

ARTICLES OF ASSOCIATION OF HENSOLDT AG

17 MAY 2024

PART I

General Provisions

§ 1

Company Name, Registered Office, Duration and Financial Year of the Company

- (1) The name of the stock corporation is HENSOLDT AG (the "Company").
- (2) The Company has its registered office in Taufkirchen, administrative district of Munich, Germany.
- (3) The Company shall exist for an indefinite period of time.
- (4) The financial year of the Company shall be the calendar year.

§ 2

Object of the Company

- (1) The object of the Company is, directly or indirectly (through other holding companies), to acquire, hold, divest and manage interests in entities engaged in the development, manufacturing, operation and distribution of electro-technical systems, optronic devices and software solutions for military and non-military use and in the rendering of any services related thereto worldwide, and to manage the group of such companies.
- (2) The object of the Company also includes the rendering of administrative, consulting and other services to subsidiaries and affiliated companies.
- (3) The Company may become active in the areas of activity referred to in paragraph 1 itself as well. It may also realize its object entirely or partly indirectly.
- (4) The Company is entitled to establish companies and branches in Germany and abroad and to take all measures which directly or indirectly serve the object of the Company.

§ 3

Announcements and Transmission of Information

- (1) Announcements of the Company shall be published in the German Federal Gazette (*Bundesanzeiger*).
- (2) The Company is entitled, with consent of the shareholders or to the extent permitted by law, to transmit information to the shareholders by means of remote data transmission.

PART II

Share Capital and Shares

§ 4

Share Capital, Shares

- (1) The share capital of the Company amounts to EUR 115,500,000.00 (in words: one hundred and fifteen million and five hundred thousand Euros) and is divided into 115,500,000 bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*).
- (2) On the issuance of new shares, the profit participation of the new shares may deviate from Section 60 of the German Stock Corporation Act (*Aktiengesetz*).
- (3) The Management Board is authorized, subject to the Supervisory Board's approval, to increase the share capital of the Company on one or more occasions during the period until August 11, 2025, by up to a total of EUR 25,500,000.00 (in words: twenty-five million and five hundred thousand Euros) through the issuance of new bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*) in return for contributions in cash or in kind (Authorized Capital 2020/I). Shareholders are granted a subscription right with the following restrictions:
 - The Management Board is authorized, subject to the Supervisory Board's approval, to exclude fractional amounts from the shareholders' subscription right in case of capital increases against contributions in cash or in kind.
 - The Management Board is authorized, subject to the Supervisory Board's approval, to also exclude the subscription right in case of capital increases to the extent necessary to grant to holders or creditors of option or conversion rights or of option or conversion obligations, granted or imposed by the Company or its direct or indirect subsidiaries, a subscription right for new bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*) to the extent to which they would be entitled as shareholders after exercising the option or conversion right or after fulfilling the option or conversion obligation.

- The Management Board is furthermore authorized, subject to the Supervisory Board's approval, to exclude the subscription right insofar as the capital increase is carried out against contributions in kind, in particular in case of an acquisition of companies, parts of companies, interests in companies, or other assets including rights and receivables or in the context of business combinations.
- The Management Board is authorized, subject to the Supervisory Board's approval, to exclude the shareholders' subscription right on the issuance of shares to employees of the Company and employees and members of the management of subordinated affiliated companies, with regard to employees also in compliance with the requirements of Section 204 (3) of the German Stock Corporation Act (*Aktiengesetz*).
- The shareholders' subscription right may, subject to the Supervisory Board's approval, also be excluded in the case of capital increases against cash contributions where the amount for which the new bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*) are issued is not significantly lower than the stock market price at the time of final determination of the amount for which the shares will be issued, which time should be as close as possible to the placement of the bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*) (simplified exclusion of subscription rights pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act (*Aktiengesetz*)). The shares issued under exclusion of the subscription right pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) may not exceed a total of 10 % of the share capital existing at the time when the resolution on the creation of this authorization is passed or, if lower, at the time when the resolution on the first use of this authorization is passed. The maximum limit of 10 % of the share capital shall be reduced by the prorated amount of the share capital attributable to those shares issued or sold during the term of this authorization under exclusion of the subscription right in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (*Aktiengesetz*). Furthermore, this limit is decreased by shares that have been or may be issued in order to satisfy option or conversion rights or obligations, if the option or conversion rights or obligations were granted or imposed under exclusion of the subscription right in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) during the term of this authorization

The new shares may also be subscribed for pursuant to Section 186 (5) of the German Stock Corporation Act (*Aktiengesetz*) by a credit institution or a company operating pursuant to Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the

German Banking Act (*Kreditwesengesetz*) with the obligation to offer them to the shareholders for subscription (indirect subscription right (*mittelbares Bezugsrecht*)).

