

# Articles of Association of **LEONI AG**

Version of 10 August 2020

## Translation

This edition of our Articles of Association, prepared for the convenience of English-speaking readers, is a translation of the German original. For purposes of interpretation the German text shall be authoritative and final.



**The Quality Connection**

# **LEONI**

# **I. General regulations**

## **Article 1**

### **Corporate name and registered office**

- (1) The business name of the company is LEONI AG.
- (2) Its registered office is in Nuremberg, Germany.

## **Article 2**

### **Object of the company**

- (1) The object of the Company is
  - (a) the development, manufacture, supply and distribution of as well as trade in
    - electrical, electronic and electromechanical systems, components and modules especially for the automotive sector and other industries
    - conductors and connector systems for transmitting, converting and storing energy, signals and data as well as
    - other related products, components, systems, equipment and solutions;
  - (b) activity in the field of information technology (including electronic data processing and transmission as well as the development, provision and distribution of and trade in software, platforms and self-learning systems) for purposes of energy and data management;
  - (c) performing services of all kinds related to the aforementioned activities.

- (2) The Company can establish, acquire, dispose of or invest in other entities in or outside Germany – especially involving (i) such businesses whose object entirely or partly covers the business areas stated in section (1) or (ii) for investment of financial resources. The Company can combine businesses under their joint management and take over other tasks for them or restrict itself to administration of the investee. It can also realize its object entirely or in part indirectly and for this purpose entirely or partly divest its operation into investees. It can furthermore restrict its activity to part of the activities stated in section (1).
- (3) The Company is entitled to engage in any transactions and take all measures that are related to the object of its business or are directly or indirectly suited to serving that object. It can establish representative offices, branch offices and operating facilities in and outside Germany.

### **Article 3** **Announcements, information**

- (1) Announcements of the company will be published in the German Federal Gazette (Bundesanzeiger).
- (2) Information addressed to the holders of admitted securities (zugelassene Wertpapiere) of the company may also be transmitted by way of remote data transmission.

## II. Share capital and shares

### Article 4

#### Share capital, registered shares

- (1) The share capital amounts to EUR 32,669,000.00 (in words: thirty-two million six hundred sixty-nine thousand euros). It is divided into 32,669,000 no-par value shares.
- (2) The shareholder's right to the issuance of share certificates representing its respective shares is excluded unless such issuance is required in accordance with the rules applicable at a stock exchange where the shares are admitted to trading.
- (3) The shares are registered shares. In order to record the shares in the company's share register, shareholders who are natural persons are required to submit to the company their name, date of birth and address, and shareholders who are legal persons, partnerships with legal capacity, sole proprietors or the like, are required to submit their corporate name, business address and registered office as well as, in any event, the number of shares held by them and their electronic mail address (email address), if any. If, in the event of a capital increase, the resolution on the capital increase does not determine whether the new shares will be bearer shares or registered shares, they will be registered shares.
- (4) In the event of a capital increase, the participation in profits of the new shares can be determined in deviation from Section 60 (2) of the German Stock Corporation Act (Aktiengesetz, "AktG").
- (5) The Board of Directors is authorized, with the consent of the Supervisory Board, to increase the company's share capital until 10 May 2022 by a total amount of up to EUR 16,334,500.00 by issuing (once or several times) a total of up to 16,334,500 new registered no-par value shares with a proportionate interest in the share capital of EUR 1.00 each against contribution in cash and/or in kind (Authorized Capital 2017).

In principle, the new no-par value shares must be offered to the shareholders for subscription. The new shares may also be acquired by one or several credit institution(s) or enterprise(s) within the meaning of Section 186 (5) sentence 1 AktG appointed by the Board of Directors subject to the obligation to offer the shares to the shareholders for subscription (indirect subscription right).

