

Convenience Translation  
*(the German version shall prevail)*

**Rules of Procedure  
for the Supervisory Board**

**of**

**Klöckner & Co SE**

as per September 27, 2018  
last amended on March 5, 2024

## Rules of Procedure for the Supervisory Board

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Pursuant to Section 11 of the articles of association of Klöckner & Co SE (Company), the supervisory board has adopted the following rules of procedure on September 27, 2018 that became effective on the same date and that have last been amended as of March 5, 2024.

### Section 1- Tasks of the Supervisory Board

- (1) The supervisory board shall conduct its activities in accordance with statutory law, the articles of association, these rules of procedure and possible resolutions of the supervisory board. The recommendations of the German Corporate Governance Code (GCGC) pertaining to the supervisory board shall be observed, except to the extent as otherwise stated in the declaration of conformity by the management board and the supervisory board pursuant to Section 161 of the German Stock Corporation Act, or as such declaration may be amended in a timely manner.
- (2) The supervisory board represents the Company *vis-à-vis* the management board members. It resolves upon the appointment of management board members, the revocation of their appointment and the determination of the total remuneration of the management board members.
- (3) The supervisory board advises the management board in its corporate management of the Company and the group (Klöckner & Co Group) and supervises its business management. The supervisory board and the management board shall work closely together for the benefit of the Klöckner & Co Group.
- (4) The supervisory board reviews the annual financial statements, the group financial statements and the management report of the Company and the Klöckner & Co Group (including the sustainability report), as well as the management board's proposal on the distribution of profits, and resolves on the acceptance (*Billigung*) of the annual financial statements and the group financial statements. The supervisory board reports on the findings of its review to the general meeting in writing.
- (5) The supervisory board assesses, at regular intervals, how effective the supervisory board as a whole and its committees fulfil their tasks (self-assessment).

### Section 2 - Composition of the Supervisory Board

- (1) Pursuant to Section 9(1) of the articles of association, the supervisory board consists of six members elected by the general meeting.
- (2) The supervisory board shall be composed in such a way that its members, collectively, possess the knowledge, skills and professional expertise required to properly perform all duties. The set of skills and expertise essential for the activities of the Company include, amongst others, knowledge and experience in respect of the management of a large or mid-sized international company, trading/distribution, digitalization / e-commerce, auditing of financial statements, accountancy and accounting (with respect to auditing and accounting including sustainability reporting and its audit and assurance), controlling and risk management or internal audit as well as in respect of compliance and sustainability issues relevant to the group.

The composition of the supervisory board shall aim for diversity taking into account the Company's best interests; therefore, the supervisory board shall also consist of members that meet one or several of the following requirements: They

- are female;



## Rules of Procedure for the Supervisory Board

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- have their professional or private principal residence in a country (other than Germany) that is of particular importance for the Klöckner & Co Group;
  - are younger than 60 years of age; and
  - meet the requirements of Section 100 (5) of the German Stock Corporation Act.
- (3) The composition of the supervisory board shall consider all applicable legal provisions, particularly with respect to the number of female and male members, the number of members qualified accordingly within the meaning of Section 100 (5) of the German Stock Corporation Act as well as the requirement of sector knowledge of the supervisory board as a whole. An appropriate number of the supervisory board members should be independent within the meaning of the GCGC, taking into account the ownership structure. Such appropriate number shall be determined by the supervisory board at its discretion and published in the Corporate Governance Statement. More than half of the supervisory board members shall be independent from the Company and its management board. At least one member of the supervisory board shall be independent from any controlling shareholder. The supervisory board should not comprise more than two former management board members of the Company. The supervisory board member acting as chairman of the audit committee (Section 9 (7)) shall be independent and shall not be a former management board member of the Company whose term of office ended less than two years ago. In order to avoid potential conflicts of interest, supervisory board members should not be members of governing bodies of, or exercise advisory functions at, significant competitors of the enterprise, and shall not hold any personal relationships with a significant competitor.
- (4) Supervisory board members should generally not be appointed for a term of office going beyond their 75th year of age. The overall term of service as supervisory board member shall generally not exceed 15 years.
- (5) The aforementioned provisions of this Section 2 shall be taken into account for the nomination for election of supervisory board members.