The Management Board is also authorized, subject to the Supervisory Board's approval, to determine further details of the capital increase and its implementation.

- (4) The share capital of the Company is conditionally increased by up to EUR 16,000,000.00 (in words: sixteen million Euros), through issuance of up to 16,000,000 new bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*) (Conditional Capital 2020/I). The conditional capital increase shall only be implemented insofar as holders or creditors of option or conversion rights or holders being subject to conversion or option obligations, arising from warrants and/or convertible bonds, profit participation rights and/or profit participation bonds (or combinations of these instruments) which have been issued against contributions in cash or in kind and which have been issued or guaranteed by the Company or a subordinated group company of the Company during the period until August 11, 2025, based on the authorization of the Management Board resolved on by the Shareholders' Meeting on August 18, 2020, make use of their option or conversion rights or if they are subject to a conversion or option obligation, fulfil their conversion or option obligation, or if the Company exercises a right to grant shares of the Company in whole or in part instead of paying an amount due in cash. The conditional capital increase shall not be carried out if a cash settlement is granted or treasury shares, shares from authorized capital or shares of another listed company are used to service the settlement. The new shares shall be issued at the option or conversion price to be determined in each case in accordance with the authorization resolution described above. The new shares shall participate in profits from the beginning of the financial year in which they are created; if permitted by law, the Management Board may, subject to the Supervisory Board's approval, resolve that profit participation of the new shares be set differently from Section 60 (2) sentence 3 of the German Stock Corporation Act (*Aktiengesetz*), even for a financial year that has already ended. The Management Board is, subject to the Supervisory Board's approval, authorized to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to amend the wording of the Articles of Association in accordance with the respective utilization of the Conditional Capital 2020/I. This shall apply *mutatis mutandis* in the event of non-utilization of the authorization on the issuance of warrant and/or convertible bonds, profit participation rights and/or profit participating bonds (or combinations of these instruments) after the end of the authorization period and in the event that the Conditional Capital 2020/I is not utilized after the expiration of periods for exercising option or conversion rights or for fulfilling option or conversion obligations.

§ 5
Shares

- (1) A shareholder's right to securitize his share is excluded, unless securitization is required under the rules applicable to a stock exchange on which the share is listed within the meaning of Section 3 (2) of the German Stock Corporation Act (*Aktiengesetz*). The shareholder's entitlement to the issuance of profit share and renewal coupons (*Gewinnanteils- und Erneuerungsscheine*) is also excluded.
- (2) The Management Board shall have the right to decide on the issuance of share certificates and profit share and renewal coupons (*Gewinnanteils- und Erneuerungsscheine*) and any related details. Global share certificates may be issued.

PART III
Constitution

A. The Management Board

§ 6
Composition, Rules of Procedure

- (1) The Management Board consists of at least two members. Otherwise, the number of Management Board members is determined by the Supervisory Board. The Supervisory Board may appoint a member of the Management Board as chairperson of the Management Board.
- (2) Resolutions of the Management Board shall be passed unanimously to the extent possible. Resolutions of the Management Board that are not passed unanimously require a simple majority of votes cast unless a different majority is required by law. If the Management Board consists of more than two members, the chairperson shall have the right to a casting vote in the event of a tie.
- (3) The Management Board shall adopt rules of procedure by unanimous resolution of all Management Board members unless the Supervisory Board issues rules of procedure for the Management Board.

§ 7
Representation

- (1) The Company shall be represented by two members of the Management Board acting jointly or by one member of the Management Board acting jointly with a holder of a general power of attorney for the Company (*Prokurist*).
- (2) The Supervisory Board may exempt individual or all members of the Management

Board generally or in individual cases from the prohibition of multiple representation pursuant to Section 181, 2nd alternative of the German Civil Code (*Bürgerliches Gesetzbuch*); Section 112 of the German Stock Corporation Act (*Aktiengesetz*) remains unaffected.

