

**Convenience translation from German to English.  
Only the German original shall be deemed authoritative.**

**Articles of Association**

of

**ElringKlinger AG**

**Dettingen/Erms**

in the version dated May 26, 2017

## **I. General Provisions**

### Article 1

1. A joint-stock company (“Aktiengesellschaft”) exists with the name

#### **ElringKlinger AG**

2. Its registered office is in Dettingen/Erms (Germany).
3. The duration of the company is not time-limited.

### Article 2

1. The purpose of the company is to develop, manufacture, and sell technical and chemical products, particularly gaskets, sealants, plastic products, and assemblies for the automotive and other industries. In addition, the company offers services associated with the technology that forms the basis of its product range. The company has a further purpose in the form of managing participating interests and other assets that promote research into or the development, production, and sale of technical or chemical products as well as the performance of services. Furthermore, the company administers and disposes of real estate. The company may also hold and manage participating interests and other assets in conjunction with the administration and disposal of real estate. The company may also carry out financing transactions of any kind to serve its business purposes.
2. The company is authorized to acquire an interest of any kind in other entities of any legal form both in Germany and abroad, to acquire or sell companies, to merge companies under a single management, or to restrict itself to the management of such interests. It is also authorized to demerge/outsource some or all of its operations to affiliated companies and set up branch offices in Germany or abroad.

### Article 3

#### Public Announcements and Information

1. Public announcements from the company are published in the Electronic Federal Gazette.
2. Information to the shareholders listed in the share register can also be sent electronically with their consent.

## **II. Share Capital and Shares**

### Article 4

1. Share capital amounts to €63,359,990.00 (in words: sixty-three million, three hundred and fifty-nine thousand, nine hundred and ninety euros).
2. It is divided into 63,359,990.00 no-par-value shares.
3. Subject to the approval of the Supervisory Board, the Management Board is authorized to increase share capital in the period up to May 17, 2022, through the issue of new shares for cash/non-cash contributions, in one or more stages, by an aggregate of no more than EUR

31,679,995 (Authorized Capital 2017). Shareholders are generally to be furnished with a subscription right. The shares may also be taken up by one or several banks, with the proviso that said shares shall be offered to shareholders for subsequent subscription. However, the Management Board shall be authorized, with the consent of the Supervisory Board, to exclude the subscription right of shareholders

- in order to eliminate fractional amounts;
- if and when the increase in share capital is executed for a non-cash contribution in particular for the purpose of acquiring companies, parts of companies, or shareholdings in companies or other assets associated with acquisition plans or as part of business combinations and the shares issued with an exclusion of the subscription right represent no more than 10% of the share capital in total, this being the case neither at the date at which this authorization comes into effect nor at the date at which it is exercised;
- if and when the new shares are issued for a cash contribution and the issue price for each new share is not significantly below the market price of the existing exchange-listed shares and the shares issued with an exclusion of the subscription right pursuant to Section 186(3) sentence 4 of the German Stock Corporation Act (AktG) represent no more than 10% of the share capital in total, this being the case neither at the date at which this authorization comes into effect nor at the date at which it is exercised. Shares that are issued or sold during the validity of this authorization with the exclusion of subscription rights, in direct or analogous application of Section 186(3) sentence 4 AktG, shall be included in the maximum limit of 10% of share capital.

The conditions and details of share issuances from Authorized Capital 2017 shall be determined by the Management Board with the approval of the Supervisory Board.

#### Article 5

1. The shares are no-par-value registered shares.
2. Shareholders are not entitled to receive a certificate of their shares or dividends unless required by the regulations of a stock exchange to which the company's shares have been admitted.

#### Article 6

The Management Board determines the form that share certificates are to take, the payment of a dividend, and the issue of renewal certificates with the approval of the Supervisory Board. The same applies to bonds and interest coupons.

### **III. The Management Board**

#### Article 7

The number of members and, where applicable, any reserve members of the Management Board is set by the Supervisory Board, which is also responsible for allocating duties.

#### Article 8

1. If the Management Board comprises a single person, then he/she shall represent the company. If it comprises several persons, it shall be represented by two members of the Management Board or by one member of the Management Board acting jointly with an authorized officer (*Prokurist*).
2. The Supervisory Board can decide that individual members of the Management Board are to be authorized to represent the company on their own. The Supervisory Board can also exempt individual or all members of the Management Board from the restrictions under Section 181 of the German Civil Code (BGB) to the extent that they will be permitted to conclude legal transactions with the company while representing a third party.