### Section 3 - Rights and Duties of the Supervisory Board Members

- (1) The supervisory board members have equal rights and duties. Each supervisory board member is bound to observe the best interests of Klöckner & Co Group. The members shall neither pursue any personal interests in their execution of office, nor shall members exploit for themselves business opportunities to which Klöckner & Co Group is entitled.
- (2) Each supervisory board member shall disclose conflicts of interest to the chairman of the supervisory board (the chairman of the supervisory board to the deputy chairman or the presidium), who informs the supervisory board. This shall apply in particular to conflicts of interest which could arise from advisory functions at or acting for the governing body of any client, supplier, lender or other third party (in particular any significant business partner or competitor of Klöckner & Co Group). In case of substantial conflicts of interest involving a supervisory board member which are not of a merely temporary nature, such member shall resign from the supervisory board. In its report, the supervisory board shall inform the general meeting of any conflicts of interest that have arisen and how they were addressed.



## Rules of Procedure for the Supervisory Board

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- (3) The remuneration of the supervisory board members, the reimbursement of their appropriate out-of-pocket expenses and the receipt of the attendance fee shall be governed by Section 14 of the articles of association.
- (4) The supervisory board members take responsibility for undertaking any training or professional development measures necessary to fulfil their duties.
- (5) Without prejudice to their right to resign for cause, the supervisory board members may terminate their office by written notice addressed to the chairman of the supervisory board or to the management board with a notice period of four weeks (Section 9 (5) of the articles of association).

### Section 4 - Chairman, Deputy Chairman

- (1) The chairman and the deputy chairman of the supervisory board shall be elected in accordance with Section 10 (1) of the articles of association. The term of office corresponds to their term of office as a supervisory board member, unless a shorter term of office is determined upon their election. If an election becomes necessary and takes place after a general meeting during which supervisory board members were newly elected, the respective supervisory board meeting does not require a specific convocation.

Until the conclusion of the election of the chairman of the supervisory board, the election session shall be chaired by the most senior (in years of age) supervisory board member attending such meeting.

- (2) Nominations of candidates for the supervisory board chair shall be announced to the shareholders. For the move of a (former) management board member to the chair of the supervisory board, Section 100 (2) no. 4 of the German Stock Corporation Act applies. The proposal of such move has to be justified to the general meeting.
- (3) If the office as chairman of the supervisory board or as deputy chairman is terminated, or if the (deputy) chairman of the supervisory board is not only temporarily prevented from executing the office as (deputy) chairman of the supervisory board, the supervisory board shall without undue delay, at the latest at the beginning of the next supervisory board meeting before the discussion of any other agenda items, hold a new election for this position. Section 10 (1) of the articles of association and Section 4 (1) und (2) of these rules of procedure shall apply (accordingly). If the election only takes place at the beginning of the next meeting, a specific announcement of this election in the invitation is not required.
- (4) The chairman of the supervisory board coordinates the activities of the supervisory board, chairs its meetings, and represents the supervisory board externally. He is authorised to submit and accept, on behalf of the supervisory board, legal declarations necessary for the execution of the resolutions of the supervisory board (including those of its committees).
- (5) Except to the extent that statutory law, the articles of association or these rules of procedure provide otherwise, the deputy chairman of the supervisory board shall have all rights and duties of the office of the chairman of the supervisory board if the chairman of the supervisory board is prevented from executing such office. Section 7 (2) sentence 4 also applies to the deputy chairman of the supervisory board.