B. The Supervisory Board

§ 8

Composition, Election, Term of Office

- (1) The Supervisory Board consists of twelve members, namely six members appointed by the shareholders and six members appointed by the employees in accordance with the German Co-Determination Act (*Mitbestimmungsgesetz*).
- (2) The Federal Republic of Germany (as represented by the Federal Ministry of Defence together with the Federal Ministry for Economic Affairs and Energy or the respective successor ministry for each respective function) is, as soon as and as long as it is shareholder of the Company, entitled to appoint (*entsenden*) one member of the Supervisory Board representing the shareholders. The right of appointment shall be exercised by written declaration to the Management Board of the Company. As long as Square Lux Holding II S.à r.l. with registered seat in the Grand Duchy of Luxembourg (registered with the commercial and company register of Luxemburg (*registre de commerce et des sociétés*) under B202695) is shareholder of the Company, the right of appointment of the Federal Republic of Germany pursuant to sentence 1 is a joint right of appointment of the Federal Republic of Germany and Square Lux Holding II S.à r.l. together, and shall be exercised by joint declaration of the Federal Republic of Germany and Square Lux Holding II S.à r.l. to the Management Board of the Company. The member of the Supervisory Board appointed in accordance with sentence 1 shall, as long as the right of appointment of Square Lux Holding II S.à r.l. pursuant sentence 3 exists, on the one hand, be independent from Square Lux Holding II S.à r.l. and, as long as the right of appointment of the Federal Republic of Germany pursuant to sentence 1 exists, on the other hand, be independent from the Federal Republic of Germany, in each case in a sense that the person to be appointed is neither a member of a corporate body or an employee of Square Lux Holding II S.à r.l. or of one of its direct or indirect controlling shareholders, nor a civil servant or employee of the Federal Republic of Germany, another local authority (*Gebietskörperschaft*) or a public institution (*öffentlich-rechtliche Anstalt*). The Federal Republic of Germany is entitled to appoint one additional member to the Supervisory Board attributable to the shareholders as long as the Federal Republic of Germany directly or indirectly holds shares in the amount of at least 25.1 % of the Company's share capital. This right of appointment shall also be exercised by written declaration to the Management Board of the Company. Paragraphs 3 and 4 apply accordingly to appointed (*entsendete*) members of the Supervisory Board.

- (3) Unless the Shareholders' Meeting decides on a shorter period of appointment at the time of election of individual members or the entire Supervisory Board, members of the Supervisory Board shall be appointed until the end of the Annual Shareholders' Meeting which resolves on the discharge of their liability for the fourth financial year after the beginning of the term of office. The year in which the term of office begins shall not be counted.
- (4) If a member of the Supervisory Board to be elected by the Shareholders' Meeting resigns from the Supervisory Board before the end of his term of office and no elected substitute member is available, a successor shall be elected for the remainder of the term of office of the member of the Supervisory Board who resigned prematurely, unless a shorter term of office is determined.
- (5) Any member of the Supervisory Board may resign from office by giving four weeks' notice in writing to the chairperson of the Supervisory Board, even without good cause, and in the case of resignation of the chairperson of the Supervisory Board by notice in writing to the deputy chairperson. The chairperson of the Supervisory Board or the deputy chairperson of the Supervisory Board, as the case may be, may waive compliance with the notice period.

§ 9

Chairperson and Deputy Chairperson; Declarations

- (1) The Supervisory Board shall elect a chairperson and a deputy chairperson from among its members, which election shall take place following the Shareholders' Meeting at which the Supervisory Board members representing the shareholders to be elected by the Shareholders' Meeting have been appointed. The election shall be conducted in accordance with the provisions of the German Co-Determination Act (*Mitbestimmungsgesetz*). The election shall be for the term of office of the elected members or for a shorter period determined by the Supervisory Board.
- (2) The deputy chairperson shall only have the rights and duties assigned to the chairperson of the Supervisory Board by law or by the articles of association if the chairperson is prevented from acting. In no case shall the deputy chairperson be entitled to a second vote.
- (3) If the chairperson or one of his deputies resigns from office prematurely, the Supervisory Board shall without undue delay hold a new election for the remaining term of office of the resigning member. In the event of premature resignation of the chairperson of the Supervisory Board, the Supervisory Board shall be convened by the deputy chairperson.
- (4) The chairperson or, in case the chairperson is prevented from acting, the deputy chairperson, is authorized to make declarations required to implement the resolutions

of the Supervisory Board and its committees on behalf of the Supervisory Board.

