

# RULES OF PROCEDURE

## for the Board of Directors of Salzgitter Aktiengesellschaft

### § 1 General

- 01 The Board of Directors shall conduct the business of the Company in accordance with the law, the Articles of Association and these Rules of Procedure. In doing so, it must also comply with the recommendations of the "Government Commission on the German Corporate Governance Code" published by the Federal Ministry of Justice in the official section of the Federal Gazette, unless the Board of Directors and Supervisory Board have declared in accordance with Section 161 of the German Stock Corporation Act that recommendations will not be applied.
- 02 The responsibilities of the individual members of the Board of Directors are determined by the schedule of responsibilities adopted by the Board of Directors and which requires the approval of the Supervisory Board.

### § 2 Joint and individual management, Group Executive Board

- 01 The members of the Board of Directors are jointly responsible for the overall management of the Company and the further development of the Group. In addition, every member of the Board of Directors has a general duty of monitoring and control in order to be able to work at any time to avert imminent disadvantages, to make desirable improvements or to make appropriate changes.
- 02 The joint responsibility of all members of the Board of Directors is for matters assigned to the full Board of Directors by law as well as for all material business transactions and matters of the Company – including those of the Group companies only to the extent expressly specified. These include in particular:
  - a. definition of business policy and corporate strategy (objectives, planning);
  - b. principles of personnel policy, development of managers;
  - c. further development of the investment portfolio;
  - d. developing and pursuing new business opportunities;
  - e. determination of the group structure;
  - f. determination of the image/external appearance of Salzgitter AG and the Group;
  - g. decision on investments, acquisitions and divestments; Inclusion of new business areas and abandonment of existing ones; closures;
  - h. definition of financial, investment and accounting policies;
  - i. risk management/group monitoring;
  - j. preparation of the annual financial statements and consolidated financial statements, together with the management report and notes;
  - k. convening the General Meeting and proposing resolutions of the General Meeting;
  - l. all transactions and measures that require the approval of the Supervisory Board or the General Meeting;
  - m. reporting and submissions to the Supervisory Board;
  - n. passing resolutions on transactions and measures that require the approval of the Board of Directors in accordance with the guidelines and circulars applicable to the Salzgitter Group companies;
  - o. Enactment of Company and Group guidelines.
- 03 The joint responsibility of all members of the Board of Directors is also for the management of the business units to which the Board of Directors assigns the Group and associated companies – with the exception of the companies that are predominantly active within the Group. For each business unit, the Board of Directors appoints one of the managing directors of the Group companies assigned to it as its director, as a rule for a maximum of five years; repeated appointments or extensions of the term of office, usually for a maximum of five years at a time, shall be permitted.

The members of the Board of Directors, together with the heads of the business units, form the Group Executive Board; the Chairman of the Board of Directors is also Chairman of the Group Executive Board. As a rule, the Board of Directors may appoint other persons as members of the Group Executive Board for a maximum of five years and assign them certain areas of responsibility; repeated appointments or extensions of the term of office, usually for a maximum of five years at a time, shall be permitted. On behalf of the Board of Directors, all members of the Group Executive Board are jointly responsible for deliberating and deciding on all business transactions and matters of the Company and the Group companies that have a material impact on the business units, as well as coordinating the Group's operating activities. This includes, in particular:

- a. the optimisation of business activities and the use of resources for the Group;
- b. the development and pursuit of new business opportunities;
- c. cross-company and cross-divisional process and product development;
- d. coordinating cross-company and cross-divisional customer relationships;
- e. the decision on investments, acquisitions and divestments;
- f. the inclusion of new business areas and the abandonment of existing ones; closures;
- g. risk management/Group monitoring within the framework provided by the Board of Directors.

Decisions on matters of material importance for the Company as a whole, in particular decisions on all transactions and measures that require the approval of the Supervisory Board, remain the responsibility of the full Board of Directors. If a matter does not clearly fall within the competence of the Group Executive Board, the full Board of Directors is responsible.

