

RULES OF PROCEDURE
of the Supervisory Board of
DEUTZ AG

In accordance with Section 12 paragraph (4) of the articles of association, in a decision of 27th September 2018 the Supervisory Board of DEUTZ AG has changed its rules of procedure:

§ 1

The Supervisory Board exercises its activity in accordance with legislation, the articles of association of the company and these rules of procedure.

§ 2

The decisions of the Supervisory Board are generally taken in meetings. In particular cases meetings of the Supervisory Board and its Committees can be telephone meetings, i.e. meetings in the form of a conference call or a videoconference. Taking a decision by means of written, telex, fax or electronic media or agreements reached on the telephone are permissible if no member of the Supervisory Board is opposed to this procedure. Members of the Supervisory Board, who are prevented from attending a meeting of the Supervisory Board, may allow another member of the Supervisory Board to submit their written vote.

§ 3

Unless the Chairperson of the Supervisory Board has convened, in agreement with all members of the Supervisory Board, a telephone meeting, the meetings of the Supervisory Board shall take place at the registered office of the company or at a different venue indicated on the invitation to the meeting.

§ 4

- (1) The meetings of the Supervisory Board shall be convened by the Chairperson. If the latter is prevented from doing so, by his deputy. The invitations shall be sent in writing or electronically to the members of the Supervisory Board with a period of notice of one week, calculated as of the date of receipt of the invitation until the date of the meeting. The invitation is to include the venue for the meeting and the agenda together with the consultation documents.
- (2) In urgent cases the invitation may also be sent verbally, by telephone, telex or by fax being restricted to notification of the venue and agenda and a reduction of the period of notification to 5 days.
- (3) Decisions about agenda points, which were not correctly notified in an invitation to a meeting in terms of form and period of notice, may be taken only if no member of the Supervisory Board objects to reaching a decision in this way. If no member of the Supervisory Board attending the meeting raises an objection, the absent members of the Supervisory Board shall be given the opportunity to object to the adoption of the resolution retrospectively within an appropriate period of time determined by the Chairperson; the decision shall take effect only if none of the absent members of the Supervisory Board have objected within the deadline.

§ 5

- (1) The Supervisory Board meetings shall be conducted by the Chairperson of the Supervisory Board, or by his deputy if the former is unable to do so. If both are absent, the oldest attending member of the Supervisory Board shall assume the chairpersonship of the meeting.
- (2) The Chairperson of the meeting shall determine the type of voting.
- (3) The Chairperson of the Supervisory Board, or his deputy if the former is prevented from doing so, shall undertake correspondence for matters relating to the Supervisory Board.
- (4) If the Chairperson of the Supervisory Board or his deputy gives his sole approval to a certain transaction or a certain measure taken by the Management Board owing to a need for urgent action without a decision by the entire Supervisory Board, (see rules of procedure of the Managing Board § 5 paragraph 3), then the Chairperson of the Supervisory Board or his deputy shall notify the remaining members of the Supervisory Board immediately.

§ 6

- (1) The Supervisory Board can decide on the creation of committees for certain tasks. Decision-making authority may be transferred to committees only if they consist of at least three members of the Supervisory Board.
- (2) The Supervisory Board shall elect the members of the committees and determine their number. Subject to the provision of § 7 para. 3 lit. a) sentence 2 of these Rules of Procedure, the chairpersons of the committees shall be elected by the Supervisory Board and the deputy chairpersons of the committees shall be elected by the committees.
- (3) The provisions regarding the decision-making of the Supervisory Board, the meetings of the Supervisory Board and the convening of these meetings shall be applied accordingly to the committees.

§ 7

- (1) The Supervisory Board shall create a Staff Committee for the duration of its term of office.
 - a) The Staff Committee shall consist of three people, namely the Chairperson of the Supervisory Board and both his deputies. Insofar as only one deputy has been elected, the Supervisory Board shall appoint a member of the Supervisory Board from the shareholders as the third member of the committee.
 - b) The task of the Staff Committee is to
 - aa) prepare decisions of the Supervisory Board on the content, conclusion and amendment of contracts of employment of the members of the Management Board appointed by the Supervisory Board and any queries arising between the members of the Management Board and the company in this connection,
 - bb) decide any issues in accordance with the German Stock Corporation Law § 89,
 - cc) advise and prepare submissions to the Supervisory Board for the intended appointment of members of the Management Board.
- (2) The Supervisory Board shall establish an Audit Committee.
 - a) The Audit Committee shall consist of four people, namely the Chairperson of the Supervisory Board, his deputy, as well as one shareholder member and one employee member of the Supervisory Board.
 - b) The Audit Committee shall in particular deal with the monitoring of the accounting process, the effectiveness of internal control systems, risk management system and internal audit system, the audit of the financial statements, particularly in the latter case the independence of the auditor, the additional services provided by the auditor, the issuing of the order to audit to

the auditor, the determination of the points of emphasis of the audit and the agreement on fees, and compliance.

