs the Supervisory Board and convenes an extraordinary Supervisory Board meeting if applicable.

### **Article 19 Additional reports to the Supervisory Board**

Regardless of the reporting obligations set out in Articles 16 to 18 above, the Management Board reports to the Supervisory Board or to one of its committees at a meeting or in writing on:

- a) the approval or modification of key Group guidelines and other fundamental regulations;
- b) very high-profile transactions and events

and to the Human Resources Committee on the granting or revocation of powers of attorney of Heidelberger Druckmaschinen AG.

## **IV. Auditing of financial statements**

### **Article 20 Auditing of financial statements**

- (1) The Supervisory Board awards the audit assignment to the auditor and arranges the fee agreement with them. The Supervisory Board should consult with the Management Board on this.

- (2) The Supervisory Board agrees with the auditor that the auditor should inform the Supervisory Board of all findings and incidents that are significant to the tasks of the Supervisory Board and of any inaccuracies in the declaration on the German Corporate Governance Code issued by the Management Board and Supervisory Board that the auditor identifies or becomes aware of while conducting the audit and should record them in the audit report.
- (3) One or more representatives of the auditor is invited to the Supervisory Board's discussions on the Company's annual financial statements and the consolidated financial statements in order to report on the main results of the audit.

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