

KOENIG & BAUER

Rules of Procedure of the Supervisory Board of KOENIG & BAUER AG

as amended on 25 June 2020

At its meeting of 25 June 2020, the Supervisory Board adopted the following new Rules of Procedure for the Supervisory Board, which fully replace the previous Rules of Procedure of 24 September 2015 with effect from 25 June 2020.

1 General

- 1.1 The activities of the Supervisory Board and its members are determined in accordance with the law, the Articles of Association and these Rules of Procedure as well as the recommendations of the German Corporate Governance Code in accordance with the Company's declaration of conformity. The Supervisory Board shall in particular supervise and advise the Management Board in the performance of its management duties.
- 1.2 The Supervisory Board and the Management Board shall work together closely for the benefit and in the interests of the Company, i.e. taking into account the interests of the shareholders, the employees and the entities affiliated with the Company. The Management Board and the Supervisory Board shall be jointly responsible for ensuring that the Supervisory Board has access to sufficient information.
- 1.3 The Supervisory Board shall regularly review the efficiency of its own activities. Each member of the Supervisory Board shall ensure that he or she has sufficient time to perform his or her duties. Members of the Supervisory Board who are also members of the management board of another listed company should not hold more than three supervisory board mandates in non-Group listed companies.
- 1.4 Persons who have been members of the Company's Management Board during the past two years may only become members of the Supervisory Board if they are elected at the proposal of shareholders who hold more than 25% of the voting rights. Even if this condition is met, membership of the Supervisory Board should be an exception, the reasons for which must be provided at the Annual General Meeting.
- 1.5 At least one independent member of the Supervisory Board must have expertise in accounting or auditing.
- 1.6 The shareholder side of the Supervisory Board should have what the Supervisory Board believes to be a sufficient number of independent members. No more than one former member of the Management Board should be a member of the Supervisory Board at any given time. Members of the Supervisory Board should not hold any executive or advisory function for any of the Company's competitors.
- 1.7 Only persons who have not yet reached the age of 67 at the time they are elected may be nominated for election to the Supervisory Board.

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- 1.8 The Supervisory Board shall decide on any necessary amendments to these Rules of Procedure, particularly if this is necessary to ensure that they are consistent with the law, the Articles of Association and the German Corporate Governance Code.

2 Chairperson and Deputy Chairperson

- 2.1 Following the Annual General Meeting at which the shareholder representatives are elected to the Supervisory Board, a meeting of the Supervisory Board shall be held without any prior notice of convocation. At this meeting, the Supervisory Board shall elect the Chairperson of the Supervisory Board ("Chairperson") and at least one Deputy Chairperson from its own number.
- 2.2 In accordance with Section 27 (1) of the Codetermination Act, a majority of two thirds of all the members of the Supervisory Board shall be required for the election of the Chairperson and the first Deputy Chairperson. If the requisite majority for the election of the Chairperson or the first Deputy Chairperson is not reached, the election of the Chairperson and the first Deputy Chairperson may be repeated jointly subject to the consent of all the members of the Supervisory Board participating in the previous election. Otherwise - irrespective of the results of the first (repeated) election - a second vote shall be held after the Mediation Committee has been called in accordance with Section 31 (3) of the German Codetermination Act. In the second election, the Supervisory Board members who are shareholder representatives shall elect the Chairperson of the Supervisory Board and the Supervisory Board members who are representatives of the employees shall elect the first Deputy Chairperson by a majority of the votes cast.
- 2.3 A further Deputy Chairperson shall be elected by a simple majority of the votes cast. If any further Deputy Chairpersons are elected, the sequence of these Deputy Chairpersons shall be determined at the same time. In accordance with Section 107 (1) Sentence 3 of the German Stock Corporation Act, the Deputy Chairperson who, in the event of the Chairperson being prevented from attending, exercises the Chairperson's rights and duties, shall hold all the Chairperson's rights and duties.
- 2.4 The election shall be held for the term of office of the elected members or for a shorter period determined by the Supervisory Board at the time of the election ("term of office"). The term of office of the Chairperson and the Deputy Chairperson(s) should end at the same time. If the Chairperson or any of his or her Deputies leaves office prematurely, the Supervisory Board shall elect another member of the Supervisory Board as the new Chairperson or Deputy Chairperson for the remaining term of office of the retired Chairperson or Deputy Chairperson immediately, however no later than the appointment of his or her replacement.

3 Duties and powers of the Chairperson and the Deputy Chairpersons

- 3.1 The Chairperson shall coordinate the Supervisory Board's activities, chair its meetings and assume responsibility for its external concerns.
- 3.2 The Chairperson shall ensure that the Management Board complies with the information and reporting duties imposed on it by law and additionally also by the Supervisory Board. The Chairperson shall maintain contact with the Management Board, in particular the Chairperson of the Management Board, and advise him or her on the management of the Company. If the Chairperson is informed by the Management Board or its Chairperson of any important events that are of material importance for an assessment of the situation and development as well as

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the management of the Company, he/she shall duly inform the Supervisory Board and, if necessary, convene an extraordinary meeting of the Supervisory Board.