- (3) The Supervisory Board shall establish a Nominating Committee
 - a) The Nominating Committee shall consist of three members of the Supervisory Board elected by the General Meeting. The Nominating Committee shall be chaired by the Chairperson of the Supervisory Board. The members of the Nominating Committee shall be elected by the shareholder representatives on the Supervisory Board.
 - b) The task of the Nominating Committee is to recommend suitable candidates for the Supervisory Boards' shareholder representatives to the Supervisory Board for its proposals to the General Meeting.

§ 8

- (1) The members of the Management Board shall attend meetings of the Supervisory Board, insofar as the Chairperson of the Supervisory Board does not take any contrary decisions in individual cases. The members of the Management Board shall attend the meetings of the committees if the Chairperson of the committee requests this specifically.
- (2) The Chairperson of the Supervisory Board shall determine the extent to which individual experts or respondents shall be called to the meetings to give advice on individual circumstances.
- (3) Every member of the Supervisory Board is entitled to view the audit reports and reports by the Management Board to the Supervisory Board. The audit reports shall be transmitted to each member of the Supervisory Board or, if the Supervisory Board has so decided, to the members of a committee. The reports by the Management Board to the Supervisory Board shall be transmitted to each member of the Supervisory Board unless the Supervisory Board has resolved otherwise.

- (4) The Chairperson of the Supervisory Board shall keep in regular contact with the Management Board, in particular with the Chairperson of the Management Board and shall advise him on strategy, the development of the business and the risk management of the company. The Chairperson of the Supervisory Board shall inform the Supervisory Board immediately of developments of major importance for the company and shall call an extraordinary meeting of the Supervisory Board if necessary.

§ 9

- (1) Minutes shall be taken on the meetings of the Supervisory Board and its committees, which shall be signed by the relevant Chairperson of the meeting. The minutes shall contain the location and date of the meeting, the participants, the items on the agenda, the main content of the discussions as well as indicating the decisions. The minutes of a meeting shall be considered approved unless a member raises an objection to the Chairperson within 14 days after dispatch of the minutes. If the Chairperson is not able to overcome the objection, the objection is to be decided on at the next meeting.
- (2) For votes undertaken in writing, by telex, by fax or electronic media or by telephone as well as for telephone meetings, the minutes are to be compiled taking account of the points of view expressed and the special features arising from the procedure. In the event of a vote by the entire Supervisory Board, the Chairperson of the Supervisory Board is responsible for compiling the minutes and in the event of a vote by a committee, the Chairperson of that committee is responsible for compiling the minutes.

§ 10

- (1) The members of the Supervisory Board shall maintain confidentiality about confidential matters and secrets of the company, namely operational or

business secrets, which they have become aware of during their activity on the Supervisory Board.

- (2) Irrespective of the above-mentioned provisions of Clause (1), it is presumed that the following items in particular are to be considered confidential matters or secrets within the meaning of Clause (1), insofar as an announcement has not yet been made by the company or another authorised office:
- a) Company planning (overall and individual planning);
 - b) Investment projects;
 - c) Product developments;
 - d) Manufacturing procedures;
 - e) Inventions;
 - f) Acquisition or disposal of participatory interests as well as the acquisition, establishment or disposal of companies or business premises;
 - g) Alterations to the share capital as well as issuing bonds or taking out a loan;
 - h) Company agreements within the meaning of the German Stock Corporation Law (e.g. controlling agreements, profit transfer agreements and company take-over agreements in accordance with the German Stock Corporation Law §§ 291, 292);
 - i) Information on suppliers and customers;
 - j) Staff issues;
 - k) Information, facts and valuations, about which the informant has expressly requested confidentiality and for which from a knowledgeable economic point of view it cannot be ruled out that their disclosure might harm the interests of the company, in particular its competitiveness and market opportunities;

- l) Information, which if passed on harms the reputation and prestige of the company or the person representing the company, endangers the security and order within the company or might instigate unjustified unrest amongst the staff or shareholders.
- (3) If a member of the Supervisory Board intends to disclose in full or in part to a third party, who is not a member of the Supervisory Board, a subject referred to under Clause (2), then this member of the Supervisory Board is obliged to inform the Chairperson of the Supervisory Board, in the event of this not being possible his deputy, at least one week before the time of the intended disclosure about its content as well as the person to whom it will be disclosed in order to give the Chairperson of the Supervisory Board the opportunity to form his own opinion about the matter and to also obtain the view of the Supervisory Board at his discretion.

§ 11

- (1) Every member of the Supervisory Board shall disclose to the Chairperson of the Supervisory Board any conflict of interest, which might arise, in particular those on the basis of an advisory or agency position with customers, suppliers, lenders or other business partners.
- (2) If there are substantial and not only temporary conflicts of interest for one of the members of the Supervisory Board, then the member of the Supervisory Board concerned shall resign from office.