## Rules of Procedure for the Supervisory Board

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### Section 5 - Cooperation of Supervisory Board and Management Board

- (1) The supervisory board shall be informed by the management board regularly (at least every three months), in a timely manner, comprehensively, and generally in text form (including fax and email), of all issues relevant for the Klöckner & Co Group pertaining to the business policy, strategy, planning, business development, risk situation, risk management and compliance. The management board and the supervisory board shall discuss at regular intervals the state of strategy implementation; deviations of the business development from the planning and targets shall be explained to the supervisory board. Apart from that, Article 41 of the SE-Regulation and Section 90 of the German Stock Corporation Act regarding reports to the supervisory board shall apply.
- (2) The chairman of the supervisory board shall maintain regular contact with the management board between the meetings, particularly with the chairman of the management board, and shall consult with him regarding the strategy, planning, business development, risk situation, risk management and questions of compliance with respect to the Klöckner & Co Group. The chairman of the supervisory board ensures that the chairman of the management board informs him without undue delay of any material events which are of major importance for assessing the status, development and corporate management of Klöckner & Co Group. Thereupon, if the information of the supervisory board is not suitable to be deferred until the next ordinary meeting, the chairman of the supervisory board shall inform the supervisory board and shall, if necessary, convene an extraordinary meeting of the supervisory board.
- (3) Written reports of the management board to the supervisory board shall be transmitted or made accessible to the supervisory board members unless decided otherwise by the supervisory board in the individual case. Each supervisory board member shall have the right to inspect audit reports of the auditors as well as of the auditors of the sustainability report, reports of a controlled company (*Abhängigkeitsberichte*) and special reports (if any); it shall only be possible to refrain from submitting such reports to the supervisory board members if the supervisory board decides to submit them to the members of a committee.
- (4) The rules of procedure for the management board which are to be issued by the supervisory board pursuant to Section 6 (3) of the articles of association shall determine the departmental responsibilities of the individual management board members, the matters reserved for the management board as a whole, as well as the applicable voting majorities. Furthermore, the supervisory board determines certain measures and transactions requiring its consent. In addition to the transactions listed in Section 8 (2) of the articles of association, the supervisory board may subject further transactions to the consent of the supervisory board. Subject to statutory law and the articles of association, the list of transactions requiring consent pursuant to Annex 1 of the rules of procedure for the board of management may be extended or reduced at any time, even without the consent of the management board, by resolution of the supervisory board. The supervisory board may grant its consent to certain transactions (either in general or in the event that the individual transaction meets certain requirements) in advance; such consent may be revoked at any time.

### Section 6 - Meetings

- (1) The meetings of the supervisory board shall take place at the Company's registered offices or at another meeting venue stated in the invitation. The dates and meeting venues for the ordinary meetings shall be set as early as possible.



## Rules of Procedure for the Supervisory Board

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The supervisory board shall hold at least two ordinary meetings per half calendar year. Extraordinary meetings shall be convened as often as is necessary. Ordinary meetings shall in particular have the following purposes:

- (a) to consult on fundamental issues of business policies and business management;
- (b) to inform the supervisory board about the situation of the Company and the Klöckner & Co Group, in particular the market situation as well as the development of sales, turnover and results and the financial situation;
- (c) to inform the supervisory board on the profit-earning capacity and liquidity of the Company and the Klöckner & Co Group and on business matters which may be of major importance for the future profit-earning capacity and liquidity, as well as
- (d) to pass the resolutions provided for by law and the articles of association.

The supervisory board shall also be convened by the chairman of the supervisory board if this is requested by a supervisory board member or by the management board, stating the purpose and reasons.

