

Rules of procedure

for the Board of Directors

of LEONI AG

Version of 10 December 2020

The Supervisory Board of LEONI AG (the “Company”) hereby issues the following rules of procedure for the Board of Directors:

§ 1 General provisions

- (1) The Board of Directors is responsible for managing, coordinating and controlling the business of the Company and its group subsidiaries (the “Group”) within the framework of the objectives defined by the Board of Directors.
- (2) The Board of Directors manages the business at its own responsibility. In so doing, the Board of Directors is required to act in the organization's interests and is committed to increasing the enterprise value in a sustainable way.

§ 2 Responsibilities of the Board of Directors

- (1) The Board of Directors conducts the business in accordance with applicable law, the Articles of Association, Supervisory Board resolutions, if any, internal guidelines of the company and these rules of procedure.
- (2) The Board of Directors seeks to ensure that the group subsidiaries comply with the provisions of applicable law and the company’s internal guidelines (compliance) and ensures appropriate risk management and risk controlling within the company. The Board of Directors bases its actions on the recommendations and suggestions of the German Corporate Governance Code.
- (3) When appointing individuals to management functions in the company, the Board of Directors takes diversity into account and, in so doing, will aim for an appropriate consideration of women. For this purpose, the Board of Directors stipulates target values for the percentage of women in senior management functions in accordance with the legal requirements.

§ 3 Chairperson

- (1) The chairperson of the Board of Directors, who is also referred to as “Chief Executive Officer (CEO)”, represents the Board of Directors and the Company to the public in matters concerning the entire organization. The CEO may delegate this responsibility to another member of the Board of Directors for certain types of matters or on a case-by-case basis.

- (2) The CEO, in coordination with the other members of the Board of Directors (majority decision), determines the strategy and the principles of the corporate policy. In managing the business, the members of the Board of Directors are bound by these determinations.
- (3) It is the CEO's responsibility to steer the work of the Board of Directors. The CEO is to endeavour to ensure that the management of all areas of responsibility is consistently guided by the objectives set and resolved upon by the Board of Directors.
- (4) The CEO may at any time request information from all members of the Board of Directors both regarding general matters concerning their respective areas of responsibility within the Board of Directors and regarding specific measures and activities in their respective business segment. The CEO may decide that he/she must be informed in advance about certain types of transactions.
- (5) The CEO is responsible for leading the activities of the Board of Directors as regards the cooperation and communication with the Supervisory Board and its members. He/she informs the chairperson of the Supervisory Board on a regular basis regarding the state of business and the situation of the organization. The CEO must report to the chairperson of the Supervisory Board without undue delay any significant events that are materially important for assessing the organization's situation and development as well as for managing the Company. The duty of the entire Board of Directors to furnish information under § 10 (2) remains unaffected.

§ 4 Joint responsibility

- (1) The members of the Board of Directors are jointly responsible for the overall management. They work cooperatively and provide each other with information on an ongoing basis about important measures and activities in their respective areas of responsibility within the Board of Directors. Each member of the Board of Directors may at any time request information from the other members of the Board of Directors regarding specific measures and activities in their respective business segment.

If there are serious concerns about a matter concerning another area of responsibility, each member is obliged to present the matter to the entire Board of Directors for resolution if he/she is unable to resolve the concerns in a discussion with the relevant other member of the Board of Directors.

- (2) Subject to § 6, the entire Board of Directors is required to pass a resolution:
 - a) in all matters for which a resolution by the Board of Directors is prescribed by applicable law, the Articles of Association or these rules of procedure, specifically regarding:
 - aa) the annual and multi-year planning, including the financing, capital expenditure and personnel planning for the Company and the Group;
 - bb) the preparation of the individual financial statements, the consolidated financial statements

- and the management reports;
- cc) the convening of the general meeting and resolving on proposals for the agenda of the general meeting;
 - dd) notifications under capital market law and decisions to postpone such notifications;
 - ee) transactions that require the consent of the Supervisory Board;
 - ff) submissions to the Supervisory Board or the general meeting required by applicable law or the Articles of Association;
- b) on general issues relating to the organisation, the business policies, the corporate governance and the strategy of the Company and the Group;
 - c) in all matters presented by a member to the Board of Directors for resolution;
 - d) on any transactions that pursuant to the Articles of Association or the rules of procedure of group subsidiaries require the prior consent of the Board of Directors.
- (3) The Supervisory Board resolves on an allocation of responsibilities and a specific business allocation plan in accordance with § 5.
- (4) Without limiting the joint responsibility of the Board of Directors, each member of the Board of Directors leads the area of responsibility allocated to him/her at his/her own responsibility in line with the stipulations adopted by the Board of Directors.
- Where measures and business activities in one area of responsibility also concern one or more other area(s) of responsibility, the member of the Board of Directors concerned must first reach an agreement with the other member(s) of the Board of Directors involved. If no agreement can be reached, a resolution of the entire Board of Directors shall be taken. In this respect, the overall interests of the enterprise have priority over the interests of individual areas of responsibility of the Board of Directors.
- (5) Measures and business activities in a particular area of responsibility of the Board of Directors that are considered to be extraordinarily important for the area of responsibility, the Company or the Group or that are associated with an extraordinary risk require the prior consent of the entire Board of Directors.
- (6) If no decision by the entire Board of Directors pursuant to paragraph (1) sentence 4, paragraph 2 c), paragraph (4) sentence 3 or paragraph (5) can be reached in a timely manner and if, after due assessment of the circumstances and in order to eliminate an immediate threat of severe adverse effects on the area of responsibility, the Company or the Group, a delay cannot be justified, the available members of the Board of Directors will make such decision. The other members of the Board of Directors must be informed about such decision without undue delay.