§ 10

Meetings and Resolutions of the Supervisory Board

- (1) Meetings of the Supervisory Board shall be convened and chaired by the chairperson. The Supervisory Board shall hold two meetings per calendar half-year. It shall also hold meetings when required by law or when appropriate for the business. The meetings of the Supervisory Board shall be convened in writing (includes transmission in electronic or text form, (Section 126b of the German Civil Code (*Bürgerliches Gesetzbuch*)), orally or by phone by the chairperson giving a notice period of two weeks. For the purpose of the calculation of the notice period, the day on which the notice is dispatched and the day of the meeting shall be disregarded. This period may be shortened by the chairperson in urgent cases. The items on the agenda shall be communicated in a timely manner before the meeting.
- (2) The chairperson shall determine the order of the agenda items and the form of voting. The chairperson may determine that members of the Supervisory Board may attend a meeting by telephone or video conference or by way of a comparable audio and/or video transmission; the other members of the Supervisory Board have no right to object to such attendance. A member participates in a resolution even if he abstains from voting. Members who are connected by video or telephone conference or participate in a comparable manner via audio and/or video transmission are deemed to be present. Absent Supervisory Board members may participate in the adoption of resolutions by the Supervisory Board by having other Supervisory Board members submit written votes (which may also be delivered by telefax, electronic form or other text form (Section 126b of the German Civil Code (*Bürgerliches Gesetzbuch*)) on their behalf.
- (3) The chairperson may adjourn the resolution on individual or all agenda items until the next regular meeting unless an equal number of shareholder representatives and employee representatives participate in the decision making or there is another material reason to adjourn. The chairperson shall not be permitted to adjourn the same agenda item again in the subsequent meeting of the Supervisory Board.
- (4) A resolution on an agenda item that was not included in the invitation notice is only permissible if no member of the Supervisory Board objects to the resolution. In this case, absent Supervisory Board members shall be given the opportunity to object to the resolution within a reasonable period of time to be determined by the chairperson or to submit their vote in a form specified in paragraph 5 sentence 1 below to the Supervisory Board chairperson. The resolution shall only become effective if none of the absent Supervisory Board members objects within the period of time determined by the chairperson. After expiry of the period of time determined by the

chairperson, the resolution shall be recorded by the chairperson in writing in the minutes, a copy of which shall be sent to all members without undue delay.

- (5) At the request of the chairperson, resolutions of the Supervisory Board may also be passed outside a meeting by vote in oral, written, electronic or text form (Section 126b of the German Civil Code (*Bürgerliches Gesetzbuch*)) (including a combination of the aforementioned forms) or by means of telephone or video conference. There is no right to object to the form of resolution determined by the chairperson. Paragraph 1 above shall apply *mutatis mutandis* to the initiation of the passing of resolutions outside a meeting. Such resolutions shall be recorded in writing by the chairperson and included in the minutes of the next meeting.
- (6) The Supervisory Board is constituted to pass a resolution if at least six members participate in the passing of the resolution. Resolutions require a majority of the votes cast, unless otherwise stipulated by law. In the event of a tie, each member of the Supervisory Board may request another vote on the same matter. If that vote is again a tie, the chairperson shall have two votes. The second vote may also be cast in the form provided for meetings under paragraph 2 and in the manner provided for decisions taken outside meetings under paragraph 5.
- (7) Minutes, signed by the chairperson, shall be prepared for the meetings and resolutions of the Supervisory Board. A copy of the minutes shall be provided to each member of the Supervisory Board without undue delay.
- (8) Declarations by the Supervisory Board and its committees shall be made by the chairperson on behalf of the Supervisory Board. For submission of declarations to the Supervisory Board, submission to one member of the Supervisory Board is sufficient.
- (9) The Supervisory Board may resolve on amendments to the Articles of Association which only affect the wording.

§ 11

Rules of Procedure and Committees

- (1) The Supervisory Board shall adopt its own rules of procedure.
- (2) The Supervisory Board may, in addition to the committee referred to in Section 27 (3) of the German Co-Determination Act (*Mitbestimmungsgesetz*), establish further committees composed of members of the Supervisory Board. To the extent legally permitted, decision making powers of the Supervisory Board may be delegated to the committees.
- (3) The provisions of § 10 shall apply *mutatis mutandis* to the committees. Each committee may elect a chairperson from among its members, unless the Supervisory Board appoints a chairperson. In the event of a tied vote in a committee – except for

in the committee pursuant to Section 27 (3) of the German Co-Determination Act (*Mitbestimmungsgesetz*) – the chairperson of the committee shall have two votes if another vote on the same matter results in a tied vote. Otherwise, the Supervisory Board may regulate activities of the committees in the rules of procedure or adopt individual rules of procedures for the committees.