- (2) The meetings and resolutions of the supervisory board shall be prepared by the chairman of the supervisory board with the assistance of the management board. The chairman of the supervisory board may assign the technical implementation of the invitation to the management board.
- (3) The meetings of the supervisory board shall be convened by the chairman of the supervisory board in text form (including fax and email) observing a convocation period of two weeks, not counting the day of dispatch and the day of the meeting. If the matter is urgent, the convocation may be made with a shorter convocation period (also orally or by phone).
- (4) The venue and time of the meeting as well as the agenda shall be stated in the convocation. For individual agenda items on which a resolution is contemplated, proposals shall be submitted precisely and in good time before the meeting so that supervisory board members who are unable to attend are enabled to submit their vote in writing. Meaningful information material on all subjects of discussion shall be transmitted or made accessible to the members of the supervisory board. This shall be done, if possible, along with the convocation or otherwise in good time before the meeting, or in exceptional cases also during the meeting.
- (5) Each supervisory board member shall have the right to request, such request to be made in text form (including fax and email) and to be directed to the chairman of the supervisory board at the latest ten days before the meeting, that the agenda be extended by certain items. The chairman of the supervisory board shall inform the supervisory board members of such requests in text form (including fax and email).
- (6) Supervisory board members may join meetings by means of telephone or video conference, unless the board's supervisory tasks pursuant to Article 40(1) of the SE-Regulation cannot be adequately satisfied in this way. The chairman of the supervisory board shall decide at his reasonable discretion whether the latter is the case, without supervisory board members having the right to object. However, this procedure requires that at least three supervisory board members are physically present (meeting in person); the provisions on other forms of resolution (Section 7 (2)) shall remain unaffected. A supervisory board member who wishes to join a meeting by such means shall inform the chairman of the supervisory board in good time before the meeting.



## Rules of Procedure for the Supervisory Board

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- (7) Meetings of the supervisory board shall be chaired by the chairman of the supervisory board; in the event that he is prevented from attending, the deputy chairman of the supervisory board shall chair the meeting. He shall determine the sequence in which the agenda items are dealt with and the method of voting. If neither the chairman nor the deputy chairman attends the meeting, a new meeting shall be convened. However, if the matter is urgent, the supervisory board may decide that the most senior supervisory board member (in years of age) attending the meeting shall chair the meeting.
- (8) Subject matters or applications which are not on the agenda or of which the supervisory board members were not properly informed may only be admitted to discussion and resolution if no board member attending the meeting objects (attendance includes joining by means of telephone or video conference) and all board members not attending the meeting subsequently ratify the passing of the resolution in writing within a reasonable period to be set by the chairman of the supervisory board. Furthermore, all supervisory board members not attending the meeting shall be given the opportunity to subsequently submit their vote to the attention of the chairman of the supervisory board with respect to the respective subject of resolution within a reasonable period to be set by the chairman of the supervisory board.
- (9) After the conclusion of a meeting, a supervisory board member that has attended the meeting may no longer assert objections against the resolutions passed based on any deficiencies of the invitation to the meeting. Joining by telephone or video conference also counts as attendance.
- (10) Management board members participate in the meetings of the supervisory board, provided that the supervisory board does not decide otherwise in individual cases. The supervisory board meets also on a regular basis without the management board. The supervisory board may, upon the request of individual members of the supervisory board or the management board, consult experts and informants on individual agenda items. If the auditor is called in as an expert, the management board will not take part in this meeting (or the concerned part of it, respectively), unless the supervisory board considers it being necessary.
- (11) The chairman of the supervisory board may cancel or postpone a convened meeting at his due discretion.

### Section 7 - Resolutions

- (1) Resolutions of the supervisory board shall be passed during the meetings described in Section 6 (including the meetings (in person) joined by individual supervisory board members by means of telephone or video conference) or, as described in Section 7 (2), in other meetings per telephone or video conference or outside a meeting. Resolutions shall generally be passed during the meetings described in Section 6.
- (2) Resolutions of the supervisory board may be passed in a meeting per video or telephone conference or outside a meeting by votes transmitted verbally, by telephone, in written, text or any comparable form (e.g., electronic transmission), or by a combination of these methods, by order of the chairman, unless the supervisory board's supervisory tasks pursuant to Article 40(1) of the SE-Regulation cannot be adequately satisfied in this way. There shall be no right to object against the ordered procedure. The chairman of the supervisory board shall inform all supervisory board members of the proposed wording of and the reasons provided (if any) for the resolution. In the event that a resolution is passed