The heads of the business units represent business unit-specific matters in the Group Executive Board and perform the following business unit-specific tasks for their respective business units on behalf of and in coordination with the Board of Directors and the Group Executive Board:

- a. regular and timely reporting to the Group Executive Board on the situation of the business unit;
- b. the preparation of business unit-related decisions by the Board of Directors and the Group Executive Board;
- c. the implementation of the business unit-related decisions made by the Board of Directors and the Group Executive Board in the business unit;
- d. coordinating key actions in the business unit.

04 Without prejudice to the overall responsibility of the Board of Directors, each member of the Board of Directors shall be responsible for performing the tasks assigned to him or her by the schedule of responsibilities. Insofar as the responsibilities of several members of the Board of Directors are affected, they decide jointly. If a consensual decision cannot be reached, as well as in the case of fundamental issues and measures that are of material importance or with which significant risks are associated, a resolution must be passed by the full Board of Directors.

05 In addition to performing their function-specific tasks, the members of the Board of Directors shall ensure the coordination of similar cross-cutting issues between the business units.

06 The members of the Board of Directors shall cooperate in a collegial manner and shall keep each other informed on an ongoing basis about all material events and the course of business in their departments, in particular insofar as there may be an impact on other departments. The same applies mutatis mutandis to the members of the Group Executive Board. Within the Board of Directors or within the Group Executive Board, the members of the Board of Directors and the members of the Group Executive Board coordinate with each other on all matters that affect their respective responsibilities. In doing so, the chairman works towards a coordinated coordination process and a coordinated implementation of the resulting measures.

07 The individual members of the Board of Directors have the right to issue technical instructions within the scope of their competence. If an instruction affects the area of responsibility of other members of the Board of Directors, the responsible members of the Board of Directors must first coordinate with each other. Without prejudice to the competence and responsibility of the full Board of Directors for the management of the business units, the individual members of the Board of Directors are functionally responsible for their function-specific areas of responsibility within the entire Group.

Each member of the Board of Directors shall refrain from issuing instructions in the area of responsibility of another member of the Board of Directors. If such an instruction was necessary in exceptional cases, i.e. in the absence of a member of the Board of Directors, the latter must be informed immediately of the instruction given.

### § 3 Chairman of the Board of Directors and of the Group Executive Committee

- 01 The Chairman shall be responsible for coordinating the activities of the Board of Directors as a whole, as well as for developing the strategic direction of the Company to be agreed with the other members of the Board of Directors and for working towards a uniform implementation of the business policy resulting from the defined strategy. The same applies to him in his role as Chairman of the Group Executive Board.
- 02 The Chairman of the Board of Directors shall represent the Board of Directors vis-à-vis the Supervisory Board. He arranges for the approval of the Supervisory Board to be obtained in the cases provided for by law, the Articles of Association or any Supervisory Board resolution.  
He is also responsible for informing the Supervisory Board about the position of the Company and the course of business within the scope of the statutory reporting obligation. The same applies to informing the Chairman of the Supervisory Board on other important occasions.
- 03 The Chairman of the Board of Directors shall represent the Board of Directors and the Company vis-à-vis shareholders and the public, in particular authorities, associations and business organisations; it may delegate these tasks to another member of the Board of Directors for certain types of matters or, on a case-by-case basis.

### § 4 Decision-making

- 01 The members of the Board of Directors shall deliberate and decide on matters to be decided jointly, as a rule, in joint meetings to be held at least once a month. The same applies to the members of the Group Executive Board.

The determination of the dates, the convening and the chairing of these meetings are the responsibility of the Chairman of the Board of Directors or the Chairman of the Group Executive Board; he arranges for the minutes to be kept. If he is unable to attend, the Deputy Chairman or, alternatively, the longest-serving member of the Board of Directors present may chair the meeting of the Board of Directors or the meeting of the Group Executive Board.