- 3.3 The Chairperson shall be authorised to make the declarations of intent necessary for the implementation of the Supervisory Board's resolutions on its behalf.
- 3.4 In the event of the Chairperson being prevented from attending a meeting, the first Deputy Chairperson shall exercise the duties and rights of the Chairperson. The first sentence shall apply to the other Deputy Chairperson in the event of the First Deputy Chairperson being prevented from attending, except that such other Deputy Chairperson shall not be entitled to exercise the special powers under the Codetermination Act.

4 Meetings

- 4.1 The Supervisory Board should meet at least once each calendar quarter and must be convened twice every six months.
- 4.2 The Chairperson shall convene the meeting of the Supervisory Board with a notice period of at least one week in writing, by fax or electronically. In the event that the Chairperson is prevented from attending, Article 3.4 shall apply. The invitation shall state the place, date and time of the meeting and the individual items of the agenda. The meetings shall be normally held at the Company's registered offices. Any preparatory documents shall be sent to the members of the Supervisory Board as early as possible.
- 4.3 In urgent cases, invitations may be issued subject to a shorter notice period, including verbally, by telephone, by fax or electronically. However, there must also be at least three German banking days between the invitation and the day of the meeting in such cases. Article 4.2 sentence 2 shall apply with the necessary modifications.
- 4.4 The Chairperson shall convene a meeting immediately if a member of the Supervisory Board or the Management requests this, stating the purpose and the reasons. This meeting must be held within two weeks of the date on which notice convening the meeting is served. If the Chairperson does not comply with the request, the member of the Supervisory Board or the Management Board in question may convene the Supervisory Board himself or herself, stating the facts and providing an agenda.
- 4.5 The Chairperson shall also convene a meeting immediately if this is in the Company's interests or for its benefit.
- 4.6 If a member of the Supervisory Board requests in writing, by fax or electronically by the beginning of the fifth day before the Supervisory Board meeting at the latest that additional items be placed on the agenda, the Chairperson shall amend the agenda accordingly and forward the amended agenda to the other members of the Supervisory Board without delay.
- 4.7 The Chairperson shall determine the order in which the items on the agenda are to be considered and the manner in which votes are to be taken.
- 4.8 The members of the Management Board shall attend the meetings of the Supervisory Board, unless the Chairperson decides otherwise in individual cases. Members of the Management Board may be invited to committee meetings at the instigation of the committee concerned.

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- 4.9 Minutes shall be kept of the proceedings of each meeting. The minutes shall state the place, time and date of the meeting, the persons attending it, the items on the agenda, the main content of the discussions and the resolutions passed. A copy of the draft minutes shall be sent to each member of the Supervisory Board without undue delay. Any comments made by the members of the Supervisory Board are to be forwarded to the Chairperson of the Supervisory Board without undue delay. The draft minutes shall be approved at the next meeting and subsequently signed by the Chairperson presiding over the meeting.

5. Resolutions

- 5.1 The Supervisory Board shall normally pass its resolutions at its meetings. Members of the Supervisory Board who are unable to attend meetings may hand over written voting instructions to another member of the Supervisory Board. Except in accordance with Article 5.6, subsequent voting by absent members is only permitted if all members present consent to it.

- 5.2 A resolution of the Supervisory Board may also be passed in the following ways at the instigation of the Chairperson of the Supervisory Board:

5.2.1 Outside meetings in writing, by telephone, by fax or electronically, including by circulation or by means of a conference call; and

5.2.2 By means of a combination of meetings and voting by members of the Supervisory Board not attending the meeting in the manner specified in Article 5.2.1.

The members of the Supervisory Board shall not have any right to object to the form of resolution initiated by the Chairperson.

- 5.3 Resolutions passed outside of meetings shall be recorded by the Chairperson in minutes, a copy of which shall be sent to all members of the Supervisory Board immediately after the resolution has been passed. Article 4.9 shall apply with the necessary modifications

- 5.4 The Supervisory Board shall make its decision in the form of resolutions. Resolutions shall be passed by a simple majority of the votes cast, unless these Rules of Procedure, the Articles of Association or the law provide otherwise.

Abstentions shall not count as votes. In the case of elections, a proportional majority shall suffice. In the event of a tie or if several candidates achieve the same number of votes in elections, the Chairperson of the Supervisory Board shall have the casting vote.

- 5.5 The Supervisory Board shall have a quorum if at least half of the members of which it is composed vote on a resolution.