### **IV. The Supervisory Board**

#### Article 9

1. The Supervisory Board shall comprise twelve members, six elected by the shareholders and six by the employees in accordance with the German Codetermination Act (MitbestG).
2. Unless determined otherwise at the time of the election, the members of the Supervisory Board shall be elected for a period leading up to the end of the General Meeting of Shareholders that decides on whether to ratify their actions for the fourth financial year since they started in office, not counting the financial year in which their term actually began.
3. At the same time as the ordinary members of the Supervisory Board, the shareholders may elect a reserve member to stand in for one or more individual shareholder representatives on the Supervisory Board. At the same time as electing the ordinary members of the Supervisory Board, the employees may similarly elect a reserve member to stand in for one or more individual employee representatives on the Supervisory Board. The reserve member shall replace the outgoing ordinary member for the rest of their term in office.
4. If a member of the Supervisory Board is elected to replace an outgoing member due to a lack of reserve members, their term in office shall last for the same length of time as the outgoing member's remaining term. The same applies if someone who has been elected refuses to accept the mandate offered to them.
5. Any outgoing ordinary or reserve member of the Supervisory Board may be re-elected.
6. Any ordinary or reserve member of the Supervisory Board may resign from office at any time and for whatever reason by making a statement to the Chairman of the Supervisory Board or to the Management Board.

## Article 10

The Supervisory Board shall elect a Chairman and at least one Deputy Chairman from among its members. This shall be done every year at its first meeting following the Annual General Meeting of Shareholders, at which it shall assemble without any separate invitation. This election shall be held again as soon as one of these offices falls vacant.

## Article 11

1. The Chairman or, if he/she should be absent, the Chairman's deputy shall convene meetings of the Supervisory Board as often as required by law or business circumstances/matters.

The Chairman or, as appropriate, his/her deputy shall determine the time, venue, agenda, and method for convening each meeting. A meeting of the Supervisory Board must be convened without delay if requested by the Management Board or a member of the Supervisory Board stating the purpose and reasons for the meeting.

2. The Supervisory Board is deemed to be quorate if invitations have been sent with suitable notice to the addresses communicated most recently by its members and if at least two-thirds of members, including the Chairman or his/her deputy, engage in passing resolutions. Members of the Supervisory Board not in attendance may participate in the passing of resolutions by providing other members with a written proxy.

3. Supervisory Board decisions are decided by a simple majority of the votes cast. If the number of votes for and against a proposal is equal, the chair of the meeting shall have the casting vote, including for elections. In urgent cases, resolutions may also be passed without convening a meeting, i.e., in writing, by telephone, or by telegram, if no member of the Supervisory Board objects to this method within a week of receiving a corresponding request.

A written record of Supervisory Board meetings must be prepared and this must be signed by the Chairman. This record must list the venue and date of the meeting, the attendees, the agenda items, the main content of discussions, and the resolutions passed by the Supervisory Board.

4. The Supervisory Board may form committees from among its members, for which it shall establish rules of procedure and to which it shall assign corresponding duties and powers insofar as permitted by law.
5. The members of the Management Board are entitled to attend meetings of the Supervisory Board and of its committees unless the Supervisory Board has expressly resolved in an individual case to discuss matters in the absence of the members of the Management Board. The Supervisory Board may oblige the members of the Management Board to attend the meetings of the Supervisory Board or of its committees.
6. Formal declarations of intent by the Supervisory Board and any of its committees are issued by the Chairman or a deputy on behalf of the Supervisory Board.

## Article 12

The Supervisory Board shall determine the kinds of business that cannot be engaged in without its consent.

#### Article 13

1. As well as being reimbursed for their expenses and refunded the VAT charged on the income from their work on the Supervisory Board, all members of the Supervisory Board shall also receive a fixed and a variable remuneration component at the end of the financial year. Committee members shall receive an additional fixed remuneration component for their committee work. The General Meeting of Shareholders shall approve remuneration amounts. If no change to the fixed and/or variable remuneration components is agreed, they shall remain unchanged on the previous year. Members of the Supervisory Board who have only held this role for part of the financial year shall receive their fixed and variable remuneration components on a pro rata basis.
2. If members of the Supervisory Board perform extra duties in this role in the interests of the company, separate remuneration for these duties can be agreed by means of a resolution passed by the Supervisory Board.
3. The company can take out D&O liability insurance for the members of the Supervisory Board.

#### Article 14

The Supervisory Board is authorized to agree changes to the Articles of Association relating only to their wording.

### **V. The General Meeting of Shareholders**

#### Article 15

1. The Annual General Meeting of Shareholders is held within the first eight months of every financial year. In particular, it decides on the appropriation of net retained profit (i.e., distributable profit), the appointment of the statutory auditor, the ratification of the actions of the Management Board and Supervisory Board, the election of members of the Supervisory Board in accordance with Section 101 AktG, and, in the cases provided for by law, the adoption of the annual financial statements.
2. The Management Board is authorized to permit some or all of the General Meeting of Shareholders to be broadcast as a video and sound recording. The details of this broadcast shall be announced together with the invitation to the General Meeting of Shareholders in the company's official gazettes in accordance with Article 3 of the Articles of Association.