§ 12

Remuneration of Supervisory Board Members

- (1) Each member of the Supervisory Board receives fixed annual remuneration ("fixed remuneration") for his/her work. The fixed remuneration is to be EUR 120,000.00 (in words: one hundred and twenty thousand) for the chairperson of the Supervisory Board, EUR 70,000 (in words: seventy thousand) for the deputy chairperson and EUR 50,000 (in words: fifty thousand) for every additional member.
- (2) For membership in the committees of the Supervisory Board listed below, additional remuneration is received in each case as follows:
 - (i) the chairperson of the executive committee (*Präsidium*) receives fixed annual remuneration of EUR 25,000.00 (in words: twenty-five thousand), and each other member of the executive committee fixed annual remuneration of EUR 15,000.00 (in words: fifteen thousand);
 - (ii) the chairperson of the nomination committee (*Nominierungsausschuss*) receives fixed annual remuneration of EUR 20,000.00 (in words: twenty thousand), and each other member of the nomination committee fixed annual remuneration of EUR 10,000.00 (in words: ten thousand);
 - (iii) the chairperson of the audit committee (*Prüfungsausschuss*) receives fixed annual remuneration of EUR 25,000.00 (in words: twenty-five thousand), and each other member of the audit committee fixed annual remuneration of EUR 15,000.00 (in words: fifteen thousand);
 - (iv) the chairperson of the compliance committee (*Complianceausschuss*) receives fixed annual remuneration of EUR 25,000.00 (in words: twenty-five thousand), and each other member of the compliance committee fixed annual remuneration of EUR 15,000.00 (in words: fifteen thousand).
- (3) The total annual remuneration of each member of the Supervisory Board pursuant to paragraphs (1) and (2) is limited to twice the amount of the relevant fixed remuneration pursuant to paragraph (1).
- (4) The Fixed Remuneration pursuant to paragraph 1 and remuneration pursuant to paragraph 2 are payable four weeks after the end of the financial year. Supervisory Board members who are members of the Supervisory Board or a committee for only part of the financial year or who have chaired a committee for only part of the financial year shall receive remuneration that is lower in proportion to time; this

applies to each remuneration within the meaning of paragraphs 1 and 2.

- (5) All remuneration within the meaning of paragraphs 1 and 2 shall be exclusive of value-added tax in the amount legally owed by the Supervisory Board member.
- (6) The Company shall reimburse members of the Supervisory Board for any expenses incurred in the performance of their duties, including any value-added tax attributable to the reimbursement of such expenses.
- (7) The Company may take out liability insurance for the benefit of members of the Supervisory Board which covers statutory liability arising from their activities on the Supervisory Board.

C. The Shareholders' Meeting

§ 13

Venue and Notice of the Shareholders' Meeting

- (1) The Shareholders' Meeting shall be held at the registered office of the Company or in a German municipality with more than 100,000 inhabitants.
- (2) Unless other persons are authorized by law to do so, the Shareholders' Meeting shall be convened by the Management Board. The convocation shall be published in the German Federal Gazette (*Bundesanzeiger*) within the statutory time limit.
- (3) The Management Board is authorized to provide that the Shareholders' Meeting be held without shareholders or their proxies being physically present at the venue of the Shareholders' Meeting (virtual Shareholders' Meeting). This authorization applies to the conduct of virtual Shareholders' Meetings in a period of two years after the registration of this paragraph of the Articles of Association with the commercial register (Handelsregister) of the Company.

§ 14

Right to Attend

- (1) Only those shareholders who have registered with the Company in text form (Section 126b of the German Civil Code (*Bürgerliches Gesetzbuch*)) in the German or English language are entitled to attend the Shareholders' Meeting and exercise their voting rights.
- (2) In addition, shareholders shall provide evidence of their right to attend the Shareholders' Meeting and exercise their voting rights. For this purpose, the shareholding shall be evidenced by the last intermediary in text form (Section 126b of the German Civil Code (*Bürgerliches Gesetzbuch*)) in the German or English language; proof of shareholding by the last intermediary in accordance with the

requirements of Section 67c (3) of the German Stock Corporation Act (*Aktiengesetz*) is sufficient. It shall be received by the Company at the address specified in the notice for convening the meeting at least six days before the Shareholders' Meeting, whereby the day of receipt and the day of the Shareholders' Meeting are not counted.