The quorum shall be determined on the basis of the total number of members of the Supervisory Board as determined by law or by the Articles of Association. The quorum rules shall apply with the necessary modifications to resolutions that are passed outside of meetings. A member shall also participate in voting on a resolution if he/she has his/her vote handed over by another member of the Supervisory Board in accordance with Article 5.1. The same shall apply to a member who abstains.

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- 5.6 A resolution may be passed on matters that are not on the agenda or have not been duly announced, however only if (i) no member present at the meeting objects and (ii) absent members are given the opportunity within a period to be determined by the Chairperson to cast a subsequent written vote and the absent members do not object to a resolution being passed on the matter within the aforementioned period.

6 Committees

- 6.1 The Supervisory Board may form committees and delegate tasks and rights incumbent on it to them within the scope of what is legally permissible. Unless otherwise specified, the Supervisory Board shall elect the members of the committees from among its members. In addition to those provided for in these Rules of Procedure, the Supervisory Board may also form other committees.
- 6.2 The committees shall be convened by the committee chairperson. They shall have a quorum if at least three members, including the committee chairperson, participate in the resolution-passing process. In all other respects, the rules governing meetings and resolutions of the Supervisory Board shall apply with the necessary modifications. The committee chairpersons shall submit regular reports to the Supervisory Board detailing the work of the committees.
- 6.3 The committees shall prepare the decisions of the Supervisory Board and issue a recommendation. They shall only pass resolutions in lieu of the Supervisory Board if the full Supervisory Board has assigned them resolution-passing powers in individual cases and to the extent permitted by law.

7 Strategy Committee

- 7.1 The Supervisory Board shall form a Strategy Committee. It shall comprise at least two members each from the shareholder and the employee representatives.
- 7.2 The Strategy Committee shall be responsible for the following matters:
- 7.2.1 Receiving an annual strategic review of the Group, taking into account market, competition, technology and other trends that are liable to influence the Group's medium-term development; and
- 7.2.2 Other tasks of strategic importance for the Group that the full Supervisory Board has assigned to the Committee on a case-by-case basis.

8 Personnel Committee

- 8.1 The Supervisory Board shall form a Personnel Committee. It shall consist of three members, namely the Chairperson, his first Deputy Chairperson and another member of the Supervisory Board representing the shareholders. The Chairperson of the Supervisory Board shall also be the Chairperson of the Personnel Committee.
- 8.2 The Personnel Committee shall prepare the decisions of the Supervisory Board on the appointment and dismissal of the Management Board, on the composition of the management bodies of the subsidiaries listed in Annex 9.1.7. of the Management Board's Rules of Procedure dated [5 February] 2014, on the determination of the remuneration of Management Board (salary, profit-sharing, expense allowances, insurance premiums, commission, incentive-based remuneration commitments such as share purchase rights and ancillary

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benefits of all kinds) and on the declaration of conformity under Section 161 of the German Stock Corporation Act.

It shall also decide on

- 8.2.1 other legal transactions with members of the Management Board within the meaning of Section 112 of the German Stock Corporation Act;
- 8.2.2 the approval of ancillary and secondary activities by members of the Management Board in accordance with Section 88 of the German Stock Corporation Act (including the acceptance of supervisory board positions at entities that are not affiliated with the Company within the meaning of Section 15 et seq. of the German Stock Corporation Act);
- 8.2.3 approval of the grant of loans to the group of persons referred to in Sections 89, 115 of the German Stock Corporation Act;
- 8.2.4 approval of contracts with members of the Supervisory Board in accordance with Section 114 of the Supervisory Board.
- 8.2.5 self-exemption pursuant to Article 17 (4) of the Market Abuse Ordinance in cases coming within the original material competence of the Supervisory Board; however, the management staff representative on the Supervisory Board must also be heard in addition to the Personnel Committee. In the event of a tie, a decision of the full Supervisory Board shall be required.

The Personnel Committee, represented by the Chairperson of the Supervisory Board, shall implement the resolutions of the full Supervisory Board concerning the conclusion, amendment and termination of the service contracts with the members of the Management Board.

9 Mediation Committee

Immediately after the election of the Chairperson of the Supervisory Board, the Supervisory Board shall form the Mediation Committee in accordance with Section 27 (3) of the German Co-Determination Act. It shall consist of four members: the Chairperson of the Supervisory Board, the first Deputy Chairperson and one member elected by a majority of the votes cast by the members of the Supervisory Board representing the employees and one member elected by a majority of the votes cast by the members of the Supervisory Board representing the shareholders. The Chairperson of the Supervisory Board shall also be the Chairperson of the Mediation Committee.