#### Article 16

1. The General Meeting of Shareholders shall be convened in the same location as the company has its registered office or in another town or city in Baden-Württemberg with at least 20,000 inhabitants. This shall not affect the legal right of others to convene the General Meeting of Shareholders.
2. The General Meeting of Shareholders shall be convened at least 30 days before it is due to be held. Meetings can be convened in the Electronic Federal Gazette or in accordance with Section 121(4) AktG. The notice period for convening the General Meeting of Shareholders is extended by the number of days allowed for registration (Article 17 paragraph 1 of the Articles

of Association). The day of registration and the day on which the meeting is convened are not included in this notice period.

#### Article 17

1. Those shareholders who are listed as shareholders in the company's share register on the day of the General Meeting of Shareholders and whose registration in text form is received by the company or by the bodies listed in the invitation at least six days before the date of the General Meeting of Shareholders are entitled to participate in the General Meeting of Shareholders and exercise their voting rights.
2. No modifications shall be made to the share register of the company between the end of the last day on which it is possible to register in accordance with paragraph 1 and the end of the General Meeting of Shareholders.

#### Article 18

1. Each share is equipped with one vote at the General Meeting of Shareholders.
2. If shares are not fully paid up, voting rights shall commence once the statutory minimum contribution has been made in accordance with Article 134(2) AktG.
3. Voting rights may be exercised by a proxy. The right of representation may only be granted, revoked, or corroborated in text form. Details on the procedure for granting the right of representation are provided when the General Meeting of Shareholders is convened. If the company authorizes specific voting proxies to exercise voting rights, the right of representation can be granted in the same way. Voting proxies may not exercise their right of representation if no individual instructions are given when this right is granted. Details on the procedure for granting this right of representation are provided when the General Meeting of Shareholders is convened.

#### Article 19

1. The General Meeting of Shareholders shall be chaired by the Chairman of the Supervisory Board or his/her deputy or by another member of the Supervisory Board. If none of these is present or willing to lead the General Meeting of Shareholders, the General Meeting of Shareholders shall nominate a chair under the guidance of a member of the Management Board.
2. The chair leads the meeting and can decide to address the agenda items in a different order to that announced unless a majority of those present at the General Meeting of Shareholders agrees otherwise. The chair is empowered to impose a reasonable time limit on the right of shareholders to ask questions and speak in the interests of making swift progress with the General Meeting of Shareholders; particularly at the start of or during the General Meeting of Shareholders, he/she can set an appropriate timeframe for the whole meeting, for addressing the individual agenda items, and for individual questions and speeches. He/she shall also specify the method and form of voting to be used.

## Article 20

Unless stipulated otherwise by law or the Articles of Association, resolutions shall be adopted by the General Meeting of Shareholders by a simple majority of the votes cast and, if a majority is also required in terms of capital represented, then by a simple majority of capital represented. In the case of amendments to the Articles of Association and increases in the share capital, a simple majority in terms of the share capital represented by voters on the resolution shall suffice unless the law requires a different kind of majority in terms of capital represented (Sections 179(2) and 182(1) AktG).

## **VI. Annual Financial Statements and Appropriation of Profit**

### Article 21

The company's financial year corresponds to the calendar year.

### Article 22

1. The Management Board must prepare the annual financial statements and management report within three months of the end of the financial year and submit them to the Supervisory Board without delay. The Management Board's proposal for appropriating net retained profit is also to be submitted together with these documents.

If a set of consolidated financial statements are required to be prepared, these together with the consolidated management report must also be prepared within three months for the past financial year and submitted to the Supervisory Board without delay.

2. The report of the statutory auditor must also be submitted to the Supervisory Board. The Management Board is to be given the opportunity to comment before this is done.
3. The Supervisory Board is required to review the annual financial statements, the management report, the proposal for the appropriation of profit and, if applicable, the consolidated financial statements and consolidated management report and to submit a written report on the findings from its review to the General Meeting of Shareholders. It is also required to comment on the statutory auditor's findings from their audit of the annual financial statements.
4. The annual financial statements, the management report, the Supervisory Board's report, the proposal for the appropriation of profit and, if applicable, the consolidated financial statements and the consolidated management report must be made available for inspection at the company's premises from the time the General Meeting of Shareholders is convened. Any shareholder requesting a copy of these documents is to be provided with one without delay.
5. The statutory auditor is nominated by the General Meeting of Shareholders. The audit mandate is granted by the Supervisory Board.

If the Management Board and Board of Directors approve the annual financial statements, they may allocate an amount to free reserves up to the full amount of net income for the year, minus an amount to be allocated to the statutory reserves plus any losses carried forward, provided that the free reserves do not exceed half of the share capital. The right to allocate half the net income for the year to free reserves (Section 58(2) sentence 1 AktG) remains unaffected.

### Article 23

1. The profit remaining after making write-downs and value adjustments, setting aside provisions and making allocations to reserves – including to the statutory reserve – shall be paid out to shareholders in accordance with Section 60 AktG.
3. Following any capital increase, the rules on profit-sharing may vary from that specified in Section 60(2) AktG in respect of the new shares.

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