- (3) Voting rights may be exercised by proxy. The granting of the proxy, its revocation and evidence of the proxy to the Company shall be in text form (Section 126b of the German Civil Code (*Bürgerliches Gesetzbuch*)).
- (4) The Management Board is authorized to determine that shareholders may participate in the Shareholders' Meeting without being present at the venue and without a proxy and may exercise all or some of their rights in whole or in part by way of electronic communication (online participation). The Management Board is entitled to determine the scope and procedure of online participation in detail. The members of the Supervisory Board are allowed, in coordination with the chairperson of the Supervisory Board, to participate in the Shareholders' Meeting by means of video and audio transmission in those cases where they are unable to physically attend the meeting or are only able to attend the meeting with unreasonably high effort at the venue of the Shareholders' Meeting due to legal restrictions, a stay abroad, their necessary stay at another location in Germany or if their physical attendance would entail an unreasonably long travel time or if the Shareholders' Meeting is held as a virtual Shareholders' Meeting without the shareholders or their proxies being physically present at the venue.
- (5) The Management Board is authorized to determine that shareholders may cast their votes in writing or by means of electronic communication, even without attending the meeting (postal vote). The Management Board may regulate the postal voting procedure in detail.

§ 15

Procedure at the Shareholders' Meeting

- (1) The Shareholders' Meeting shall be chaired by the chairperson of the Supervisory Board or, in his absence, by another shareholder representative on the Supervisory Board appointed by the chairperson. In the event that neither the chairperson nor a member of the Supervisory Board appointed by the chairperson assumes the chair, the chairperson of the meeting shall be elected by a simple majority of votes cast by the shareholder appointed members of the Supervisory Board present at the Shareholders' Meeting.
- (2) The chairperson of the Shareholders' Meeting chairs the negotiations and determines the order of items to be discussed and the speakers as well as the type and form of voting.

- (3) The Management Board is authorized to permit the complete or partial video and/or audio transmission of the Shareholders' Meeting in a manner to be specified by the Management Board.
- (4) The chairperson of the Shareholders' Meeting shall be authorized to reasonably limit the shareholders' right to ask questions and speak; if appropriate, the chairperson shall in particular be authorized to limit the time allowed for individual or all shareholders to ask questions and/or speak on individual or all items of the Shareholders' Meeting at the beginning or during the course of the Shareholders' Meeting and, if this is legally permissible with regard to the proper conduct of the Shareholders' Meeting, to order the end of the debate.

§ 16

Resolutions

- (1) Each share entitles to one vote at the Shareholders' Meeting.
- (2) Unless the Articles of Association or the law stipulate otherwise, resolutions of the Shareholders' Meeting shall be passed by a simple majority of the votes cast and, to the extent that a capital majority is also required, by a simple majority of the share capital represented when the resolution is adopted.

PART IV

Annual Financial Statements and Distribution of Profits

§ 17

Annual Financial Statements

- (1) The Management Board shall prepare the annual financial statements, the management report, the consolidated financial statements and the group management report for the past financial year within the statutory periods and submit them to the Supervisory Board and the auditor immediately after preparation. At the same time, the Management Board shall submit to the Supervisory Board a proposal for the distribution of the balance sheet profit.
- (2) The preparation of the annual financial statements and the consolidated financial statements is based on statutory provisions and commercial principles.
- (3) When adopting the annual financial statements, the Management Board and Supervisory Board are authorized to allocate part or all of the net income for the year remaining after deduction of the amounts to be transferred to the statutory reserve and any loss carried forward to other revenue reserves. It is not permissible to allocate more than half of the net income for the year if the other revenue reserves would exceed half of the share capital after the allocation.

PART V
FINAL PROVISIONS

§ 18
CHANGE OF LEGAL FORM; FORMATION COSTS

- (1) The share capital in the amount of EUR 80,000,000.00 (in words: eighty million Euros) was contributed by the change of legal form of the former legal entity, HENSOLDT GmbH, registered in the Commercial Register of the local court of Munich under HRB 252143 and with registered office in Taufkirchen, Germany, together with all assets and liabilities.
- (2) The costs of the change of legal form of the Company into a stock corporation shall be borne by the Company up to an amount of EUR 130,000.00 (in words: one hundred and thirty thousand Euros) as formation expenses.
- (3) The costs of establishing and registering the Company in its former legal form as a limited liability company (*GmbH*) were borne by the founder (historical formation expenses).