

non-binding convenience translation – only the German version is binding

**RULES OF PROCEDURE
FOR THE SUPERVISORY BOARD**

of HENSOLDT AG

As at 11 August 2020

Article 1

1. The supervisory board shall have twelve members, of whom six are to be named by the shareholders and the other six are to be named by the employees in accordance with the provisions of the German Co-Determination Act (MitbestG).
2. The supervisory board shall be composed in such a way that its members as a group possess the knowledge, ability and expert experience required to properly fulfil its tasks and that the statutory gender quota is met. The supervisory board shall specify concrete objectives with respect to its composition in accordance with the German Corporate Governance Code (DCGK) and shall define a competence profile for the body as a whole. The supervisory board shall respect diversity. When making suggestions to the general meeting, the supervisory board shall take account of these objectives and aim at implementing the competence profile for the body as a whole.
3. No member of the supervisory board may pursue personal interests in their decisions or use business opportunities intended for the company for themselves.
4. Each member of the supervisory board shall inform the chairperson of the supervisory board* of any conflicts of interest, in particular those which may result from a consulting, directorship or similar function with clients, suppliers, lenders or other third parties. The chairperson of the supervisory board shall disclose his conflicts of interest to the board's executive committee. Material conflicts of interest and those which are not merely temporary in respect of the person of a supervisory board member shall result in the termination of his mandate.
5. Generally, only persons up to a maximum of 70 years of age should be nominated to be elected as a supervisory board member. The duration of the membership of the supervisory board shall be disclosed.
6. The supervisory board shall check the efficiency of its work on a regular basis.

Article 2

1. Immediately after its election, in a constituent meeting to take place at the conclusion of the general meeting in which the shareholders' supervisory board members have been elected, the supervisory board shall elect a chairperson and a deputy** from among its ranks in accordance with the provisions of the German Co-Determination Act (MitbestG).

* The term 'chairperson' shall refer to people of any gender.

** The term 'deputy' shall refer to people of any gender.

2. The chairperson shall coordinate the supervisory board's work.
3. In all cases in which the deputy represents the chairperson in the latter's absence, the deputy shall have the same rights and obligations as those imposed on the chairperson by law or by the statutes. However, the deputy shall not have a double voting right.

Article 3

1. The supervisory board shall be guided by the recommendations and suggestions of the German Corporate Governance Code.
2. The supervisory board shall ensure that suitable rules of conduct are available and apply to the company's management board members and employees. Supervisory board members shall also comply with these rules as amended to the extent that they apply to them.
3. In particular, supervisory board members shall maintain secrecy concerning confidential reports received by them and confidential discussions. If a supervisory board member obtains the support of a third party for fulfilling his tasks, he shall ensure that such third party observes the same confidentiality obligations and is only granted access to confidential information to the extent that this is required to provide this support.

Article 4

1. The supervisory board shall ensure that the management board complies with its duties to report to the supervisory board, especially those set out in section 90 of the German Stock Corporation Act (AktG).
2. The supervisory board shall review the annual financial statements of HENSOLDT AG, the consolidated financial statements of the HENSOLDT Group, the combined management report of HENSOLDT AG and the HENSOLDT Group and the proposal for the appropriation of net income.

It shall take the results of the preliminary review by the audit committee as a basis for this. The auditor shall participate in the supervisory board's discussions concerning these documents and shall report on the key results of his audit. The supervisory board shall decide upon the management board's proposal for the appropriation of net income and the report of the supervisory board to the general meeting.

3. In addition to the statutory requirement for consent and subject to the scope of transactions requiring consent being additionally extended by the supervisory board in individual cases, the transactions identified as requiring consent in the rules of procedure for the management board, drafted by the supervisory board, shall require the supervisory board's prior consent.