Any member of the Board of Directors or the Group Executive Board may request that a meeting be convened and that items designated by him or her be included on the agenda.

- 02 The Board of Directors shall constitute a quorum if the majority of the members participate in the adoption of resolutions. The Group Executive Board has a quorum if the majority of its members and the majority of the members of the Board of Directors participate in the resolution. Members who are absent may take part in the decision-making process by casting their vote in writing (transmission by fax is sufficient) or by telephone. The absent members shall be informed by the secretary of the decisions taken in their absence. Matters of fundamental importance for the Company as a whole should only be negotiated and resolved with the participation of all members of the Board of Directors, except in urgent cases. Furthermore, matters relating to the department or area of business or duties of an absent member shall only be negotiated and decided with the member's consent, except in urgent cases.

Decisions should be taken as unanimously as possible. If this cannot be achieved, the majority decides. Resolutions of the Group Executive Board also require a majority of the members of the Board of Directors participating in the resolution. If, in the case of resolutions of the Group Executive Board, the majority of the participating members of the Board of Directors deviate from the majority of all members or if two members of the Board of Directors request that a matter be discussed by the Board of Directors, the Board of Directors shall finally deliberate and decide on the matter in question.

- 03 Decisions may be passed in a telephone or video conference or outside meetings by means of written, textual, oral or telephone votes if no member objects to this procedure; In all other respects, the provisions of Sec. 2 apply accordingly.
- 04 Only the members of the Board of Directors shall attend the meetings of the Board of Directors, and only members of the Group Executive Board shall attend its meetings, plus – unless the minutes are taken by a member of the Board of Directors or the Group Executive Board – the secretary. The secretary is appointed by the Chairman of the Board of

Directors or the Chairman of the Group Executive Board. The Board of Directors or the Group Executive Board decides on the admission of third parties in the negotiation of individual agenda items.

- 05 The resolutions of the Board of Directors and the Group Executive Board shall be recorded in minutes showing the place and date of the meeting, the participants, the agenda and the text of the resolutions. The minutes shall be signed by the secretary and kept on file; A copy must be sent to all members of the Board of Directors or the Group Executive Board. The minutes shall be approved at the next meeting following receipt of the minutes. Resolutions of the Board of Directors or the Group Executive Board that were passed outside of meetings must be included in the minutes of the next meeting of the Board of Directors or the Group Executive Board.

## § 5 Reporting, corporate planning

- 01 The reports of the Board of Directors to the Supervisory Board referred to in Section 90 (1) sentence 1 AktG must be submitted in writing. The Board of Directors informs the Supervisory Board regularly, promptly and comprehensively about all issues relevant to the Company relating to planning, business development, the risk situation and risk management as well as compliance. It discusses deviations in the course of business from the established plans and targets, stating reasons.
- 02 At the beginning of each financial year, the Board of Directors shall submit a longer-term corporate plan (including investment, financial and personnel planning) to the Supervisory Board and report in writing on the implementation of the corporate planning for the previous financial year.

## § 6 Transactions requiring approval

The Board of Directors requires the prior consent of the Supervisory Board to carry out the following transactions of the Company and, only to the extent expressly specified, also of the Group companies:

- 01 Establishment of principles
- / of the intended business policy,
  - / of the corporate strategy,
  - / of the corporate planning, in particular financial, investment and personnel planning
  - / of the Group;
- 02 Inclusion of new business areas or restriction or abandonment of existing business areas, provided that this measure is of material importance to the Group;
- 03 Fundamental changes in the Group's organization;
- 04 Appointment of the heads of business units and other members of the Group Executive Board and their responsibilities, including the determination of the additional remuneration for their duties, and the extension of their term of office;
- 05 Determination of the annual investment planning of the Group and its financing as well as individual investments also of the Group companies, insofar as these exceed the individual value of € 30,000,000,--;
- 06 Acquisition, sale or encumbrance of real estate, rights equivalent to real estate or rights to real estate also of the Group companies, provided that the value exceeds € 5,000,000,-- in each case;
- 07 Acquisition and sale of shareholdings as well as the establishment of other companies, including by Group companies, provided that the value exceeds € 30,000,000,-- in each case or if the measure is of other material importance for the