- (7) In the event that one member is absent for more than 3 (three) weeks, the members will in coordination with the CEO make arrangements for the time of that member's absence.

§ 5

Allocation of areas of responsibility and business allocation plan; labour director

- (1) Each member of the Board of Directors manages and monitors – in conformity with the provisions for the joint responsibility pursuant to § 4 – one area of responsibility of the Board of Directors. The allocation of the areas of responsibility and the specification of the related duties and responsibilities are laid down in the **business allocation plan** prepared by the Supervisory Board and attached to these rules of procedure as **Annex 1**.
- (2) One member of the Board of Directors, in addition to his or her responsibility for a specific area of responsibility, is appointed as labour director in accordance with Section 33 of the German Co-Determination Act (*Mitbestimmungsgesetz*).

§ 6

Organisational and personnel decisions

- (1) The organisation and the management structure of the Company and its group subsidiaries, the delineation of the divisions and their subdivision into business and functional units is determined by the entire Board of Directors based on a proposal made by the CEO.
- (2) The decision regarding the following personnel matters is taken by the entire Board of Directors:
- a) LEONI AG:
- (i) granting a full power of attorney (*Prokura*) for the Company;
 - (ii) granting a sole power of attorney (*Einzelprokura*) and a general power of attorney (*Generalvollmacht*) for the Company;
 - (iii) appointing and removing department heads (*Abteilungsleiter*) of the Company (including concluding and terminating service agreements and concluding separation agreements with these individuals).
- b) LEONI Kabel GmbH and LEONI Bordnetz-Systeme GmbH:
- (i) appointing and removing managing directors (*Geschäftsführer*) (including concluding and terminating service agreements and concluding separation agreements with these individuals);

- (ii) appointing and removing the Supervisory Board members that are not elected by the employees under provisions of co-determination law.
 - c) Group subsidiaries:
 - (i) appointing and removing employees of the group subsidiaries on level 1 of the group-wide grading system.
- (3) Decisions pursuant to § 6 (2) (c) (i) require the consent of the Supervisory Board's personnel committee.

§ 7

Meetings and resolutions of the Board of Directors

- (1) The Board of Directors will meet at least once every month. The place of the meeting is determined by the CEO. The meetings can also be held, without in-person attendance at the place of the meeting, by way of a video or telephone conference or via any other communication media. It is also possible to hold a meeting where individual members of the Board of Directors attend the meeting in person at the place of the meeting and other members attend the meeting by way of a video or telephone conference or via any other communication media.
- (2) The meetings are convened by the CEO. The meetings shall be convened no later than seven (7) days before the meeting and the notice shall include the agenda and the documents required in order to deal with the agenda items. In urgent cases, the notice period for convening a meeting may be shortened by the CEO.
- (3) Each member of the Board of Directors may demand that a meeting be convened and that specific agenda items be dealt with. Any proposals for resolution to the CEO must be supported by documents that must be made available in writing, in text form or in any other electronic way and that must include the specific proposal for resolution and the underlying considerations. Draft resolutions may only be submitted by members of the Board of Directors.

They must be forwarded to the other members of the Board of Directors – to the extent possible – at the same time and, as a rule, no later than three (3) days before the meeting in order to permit sufficient time for preparation. The member of the Board of Directors submitting the proposal for resolution arranges for the respective responsible specialist departments to become extensively involved in the preparation of the decision and the draft proposal in order to ensure a sufficient and final decision-making process. To the extent that the specialist departments do not, or do not fully, support the proposal for resolution, this must be pointed out in the draft proposal.

- (4) The meetings are chaired by the CEO. The CEO determines the order in which the agenda items are dealt with, as well as the type and form of voting. Minutes must be taken of each meeting of the Board of Directors by the CEO or a minute taker designated by the CEO. The draft minutes are forwarded to all

members of the Board of Directors for their consent. The CEO signs the final approved minutes and forwards them to all members of the Board of Directors.