## Rules of Procedure for the Supervisory Board

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in writing, consent may be granted by returning the undersigned resolution text. Resolutions passed outside a meeting shall be set in writing and transmitted to all supervisory board members afterwards. In this case, the resolution becomes effective upon its being set in writing. The chairman of the supervisory board may assign the technical implementation of the resolution to the board of management.

- (3) The supervisory board is quorate for passing resolutions if all supervisory board members have been properly invited and at least half of them participate in passing the resolution. A supervisory board member also participates in passing a resolution if abstaining from voting.
- (4) Subject to statutory law and the articles of association, the supervisory board passes resolutions by simple majority. This shall also apply to elections. The form of voting shall be determined by the chairman of the supervisory board. If voting results in a tie, the vote of the chairman of the supervisory board shall prevail; however, in the event of a tie at the election of the chairman of the supervisory board or the deputy chairman of the supervisory board, the election shall be decided by drawing lots in accordance with Section 10 (1) sentence 2 of the articles of association.

### Section 8 - Minutes

- (1) Minutes shall be drawn up of all meetings of the supervisory board (including meetings (in person) joined by individual supervisory board members by means of telephone or video conference described in Section 6 (6) and meetings per telephone or video conference as described in Section 7 (2)); these minutes shall be signed by the chairman of the relevant meeting. The supervisory board members and the management board members shall receive copies of the minutes. To the extent that the content of the minutes of a committee meeting is of a particularly confidential nature, it shall be permissible to make these minutes available for inspection only.
- (2) The venue and the day of the proceedings, the attendees, the items of the agenda, the main subject matters and the resolutions of the supervisory board shall be stated in the minutes. Moreover, the minutes shall reflect the main content of the management board's report, unless documentation on this report has been distributed in advance or during the discussion.
- (3) The chairman of the supervisory board may delegate the recording of minutes to the management board or enlist a recording assistant.
- (4) The minutes shall be deemed to be approved if no supervisory board member raises any objections *vis-à-vis* the chairman of the supervisory board in written or in text form (including fax and email) within four weeks of dispatch of the minutes. If the chairman is not able to resolve the objection, the objection shall be decided upon at the next meeting.
- (5) While resolutions of the supervisory board are being passed, they may be recorded in their exact wording, read and immediately signed by the chairman of the supervisory board as a part of the minutes. In such case, the supervisory board members present at the adoption of the resolution may only object against the text of the resolution without undue delay after the reading.

### Section 9 - Committees

- (1) The supervisory board has a presidium and an audit committee. It can form further committees from among its members.





## Rules of Procedure for the Supervisory Board

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(2) The committees shall assume the functions assigned to them by these rules of procedure or specific resolutions of the supervisory board. If the passing of resolutions is assigned to such committees, they must consist of at least three members. The committee may elect a chairman from among its members if the supervisory board does not determine a chairman.

(3) The meetings of the committees shall take place at the Company's registered offices or at another meeting venue stated in the invitation. The committees shall be convened by the respective chairman of the committee. Each member shall have the right to request from the chairman of the committee a convening of the committee, stating the purpose and reasons. Meetings shall be convened as often as seems necessary.

The committee chairman may enlist supervisory board members who are not members of the committee or management board members in an advisory capacity, if the chairman of the supervisory board does not decide otherwise.

(4) The committees are quorate to pass resolutions if at least half of its members, but in any case at least three members, participate in passing the resolutions. Subject to statutory law and the articles of association, committees pass resolutions with a simple majority. If voting results in a tie, the vote of the chairman of the supervisory board shall prevail, provided that he is a member of the committee. Subject to the foregoing, Section 6 (2) to (11) (Meetings), Section 7 (Resolutions) and Section 8 (Minutes) of these rules of procedure shall apply accordingly, taking into account that the respective chairman of the committee shall take the place of the chairman of the supervisory board.