Group; under the same conditions, changes in the shareholding rate and participation in a capital increase against contributions;

- 08 Taking out loans by the Company or by group companies, insofar as it goes beyond the usual business (corporate financing/liquidity management) and exceeds the amount of € 100,000,000 in each case;
- 09 Assumption of sureties, guarantees or similar liabilities by the Company or by Group companies that go beyond the usual business and in individual cases exceed the amount of € 10,000,000,--;
- 10 Granting of loans or other credits by the Company or by Group companies outside the ordinary course of business, provided that the amount of € 10,000,000,-- is exceeded in each case;
- 11 Conclusion, amendment and termination of intercompany agreements within the meaning of Sections 291 and 292 of the German Stock Corporation Act by the Company as well as the conclusion of contracts insofar as they go beyond the scope of ordinary business and are of material importance for the Company or the Group;
- 12 Conclusion and amendment of rental, lease and leasing agreements by the Company or by Group companies for installations and business premises for a period longer than one year, provided that the rent exceeds € 5,000,000,-- per year or € 50,000,000,-- in total;
- 13 Granting and revocation of general powers of attorney and procurations;
- 14 Recruitment, dismissal and modification of the contracts of employees whose annual gross salary exceeds € 200,000,--;
- 15 Introduction of permanent social measures, in particular the creation of support funds for periodically recurring services, including in the form of insurance contracts. This does not affect statutory or collective bargaining regulations;
- 16 Initiation of litigation of particular importance, as well as the conclusion of settlements and the forgiveness of claims, provided that the discount granted by composition or the nominal value of claims waived is of particular importance to the Company;
- 17 Granting of loans from the Company to members of the Board of Directors and the Supervisory Board and their dependents;
- 18 Significant transactions between the Company on the one hand and the members of the Board of Directors and persons related to them or companies personally related to them on the other.

This does not affect the rights of the Supervisory Board pursuant to Section 111(4) of the German Stock Corporation Act.

If the prior approval of the Supervisory Board cannot be awaited without disadvantage for the Company, the approval of the Executive Committee of the Supervisory Board must be obtained. In such a case, the Supervisory Board must be informed at the next meeting.

The Executive Committee of the Supervisory Board is authorized to approve the transactions set out in para. 13 to 15 in lieu of the Supervisory Board.

The Supervisory Board may revocably grant the Board of Directors consent to a specific group of transactions requiring approval in general or in advance in the event that the individual transaction meets certain conditions.

## § 7 Substitution/absence

The time and duration of business trips and vacations and the corresponding substitution of the members of the Board of Directors and the Group Executive Board must be coordinated with each other in a collegial manner and with the Chairman of the Board of Directors or the Group Executive Board.

The Chairman of the Supervisory Board must be informed in advance of an absence of more than one week. He must also be informed of a prolonged illness.

## § 8 Other

- 01 The members of the Board of Directors shall not be permitted to participate directly or indirectly in other companies that compete with the Company or one of its Group companies without the consent of the Executive Committee of the Supervisory Board. Members of the Board of Directors may only take on secondary activities, in particular supervisory board mandates outside the Company, with the consent of the Supervisory Board.
- 02 The members of the Board of Directors shall maintain secrecy – even after leaving office – about confidential information and secrets of the Company or the Group companies, in particular trade and business secrets that have become known to them through their activities on the Board of Directors.
- 03 Each member of the Board of Directors shall immediately disclose any conflicts of interest to the Supervisory Board and inform the other members of the Board of Directors thereof. All transactions between the Company on the one hand and the members of the Board of Directors as well as persons related to them or companies personally related to them on the other hand must comply with industry standards.