10 Audit Committee

- 10.1 The Supervisory Board shall form an Audit Committee consisting of four members. The Audit Committee shall include at least one member who meets the requirements of Section 107 (4) in connection with Section 100 (5) of the German Stock Corporation Act, i.e. who is independent and has accounting or auditing expertise. The members of the Audit Committee shall elect from their number a committee Chairperson, who shall not be the Chairperson of the Supervisory Board or a person who has been a member of the Company's Management Board within the last two years. The Chairperson of the Audit Committee should

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have special knowledge and experience in the application of accounting principles and internal control procedures.

- 10.2 The Audit Committee shall consider in particular the following matters:
- 10.2.1 monitoring the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system,
 - 10.2.2 matters relating to the statutory audit, in particular the necessary independence of the statutory auditor and the approval of any additional services to be provided by the statutory auditor, as well as the award of the audit engagement to the statutory auditor,
 - 10.2.3 fee agreement with the statutory auditor and the determination of audit priorities,
 - 10.2.4 compliance,
 - 10.2.5 acceptance of the audit or limited-assurance reports and, where appropriate, the submission of a recommendation to the full Supervisory Board to approve these reports;
 - 10.2.6 matters relating to financial planning and the Company's financial situation,
 - 10.2.7 and acceptance of the annual budget planning.

11 Nominating Committee

- 11.1 The Supervisory Board shall form a Nominating Committee. It shall consist of four members, namely the Chairperson of the Supervisory Board and three members of the Supervisory Board representing the shareholders. They shall be elected by a majority of the votes cast by the shareholder representatives on the Supervisory Board. The Chairperson of the Supervisory Board shall also be the Chairperson of the Nominating Committee.
- 11.2 The Nominating Committee shall have the task of preparing the proposals of the Supervisory Board for the election at the Annual General Meeting of the members of the Supervisory Board representing the shareholders, and in particular of proposing to the Supervisory Board suitable candidates for election.

12 Conflicts of interest

- 12.1 Each member of the Supervisory Board shall be under an obligation to act in the Company's best interests. When members of the Supervisory Board make decisions, they shall not be guided by their own personal interests or make use of business opportunities available to the Company for their own benefit.
- 12.2 Each member of the Supervisory Board shall disclose any conflicts of interest to the Supervisory Board. This shall particularly apply to conflicts of interest that may arise as a result of an advisory or executive function being held with customers, suppliers, lenders, other business partners or as a result of their relationship with a shareholder subject to compulsory disclosure in accordance with the German Securities Trading Act.

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- 12.3 In its report to the Annual General Meeting, the Supervisory Board shall disclose any conflicts of interest that have arisen and the response taken to them. In the event of any significant and protracted conflicts of interest on the part of any member of the Supervisory Board, the Supervisory Board should submit a request for the judicial dismissal of the member concerned.
- 12.4 Consultancy contracts or other service and work contracts of a member of the Supervisory Board with the Company shall require the consent of the Supervisory Board.

13 Transparency

Each member of the Supervisory Board shall immediately inform the Company and the Chairperson if he/she engages in his/her own transactions with shares in the Company or any financial instruments relating thereto, particularly derivatives.

14 Confidentiality

- 14.1 The members of the Supervisory Board shall treat as confidential all facts that become known to them in the course of their activities on the Supervisory Board, disclosure of which could adversely affect the interests of the Company or of an entity affiliated with it. This obligation shall also survive the termination of their office. The duty of confidentiality shall particularly apply to voting, the course of the deliberations and the statements and personal opinions made by the individual members of the Supervisory Board. All members of the Supervisory Board shall ensure that the employees engaged by them duly comply with this duty of confidentiality in the same way.
- 14.2 If a member of the Supervisory Board intends to disclose information to third parties although such disclosure is evidently not permissible, the Chairperson of the Supervisory Board shall be informed in advance. If the Chairperson of the Supervisory Board does not agree to such disclosure, he or she shall duly inform the other members of the Supervisory Board and obtain an immediate opinion from the Supervisory Board. Pending receipt of this opinion, the Supervisory Board member concerned shall refrain from disclosing the facts that have become known to him/her through his/her office.
- 14.3 Upon leaving office, the members of the Supervisory Board shall immediately hand over to the Company all documents, including correspondence, records and the like, that are in their possession and relate to the matters of the Company. This shall also include any duplicates and photocopies. The members of the Supervisory Board shall have no right to retain any such documents.
- 14.4 If the Company takes recourse to a former member of the Supervisory Board under Sections 116, 93 of the German Stock Corporation Act, the Supervisory Board shall have a comprehensive right to inspect such member's books, records and other documents, particularly on the basis of the Company's duty of care if it determines that this inspection is necessary for the purpose of securing evidence. The resultant costs shall be for the Company's account. In the case of any doubt, the inspection right shall be interpreted broadly.

Würzburg, 25 June 2020



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