(5) The chairmen of the committees shall report on the work of the committees in the next meeting of the supervisory board.

(6) The presidium also functions as personnel committee and nomination committee. The presidium shall comprise the chairman of the supervisory board as the chairman of the committee, the deputy chairman and one further member. The following functions are assigned to the presidium:

(a) Tasks as Personnel Committee

The presidium shall propose to the supervisory board suitable candidates for the appointment as management board members. Management board members shall generally not be appointed beyond their 67th year of age.

The presidium at regular intervals consults over the long-term succession planning for the management board and aligns with the management board on such matter.

The presidium shall submit proposals to the supervisory board on the total remuneration of the individual members of the management board and the remuneration system of the management board. The final determination in each case shall be made by the supervisory board.

(b) Tasks as Nomination Committee

The presidium shall propose to the supervisory board suitable candidates for the supervisory board's recommendation to the general meeting on the election of supervisory board members.

(7) The audit committee shall comprise at least three members elected by the supervisory board. The chairman of the audit committee shall be independent and shall neither be the chairman of the



## Rules of Procedure for the Supervisory Board

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supervisory board nor a former management board member of the Company whose term of office ended less than two years ago. At least one member of the audit committee must have expertise on the subject of accounting and at least one other member of the audit committee must have expertise on the subject of the auditing of financial statements; the members as a whole must be familiar with the sector in which the Company pursues its activities. The expertise in the field of accounting shall consist of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and the expertise in the field of auditing shall consist of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit and assurance. The chairman of the audit committee shall have appropriate expertise in at least one of the two areas.

The audit committee shall in particular deal with the following:

- a) Review of the accounting, monitoring of the accounting process including the process of the sustainability reporting, the provision of reports of accredited independent third parties as annex to the management report or by any other publicly accessible means, the effectiveness of the internal control system, of the risk management system and of the internal audit system, the audit of the accounts and the audit of the sustainability report (in both cases, in particular the pre-selection, the engagement and the examination of the independence of the auditor, the quality of the audit, the additional services rendered by the auditor, the issuance of the engagement letter, the determination of key audit matters and the fee agreement) as well as compliance. For this purpose, the audit committee may exercise the inspection and examination rights of the supervisory board pursuant to Section 111 para. 2 sentence 1 of the German Stock Corporation Act (in conjunction with Articles 9 para. 1 lit. c) (ii) and 41 para. 3 sentence 1 of the SE- Regulation).
  - b) Preparation of the supervisory board's decision on the acceptance (*Billigung*) of the annual financial statements and the group financial statements including the sustainability report. For this purpose, the audit committee shall be responsible for the preliminary examination of the annual financial statements, the group financial statements, the management report including the sustainability report and the management board's proposal on the distribution of profits. The auditor, and the auditor of the sustainability report respectively, shall attend the respective deliberations of the audit committee.
  - c) Discussion of the half-year financial reports, the quarterly reports as well as other sub-annual financial reports (if they meet the requirements of the half-year financial reports) with the management board before the respective publication. Insofar as these documents are subject to an auditor's review, the auditor shall attend these discussions.
  - d) Support of the supervisory board with respect to the monitoring of the implementation of the sustainability strategy of the management board, including the sustainability reporting (as Sustainability Committee).
  - e) Other tasks in accordance with statutory law and/or the GCCG.
- (8) The audit committee may adopt supplementary rules of procedure, which shall be subject to the articles of association and these rules of procedure.



## Rules of Procedure for the Supervisory Board

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### Section 10 - Validity

These rules of procedure shall remain valid irrespective of a reconstitution of the supervisory board or a change of its members, except to the extent they are amended by resolution.