The Board of Directors is authorized, however, with the consent of the Supervisory Board, to exclude the shareholders' subscription right

- in the event of a capital increase against contribution in cash if the issue price of the new shares, which is to be determined as close to the placement date of the new no-par value shares as possible, is not significantly (within the meaning of Section 203 (1) and (2), Section 186 (3) sentence 4 AktG) below the stock exchange price of listed shares of the company of the same class carrying the same rights (Aktien gleicher Gattung und Ausstattung) at the time of the final determination of the issue price. This exclusion of the subscription right must not exceed in total the equivalent of 10% of the company's existing share capital, with the lowest amount of the company's existing share capital on the following three moments in time being decisive: on 11 May 2017, at the time this authorization becomes effective or at the time it is exercised. When calculating this limit, the share capital has to be taken into account which is attributable to the respective shares that are to be issued to fulfil conversion or option rights or conversion or option obligations under bonds, or profit participation rights, that are issued in accordance with Section 186 (3) sentence 4 AktG with the exclusion of the subscription right during the term of the authorization or which is attributable to shares that are issued or sold following a repurchase during the term of this authorization with the simplified exclusion of the shareholders' subscription right under or in accordance with Section 186 (3) sentence 4 AktG;
- in the event of a capital increase against contribution in kind, in particular in order to be able to offer the new shares to third parties in the context of business combinations or also for the purpose of acquiring (also indirectly) businesses, operations, parts of businesses or shares in businesses or other assets or rights to acquire assets, including receivables against the company or its group companies;

- to the extent that this is necessary in order to grant holders or creditors of convertible bonds, bonds with warrants or profit participation rights that have been or will be issued by the company or by its direct or indirect group companies a conversion or subscription right to new shares in the amount to which they would be entitled upon execution of their conversion or option right or, respectively, after fulfilment of conversion or option obligations;
- in order to exclude fractional amounts from subscription rights. The proportional amount of the share capital attributable to those shares issued with exclusion of the shareholders' subscription right must not, in aggregate, exceed 10% of the share capital of the company existing at the time when the General Meeting passes the resolution. When calculating the aforementioned 10% limit, the share capital has to be taken into account which is attributable to the respective shares that are issued or sold during the term of this authorization under exclusion of subscription rights or that are to be issued to fulfil conversion or option rights or conversion or option obligations under bonds or profit participation rights, provided that the bonds or profit participation rights have been issued during the term of this authorization under exclusion of the shareholders' subscription right.

The Board of Directors is authorized, with the consent of the Supervisory Board, to determine the further content of the rights attached to the shares and the conditions for the share issue when implementing capital increases from the Authorized Capital 2017, in particular the issue price.

The Supervisory Board is authorized to amend the existing version of the Articles of Association after the implementation of an increase in share capital, either in full or in part, by using the Authorized Capital 2017 and following expiry of the term of authorization.

(6) The Company's share capital shall be the subject of a contingent increase by up to Euro 6,533,800.00 divided into as many as 6,533,800 registered (no-par-value) shares (Contingent Capital 2020). The contingent capital increase can be carried out to the extent only that holders of option exercise and/or conversion rights or those with obligations exercise options or convert, profit-sharing rights or participating bonds (or combinations of these instruments) that are issued by the Company or a Group company for cash payment as defined by Section 18 of the German Stock Corporation Act, in which the Company directly or indirectly holds at least 90% of the votes and of the capital on the basis of the authorization granted at the Annual General Meeting on 23 July 2020 make use of the option exercise or conversion rights, or so far as they are obliged to exercise the option or convert, fulfil their obligation to exercise the option or convertor so far as the Company exercises its right under such instruments either entirely or partially to grant shares in the Company instead of paying the cash amount due and provided no other forms of fulfilment are used. The issue of the new shares shall, in accordance with the authorization resolution described above, take place at the respective option exercise or conversion price.

The new shares shall participate in profit from the beginning of the financial year in which they are issued. So far as legally permitted, the Board of Directors may, with the Supervisory Board's approval, deviate from this by determining that new shares participate in the profit from the beginning of the financial year for which, at the time of exercise of option or conversion rights or fulfilment of option exercise and/or conversion obligations, no resolution on the use of the distributable profit has yet been taken at the Annual General Meeting.

The Board of Directors is authorized, with the consent of the Supervisory Board, to determine the further details concerning the implementation of the contingent capital increase.

### **III. The Board of Directors**

#### **Article 5 Composition**

- (1) The Board of Directors has at least two members.
- (2) The Supervisory Board appoints the members of the Board of Directors and determines the number of members. It may appoint deputy members of the Board of Directors. The Supervisory Board may appoint a member of the Board of Directors as chairman of the Board of Directors and another member as deputy chairman. If the chairman is absent, he/she will be represented by the deputy chairman.
- (3) The resolutions of the Board of Directors are passed by a simple majority vote of the members of the Board of Directors participating in the passing of the resolution. In the event of a tied vote, the chairman casts the deciding vote unless the Board of Directors only comprises two members.