Article 5

1. To the extent permitted by law, the supervisory board may delegate specific tasks and rights to its committees. In particular, the supervisory board reserves the right to establish a committee for matters involving classified information, if necessary. The committees shall be responsible for the tasks defined in more detail and assigned to them by decisions made by the supervisory board or in rules of procedure approved by the supervisory board. The chairpersons of the committees shall report the committees' work to the supervisory board on a regular basis.
2. The chairperson, his deputy and two other supervisory board members, one of them representing the shareholders and the other the employees, shall form the supervisory board's **executive committee**. The executive committee shall be responsible for the tasks assigned to it in the rules of procedure for the executive committee, especially for suggesting the appointment and removal of management board members, dealing with service agreements with management board members, planning for the succession of management board members and dealing with corporate governance issues. When suggesting the appointment and removal of management board members, the executive committee shall take into account that management board members should generally not be older than 65 years of age. Moreover, the executive committee shall be responsible for preparing the decisions to be taken by the supervisory board in a plenary session concerning the management board remuneration system, for the presentation thereof to the general meeting and for implementing this system in the service agreements with management board members and setting the targets regarding variable remuneration. In addition, the executive committee shall prepare the regular review of the management board remuneration system by the supervisory board in plenary sessions.
3. The supervisory board shall establish an **audit committee**, which shall consist of four supervisory board members, two representing the shareholders and the other two the employees. The chairperson of the audit committee shall be elected by the supervisory board members from among the committee members. The audit committee shall check and monitor the accounting processes, verify the effectiveness of the internal control system, risk management system and internal audit system, and review the annual financial statements. As part of the other tasks assigned to it, the audit committee shall, in particular, monitor that the company complies with statutory provisions, official

regulations and corporate directives, unless these relate to anticorruption, antitrust (competition law), data protection or export control processes and regulations and, therefore, are reserved for being dealt with by the compliance committee.

4. The chairperson of the supervisory board, the deputy elected pursuant to the provisions of the MitbestG, and two other supervisory board members, one representing the employees and the other the shareholders, shall form the **mediation committee**, which, in the cases defined in sections 31(3) and 31(5) MitbestG, shall suggest the appointment and removal of management board members. This committee shall be established immediately after the election of the supervisory board's chairperson and the deputy elected pursuant to the provisions of the MitbestG.
5. The supervisory board shall establish a **compliance committee**, which shall consist of four supervisory board members, two representing the shareholders and the other two the employees. The chairperson of the compliance committee shall be elected by the supervisory board members from among the committee members. The compliance committee shall monitor that the company complies with statutory provisions, official regulations and corporate directives concerning anticorruption, antitrust (competition law), data protection and export control.
6. The supervisory board shall establish a **nomination committee**, which shall consist of up to four supervisory board members representing the shareholders. The members of the nomination committee shall only be elected by the supervisory board members representing the shareholders. The chairperson of the nomination committee shall be elected by the nomination committee members from among their ranks.

The nomination committee shall suggest suitable candidates to the supervisory board that the supervisory board in turn shall propose to the general meeting for the election of supervisory board members. When suggesting candidates, the nomination committee shall in particular take into account the objectives mentioned in paragraphs 2 and 5 of Article 1.

7. The supervisory board shall establish a **committee for transactions with related parties**, which shall consist of four supervisory board members, two representing the shareholders and the other two the employees. When appointing the committee members, the supervisory board shall ensure that the majority of the committee members do not have a potential conflict of interest due to their relationship with a related party. The chairperson of the committee for transactions with related parties shall be elected by the supervisory board members from among the committee members. The committee for transactions with related parties shall be responsible for monitoring that, with regard to transactions with related parties, the company's internal processes follow an ordinary course of business and are in accordance with customary conditions

as provided in sentence 2 of section 111a(1) AktG and shall be responsible for approving transactions with related parties in accordance with section 111b AktG. Concerning such transactions, the decision-making competence of the committee for transactions with related parties shall precede that of other committees. Committee members with a potential conflict of interest due to their relationship with a related party must not exercise their voting right when it comes to approving transactions with related parties. No related party may be a member of the committee if such party is involved in a transaction within the meaning of sentence 2 of section 111a(1) AktG.

8. In other respects, the provisions regarding the convening, form and recording of meetings, the adoption of resolutions, the quorum and voting procedures shall apply *mutatis mutandis* to the committees. However, at least three committee members or, in committees with more than six members, at least half of the mandatory committee members must participate in each vote. In the event of a tied vote in a committee, except for a committee in accordance with section 27(3) MitbestG, the chairperson of the committee shall have a double voting right if the second vote on the same subject matter again results in a tied vote.

Article 6

1. Supervisory board meetings shall be convened in writing (or electronically or in text form (section 126b of the German Civil Code (BGB))) by the chairperson or, if the chairperson is not available, then by the deputy, giving a period of notice of two weeks prior to the meeting.