- (5) The Board of Directors has a quorum if all members have been duly invited and if not less than half the number of its members participates in the passing of the resolution. Members who attend the meeting by way of a telephone or video conference or via any other communication media are deemed present and participating in the passing of the resolution. The members who attend the meeting by way of a telephone or video conference or via any other communication media may cast their votes in writing, by telephone, telefax, email or by any other means of electronic communication. Absent members must be informed without undue delay of the resolutions passed in their absence. Matters relating to the area of responsibility of an absent member will be debated and resolved upon – except in cases of urgency – only with that member’s consent.
- (6) The CEO may also procure that a resolution be passed by the Board of Directors by votes made in writing, by telephone, telefax, email or by any other means of electronic communication – and by a combination of these means of communication – if no member of the Board of Directors objects to such procedure within a reasonable period to be determined by the CEO. Any votes cast by telephone must be confirmed in writing. The procedure and the adoption of the resolution must be documented by the CEO.
- (7) The decision of the Board of Director is taken – to the extent legally permissible – by simple majority of the Board of Directors’ members. In the event of a tied vote, the CEO casts the deciding vote if the Board of Directors has more than two members. Without limiting the possibility to take decisions by majority or deciding vote, the CEO must exploit all possibilities in order to achieve a unanimous decision, particularly where fundamental and material issues are concerned.

§ 8 Conflicts of interest

- (1) In making decisions, the members of the Board of Directors are not permitted to pursue personal interests or to exploit for their own advantage business opportunities to which the organization is entitled. In connection with their function, the members of the Board of Directors are not permitted to demand or accept unjustified benefits from third parties either for themselves or for other persons, or grant unjustified benefits to third parties.
- (2) Each member of the Board of Directors is obligated to disclose to the Supervisory Board without undue delay any personal interest in the business of the Company and its group subsidiaries as well as all of his/her other conflicts of interest that arise in connection with his/her function and to inform the other members of the Board of Directors thereof.
- (3) The conclusion of transactions between members of the Board of Directors or persons or companies related to the members of the Board of Directors on the one side and the Company or its group subsidiaries on the other side requires the Supervisory Board’s consent.

- (4) Members of the Board of Directors should only serve as members on supervisory boards and take on other sideline activities outside of the organization in a reasonable scope. As a rule, such memberships and activities are to serve the interests of the enterprise and must not interfere with that member's activity on the Board of Directors. A member of the Board of Directors may only take on sideline activities, in particular accept to serve as a member on non-group-related supervisory boards, with the Supervisory Board's prior consent.

§ 9

Consent of the Supervisory Board

- (1) The following matters and measures require (irrespective of the Board of Directors' duty to manage the business) the Supervisory Board's consent:
- a) the acquisition, encumbrance or sale by the Company or any of its group subsidiaries of real property, rights equivalent to real property and rights in real property valued in excess of EUR 20 million in each case;
 - b) the acquisition, encumbrance or sale by the Company or any of its group subsidiaries of companies, interests in companies and parts of companies valued in excess of EUR 20 million in each case. Irrespective of their value, this does not include intra-group transactions within the meaning of sentence 1;
 - c) capital expenditures made by the Company or any of its group subsidiaries valued in excess of EUR 20 million in each case, irrespective of whether the measure is already included in the capital expenditure planning. The specific capital expenditure in each case is relevant for determining the amount threshold, provided that it is not imperatively part of an overall capital expenditure project; in this case, the total amount of the capital expenditure project must be taken into account;
 - d) financial measures of the Company or any of its group subsidiaries valued in excess of EUR 50 million in each case. Irrespective of their value, these do not include: (i) measures that serve the purpose of liquidity management in accordance with the applicable guidelines; (ii) measures that serve the purpose of hedging the customary financial risks, in particular the interest rate and currency risk, provided that these measures are not speculative in nature; (iii) intra-group measures;
 - e) the annual and multi-year planning, including the financing, capital expenditure, liquidity and personnel planning for the Company and the Group;
 - f) entering new areas of business or abandoning existing areas of business valued in excess of EUR 20 million in each case;
 - g) fundamental changes in the organisation, the business policies, the corporate governance and the strategy of the Company and its group subsidiaries;

- h) decisions of the entire Board of Directors pursuant to § 6 (2) a) (ii);
 - i) other matters that require the Supervisory Board's consent in accordance with applicable law, the Articles of Association and these rules of procedure.
- (2) The Supervisory Board may determine further types of business for which its consent is required.
- (3) If obtaining the prior consent of the Supervisory Board is not possible without adverse effects on the organization, the consent of the personnel committee must be obtained. The Supervisory Board is to be informed as soon as such Supervisory Board consent can be obtained without adversely affecting the organization.
- (4) The rights of the general meeting pursuant to Section 111 (4) of the German Stock Corporation Act, (*Aktiengesetz*, "AktG") remain unaffected.

§ 10 Relationship with the Supervisory Board

- (1) The CEO is responsible for the day-to-day business dealings with the chairperson of the Supervisory Board and the Supervisory Board.
- (2) Notwithstanding any existing matters requiring consent of the Supervisory Board and the reporting obligations set forth in Section 90 AktG and in the rules of procedure for the Supervisory Board, the Board of Directors informs the Supervisory Board regularly, promptly, in detail and primarily in writing of all business matters that are of material importance due to their financial implications and/or their importance for the general corporate policy. This includes but is not limited to issues regarding strategy, planning, business development, liquidity, risks, risk management, corporate governance and compliance. The Supervisory Board may at any time request that the Board of Directors provide additional information.

Nuremberg, 10 December 2020
On behalf of the Supervisory Board



Dr Klaus Probst
Chairperson of the Supervisory Board

Business allocation plan
for the Board of Directors of LEONI AG, valid from 1 June 2020