#### **Article 6 Legal representation**

- (1) The company is legally represented by two members of the Board of Directors or by one member of the Board of Directors acting jointly with a holder of a general power of attorney (Prokurist).
- (2) Deputy members of the Board of Directors have the same power of representation as regular members of the Board of Directors.
- (3) The Supervisory Board may exempt all or individual members of the Board of Directors from the limitations on multiple representation (Section 181 2nd alt. of the German Civil Code (Bürgerliches Gesetzbuch, "BGB")).



## IV. The Supervisory Board

### Article 7

#### Composition, election and term of office

- (1) The Supervisory Board has 12 members, six of which are elected by the General Meeting (shareholder representatives) and six of which are elected by the employees (employee representatives) in accordance with the German Co-Determination Act of 4 May 1976 (Mitbestimmungsgesetz, "MitbestG"). The term of office of the Supervisory Board members ends at the close of the General Meeting resolving on the approval of their acts (Entlastung) for the fourth financial year after the commencement of their term of office. For this purpose, the financial year in which the term of office commences will not be counted.
- (2) When electing shareholder representatives to the Supervisory Board or any substitute members, the chairperson of the General Meeting is entitled to take a vote on a list of election proposals submitted by the administration or by shareholders. If substitute members are elected off a list, they will replace any Supervisory Board members representing the shareholders who cease to hold office prior to the end of their term of office in the order of their appointment, provided that no deviating provision is agreed at the time of the appointment. The election of substitute members for the employee representatives on the Supervisory Board is governed by the MitbestG.
- (3) If a Supervisory Board member is elected to replace a member ceasing to hold office, the term of office of that substitute member corresponds to the remainder of the term of office of the member ceasing to hold office. The General Meeting may determine another term of office for the shareholder representatives. If a substitute member replaces a member who ceased to hold office, his/her office will expire, in the event that a new member is elected in the next or next but one General Meeting after the substitution for the member who ceased to hold office, at the close of that General Meeting or otherwise at the end of the remaining term of office of the member who ceased to hold office.
- (4) Any members ceasing to hold office may be re-elected.
- (5) Each Supervisory Board member may resign from office by giving one month's written notice to the Board of Directors, even without cause (ohne wichtigen Grund).

- (6) If a member of the Supervisory Board is elected by an extraordinary General Meeting, his/her first year of office ends with the close of the next Annual General Meeting. In all other respects, section 3 sentences 1 and 2 above shall apply.

## **Article 8 Chairman**

- (1) Following a General Meeting in which all of the Supervisory Board members to be elected by the General Meeting were newly elected, a Supervisory Board meeting not requiring a separate invitation will take place. In this meeting that will be chaired by the most senior shareholder representative (in age), the Supervisory Board shall elect for the term of its office from among its members the chairman of the Supervisory Board and a deputy chairman, subject to the further provisions stipulated in Section 27 MitbestG. The Supervisory Board may, for the term of its office, elect an additional deputy chairman; Section 27 MitbestG does not apply to the election of the latter. If the chairman of the Supervisory Board or the deputy chairman cease to hold office before the end of his/her term, the Supervisory Board shall elect a substitute without undue delay.
- (2) A deputy chairman of the Supervisory Board will only assume the legal and statutory rights and duties of the chairman if the latter is not available. Section 29 (2) sentence 3 and Section 31 (4) sentence 3 MitbestG remain unaffected.