When calculating the period of notice, the day of dispatch of the invitation and the day of the meeting shall not be taken into account. This period may be reduced in urgent cases. However, even in urgent cases, there shall be at least three days between the day on which the meeting is convened and the day of the meeting. The agenda shall be communicated in due time prior to the meeting.

2. The supervisory board members must receive the relevant documents concerning discussions and resolutions in due time prior to the meeting. In specific cases, which have to be justified, such documents may be provided at a later point in time, however no later than at the time the meeting takes place.
3. At least two supervisory board meetings shall take place in each half calendar year.

Article 7

1. Supervisory board meetings shall be chaired by the chairperson or, if the chairperson is not available, by the deputy. The chairperson shall determine the

sequence of the items to be discussed and the type of voting.

2. The supervisory board shall constitute a quorum if at least six members take part in the adoption of a resolution, regardless of whether the participating members approve or vote against the resolution or abstain from voting.
3. Resolutions concerning any agenda items which had not been specified in the invitation may only be adopted if no supervisory board member objects to this.

Article 8

1. At the instigation of the chairperson, supervisory board members may also adopt resolutions outside of a meeting by voting either verbally, in writing, electronically or in another text form (section 126b BGB) (and also in a combination of these voting types) or in a telephone or video conference. Absent supervisory board members also have the option to participate in the adoption of a resolution by having other supervisory board members submit their votes for them in writing, by fax, electronically or in another text form (section 126b BGB).
2. If, less than three working days prior to a supervisory board meeting, a request regarding an agenda item is made or an existing request is modified in such a way that it is only possible for a member to vote in writing concerning that agenda item if he is informed of such request or modification, an absent supervisory board member shall be allowed to submit his vote in writing at a later point in time. For this purpose, the chairperson of the supervisory board or, if the chairperson is not available, then the deputy shall notify all absent members of such request or modification in writing, by fax or any other customary means of communication (e.g. by email) or in another text form (section 126b BGB) and shall grant them a period of at least one week to submit their vote in writing.
3. All votes cast in writing shall be taken into account when determining the voting result if such votes are received within the period specified in paragraph 2 of Article 8. The voting process shall only be completed when all written votes have been received or the period granted for their submission has expired without the votes being received.

Article 9

1. Unless otherwise provided by law, the adoption of a resolution shall require the majority of all votes cast. In case of a tied vote, every supervisory board member is entitled to request a second vote on the same subject. If this results in another tied vote, the chairperson shall have a double voting right. The second vote may also be cast in writing, electronically or in another text form (section 126b BGB) or in a telephone or video conference.
2. Supervisory board meetings and resolutions (regardless of whether they are adopted during or outside of a meeting) shall be recorded in minutes within a period of four weeks and such minutes shall be signed by the chairperson and, if appointed, the minute taker. The minute taker shall be appointed by the chairperson of the supervisory board.
3. Once the minutes have been established, a copy shall be sent to all supervisory board members. The original of the minutes shall be stored in the company records.

Article 10

1. Unless otherwise decided by the chairperson of the supervisory board in an individual case, supervisory board meetings are generally attended by the management board members.
2. To fulfil its duties, the supervisory board may, in its sole discretion, call in auditors, legal counsel and other external or internal consultants. The chairman of the supervisory board may allow such individuals or any persons delegated for purposes of furnishing information to attend the supervisory board's meetings. He shall give the supervisory board members the opportunity to express any concerns they may have. The costs of the involvement of the aforementioned persons shall be borne by the company.

Article 11

1. The chairperson or, if the chairperson is not available, then the deputy is entitled to make and receive all declarations required to implement the supervisory board's resolutions.
2. Any other supervisory board documents and announcements shall be signed by the chairperson of the supervisory board or, if the chairperson is not available, then by the deputy. The chairperson shall also be responsible for all of the supervisory board's correspondence.

Article 12

1. Former supervisory board members shall no longer be involved in the company's business transactions after they have left the supervisory board. They shall refrain from exercising any influence on the company's business transactions and from making any public statements regarding such transactions. The obligation of current board members and senior managers to not disclose any confidential information and company secrets shall also apply in relation to former management board and supervisory board members and former senior managers.
2. Where former supervisory board members hold positions on supervisory boards or similar positions in other companies, or positions in scientific, social, cultural, professional or other organisations, they shall not hold such positions on behalf of the company.

The company will not bear any expenses or assume any obligations that may arise in connection with such positions.