## **Article 9 Convening notice, quorum, vote**

- (1) The meetings of the Supervisory Board will be convened by the chairman, and if the latter is not available by the deputy chairman, by giving at least two weeks' prior notice; the chairman of the Supervisory Board also determines the form of the meetings. The notice period may be shortened in cases of urgency. Notice of meetings may be given in writing, or teletyped (via telex, telefax or email), orally or by telephone. In all other respects, statutory provisions as well as the provisions of the rules of procedure for the Supervisory Board apply regarding the convening of Supervisory Board meeting

- (2) As a general rule, the meetings of the Supervisory Board are held as in-person meetings, but may also be conducted, including the passing of a resolution, by video conference or conference call. The Supervisory Board has a quorum if, following a proper calling of the meeting in accordance with the requirements in the Articles of Association, at least half of the total number of members of whom it is to consist participates in the passing of a resolution either personally or by submitting written votes. A member is also deemed to be participating in the passing of a resolution if such member abstains from voting. The chairman of the Supervisory Board or the deputy chairman chairs the meetings. The manner of voting is determined by the chairman of the meeting. Supervisory Board members who are unable to attend a meeting of the Supervisory Board or of one of its committees may arrange for the submission of votes in writing through other Supervisory Board members.
- (3) Resolutions in respect of agenda items which have not been communicated in the convening notice may only be passed if no Supervisory Board member objects. In such a case, absent Supervisory Board members must be given the opportunity to object to the resolution within a reasonable period to be determined by the chairman, or to cast their vote in writing. The resolution only becomes effective if the absent members of the Supervisory Board have not objected to the resolution within the above period.
- (4) Resolutions may also be passed by votes made in writing, or teletyped (via telex, telefax or email) or by telephone (by telephone call or via video conference) without convening a meeting if so ordered by the chairman of the Supervisory Board or the deputy chairman. This applies also to the repeated vote pursuant to Section 29 (2) sentence 1 and Section 31 (4) sentence 1 MitbestG.
- (5) The resolutions of the Supervisory Board are passed by a simple majority vote, unless provided otherwise by law. In this regard, abstentions will not be deemed a vote cast. A proportionate majority is sufficient for the purpose of elections. In the event of a tie, the chairman of the Supervisory Board has the casting vote subject to the provisions of Section 29 (2) and Section 31 (4) MitbestG; a repeated vote within the meaning of these provisions may be requested by any Supervisory Board member.

- (6) If not, all Supervisory Board members are present for the passing of a resolution and if the absent Supervisory Board members have not submitted written votes, the passing of the resolution will be postponed on a motion by at least two Supervisory Board members present at the meeting. In the event of a postponement, the resolution is to be voted on again at the next regularly scheduled meeting of the Supervisory Board, unless a special meeting of the Supervisory Board is convened. When voting on the passing of the resolution for a second time, an additional minority request for postponement is not permitted.
- (7) If the chairman of the Supervisory Board participates in the meeting or if a Supervisory Board member present at the meeting has the chairman's written vote in his/ her possession, section (6) above does not apply if an equal number of shareholder and employee representatives is present in person or participates in the passing of the resolution by submitting votes in writing or if any inequality is offset by individual Supervisory Board members not participating in the passing of the resolution.
- (8) The Supervisory Board may form from among its members a Chairman's Committee or one or several other committees; Section 27 (3) MitbestG remains unaffected. The Supervisory Board determines the tasks, powers and procedures of the committees. To the extent permitted by law, the decision-making powers of the Supervisory Board may also be delegated to the committees. For committee resolutions, Article 9 sections (4) and (5) apply unless mandatory law provides otherwise; Article 9 sections (6) and (7) are not applicable.
- (9) Members of the Board of Directors may participate in the meetings of the Supervisory Board in an advisory capacity, other than in exceptional cases due to the handling of private matters affecting a member of the Supervisory Board or of the Board of Directors or if the Supervisory Board resolves to hold a meeting without any member of the Board of Directors participating.
- (10) Declarations of intent of the Supervisory Board and its committees will be made by the chairman or the deputy chairman.

**Article 10**  
**Rules of procedure for the Board of Directors**

The Supervisory Board may adopt, amend or revoke rules of procedure for the Board of Directors. The Supervisory Board has to determine in the rules of procedure for the Board of Directors or by resolution that specific types of transactions may be entered into only with the consent of the Supervisory Board.

**Article 11**  
**Confidentiality**

- (1) The Supervisory Board members are under a duty of confidentiality with respect to all confidential reports and confidential discussions as well as secrets of the company, in particular trade and business secrets, which may have become known to them in the course of performing their duties as Supervisory Board members.
- (2) If a Supervisory Board member intends to disclose information to a third party, which has become known to him/her in his/her capacity as Supervisory Board member, the member is obliged to notify the chairman of the Supervisory Board in advance, to the extent that such disclosure is not obviously permitted.
- (3) Each Supervisory Board member is authorized to inspect the audit reports and reports of the Board of Directors to the Supervisory Board. The reports will not be handed over to the Supervisory Board members pursuant to Section 90 (5) sentence 2, Section 170 (3) sentence 2 AktG, unless otherwise determined by the Supervisory Board in the individual case.

## **Article 12**

### **Compensation of the Supervisory Board**

- (1) Each Supervisory Board member will receive fixed remuneration (basic remuneration) of EUR 85,000.00 per year. The basic remuneration for the chairman of the Supervisory Board amounts to twice the amount stated in sentence 1 and for each of the deputy chairmen to 1.5 times that amount. In addition to the basic remuneration, each member of the Supervisory Board (i) who is the chairman of one of the committees of the Supervisory Board receives an annual amount of EUR 16,000.00 for his/her service on the respective committee, (ii) who is the deputy chairman of one of the committees of the Supervisory Board receives an annual amount of EUR 12,000.00 for his/her service on the respective committee and (iii) who is another member of a committee of the Supervisory Board receives an annual amount of EUR 8,000.00 for his/her service on the respective committee, provided that the chairmanship, the deputy chairmanship and the membership in the mediation committee (Vermittlungsausschuss) formed pursuant to Section 27 (3) MitbestG will not be taken into account. When calculating the additional payments for committee activities in accordance with the preceding sentence, only committees will be taken into account that have held at least one meeting in the relevant financial year.
- (2) Members of the Supervisory Board who have been a member of the Supervisory Board and/or of a committee or who have performed a specific function on the Supervisory Board or a committee only for part of the financial year are paid the respective remuneration on a pro rata basis for their respective membership and/or duration of service in the entire financial year.
- (3) For personally attending meetings of the Supervisory Board or the Audit Committee that are held as in-person meetings, each Supervisory Board member will additionally receive an attendance fee in the amount of EUR 1,000.00 per meeting, with a maximum of ten meetings per financial year and Supervisory Board member being remunerated. If several meetings are held on one day, attendance fee will only be paid once.
- (4) The Supervisory Board members will furthermore be reimbursed for out-of-pocket expenses incurred by them in the exercise of their office. The company will reimburse the members of the Supervisory Board for the value added tax payable on this remuneration.

- (5) The company will to a reasonable extent reimburse the Supervisory Board members the costs and expenses incurred by them as a result of further training measures necessary for their tasks in which they participated on their own responsibility.
- (6) The members of the Supervisory Board will be included in a D&O liability group insurance policy (if any) maintained by the company in favour of directors, officers and employees of the group, which may also provide for an adequate deductible. The premiums for this insurance policy will be borne by the company.
- (7) The basic remuneration is due and payable in four equal instalments, in each case after the end of a calendar quarter. The additional payments for activities on the committees will each be payable following the end of the calendar quarter in which the first meeting of the respective committee was held. The attendance fee will in each case be due and payable following the end of the respective calendar quarter for the meetings held in the expired calendar quarter.

## **V. The General Meeting**

### **Article 13 Place and date**

- (1) The General Meeting will take place either at the registered office of the company or in another city within the Higher Regional Court district (Oberlandesgerichtsbezirk) of Nuremberg or at the registered office of a German stock exchange where the shares are admitted to trading.
- (2) The Annual General Meeting takes place in the first eight months of every financial year.

### **Article 14 Convening of the General Meeting, participation right**

- (1) The General Meeting will be convened – to the extent no shorter notice period is permitted by law – at least thirty-six days prior to the day of the meeting. For the purpose of calculating the above period, the day of the meeting and the day of convening will not be counted.
- (2) Only those shareholders who are recorded in the share register and who have registered in due time are eligible for participation in the General Meeting and for exercising their voting rights.
- (3) The registration must be received by the company in text form in German or English language at least six days prior to the meeting at the address stated for this purpose in the convening notice. For the purpose of calculating the above period, the day of the General Meeting and the day of receipt of the invitation will not be counted.
- (4) Details regarding registration will be announced together with the convocation of the General Meeting in the company's publications.
- (5) The Board of Directors is authorized to provide that the shareholders may participate in a General Meeting without being personally present in situ and without appointing a proxy, and exercise some or all of their rights in whole or in part by means of electronic communication (online participation). The Board of Directors is furthermore entitled to determine rules concerning the scope and the procedure of the online participation. These rules will be announced with the convening of the General Meeting.



- (6) The Board of Directors is authorized to provide that shareholders may cast their votes, even without participating in the General Meeting, in writing or by electronic means of communication (postal vote). The Board of Directors is furthermore entitled to determine rules concerning the procedure of the postal vote. These rules will be announced with the convening of the General Meeting.
- (7) The transmission of convening notices of General Meetings pursuant to Section 125 (2), Section 128 (1) AktG is limited to electronic means. The Board of Directors is entitled, but not obliged, to submit such information also by other means.

### **Article 15**

#### **Chairperson of the General Meeting**

- (1) The General Meeting is chaired by the chairman of the Supervisory Board or another member of the Supervisory Board who is a shareholder representative in the Supervisory Board. In the event that none of these persons take the chair, the chairperson will be elected by the shareholder representatives present.
- (2) The chairperson chairs the meeting. The chairperson will determine the order in which the agenda items are dealt with as well as the form and order of voting. The chairperson may set a reasonable time limit for shareholders' statements and questions and may, in particular, reasonably determine the time allotted to the entire meeting, to the discussion of the individual agenda items, as well as to each individual's questions and statements.
- (3) The chairperson of the meeting is authorized to permit video or audio transmission of the entire General Meeting or of parts thereof in a manner to be determined by him/ her. The transmission can also be made in a form to which the public has unlimited access.

**Article 16**  
**Passing of a resolution, elections**

- (1) Each no-par value share grants one vote in the General Meeting.
- (2) The General Meeting resolves, in particular, on the appropriation of distributable profit, the approval of the acts of the Board of Directors and the Supervisory Board, the election of the Supervisory Board members and the auditor as well as, as the case may be, the adoption of the annual financial statements and the approval of the consolidated financial statements.
- (3) Unless otherwise provided by mandatory law or these Articles of Association or Section 103 (1) sentence 2 AktG, the General Meeting passes its resolutions by simple majority of the votes cast and, if a majority of capital is required, with a simple capital majority. In this regard, abstentions will not be deemed votes cast. In the event of a tie, the proposed resolution will be deemed to have been rejected.
- (4) If elections held by the General Meeting fail to reach a simple majority of the votes cast in the first round, a second round of elections will be held between and limited to the two persons having received the largest number of votes. In this second round of voting the higher number of votes will be decisive. If the second round of voting results in a tie, the election will be decided by the chairperson by drawing lots.

## **VI. Financial statements and appropriation of distributable profit**

### **Article 17 Financial year**

The financial year of the company is the calendar year.

### **Article 18 Financial statements**

- (1) The Board of Directors must, within the first three months of each financial year, prepare the financial statements and the management report for the previous financial year as well as the consolidated financial statements and the consolidated management report and submit them to the Supervisory Board and to the auditor.

At the same time, the Board of Directors has to submit to the Supervisory Board its proposal on the appropriation of distributable profit which the Board of Directors is planning to present to the General Meeting.

- (2) The Supervisory Board must review the financial statements, the management report and proposal on the appropriation of distributable profit as well as the consolidated financial statements and the consolidated management report and report on the results of its review to the General Meeting in writing. In this context, it must also comment on the findings of the audit of the financial statements and of the consolidated financial statements by the auditor. The Supervisory Board must submit its report to the Board of Directors within one month after receipt of the documents. Section 171 (3) sentences 2 and 3 AktG remain unaffected.
- (3) If the Supervisory Board approves the financial statements, they are adopted unless the Board of Directors and the Supervisory Board decide to leave the adoption of the financial statements to the General Meeting. The resolutions of the Board of Directors and the Supervisory Board must be included in the Supervisory Board's report to the General Meeting.

## **VII. Authorization to amend the Articles of Association**

### **Article 19**

The Supervisory Board is authorised to resolve modifications and amendments of these Articles of Association that only relate their wording.

**LEONI AG**

Marienstraße 7  
D-90402 Nürnberg  
Phone + 49 911 2023-0  
Fax + 49 911 2023-455  
E-Mail [info@leoni.com](mailto:info@leoni.com)  
[www.leoni.com](http://www.leoni.com)