

klöckner & co

Articles of Association

Klöckner & Co SE
Duisburg

as of May 2023

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This edition of our Articles of Association,
prepared for the convenience of English speaking readers,
is a translation of the German original.

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I. General Provisions

Section 1 Company Name, Seat and Business Year

- (1) The European Company – hereinafter referred to as the "Company" – operates under the name of: Klöckner & Co SE.
- (2) It has its registered seat in Duisburg.
- (3) The business year is the calendar year.

Section 2 Corporate Purpose

- (1) The corporate purpose of the Company is
 - (a) the distribution and trading of steel, metal and synthetic products as well as their manufacture and processing; and
 - (b) the acquisition and administration of participations of all kinds, in particular in companies whose corporate purpose includes the activities described under (a).
- (2) The Company may form subsidiaries in Germany and abroad, establish branches and assume participations in other companies to the extent they are active in the Company's field of business or are beneficial to its corporate purpose, including for the purpose of the development and subsequent sale of such companies. The Company may represent companies in which it participates, consolidate them under a unified management and conclude inter-company agreements for this purpose. The Company may outsource or convey its business in full or in part to affiliated companies.

Section 3 Notices and Transmission of Information

- (1) Notices of the Company shall be published in the Federal Gazette of the Federal Republic of Germany (*Bundesanzeiger*), unless otherwise required by mandatory law.
- (2) The Company is entitled to transmit information to the shareholders, with their consent, by way of electronic data transmission.

II. Share Capital and Shares

Section 4 Amount and Division of the Share Capital

- (1) Share Capital

The Company's share capital amounts to EUR 249,375,000 (in words: Euro two hundred and forty-nine million three hundred and seventy-five thousand). It is divided into 99,750,000 (in words: ninety-nine million seven hundred fifty thousand) non-par value registered shares. The share capital in the amount of EUR 100,000,000 (in words: Euro one hundred million) was paid in through the identity-preserving change of legal form of the former Multi Metal Holding GmbH to Klöckner & Co Aktiengesellschaft. Then the share capital in the amount of EUR 116,250,000

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(in words: Euro one hundred and sixteen million two hundred and fifty thousand) was paid in through the identity-preserving conversion of the former Klöckner & Co Aktiengesellschaft into Klöckner & Co SE. Further, the share capital in the amount of EUR 50,000,000 (in words: Euro fifty million) was paid in as a cash contribution as part of a capital increase in 2009. Finally the share capital in the amount of EUR 83,125,000 (in words: Euro eighty-three million one hundred and twenty-five thousand) was paid in as a cash contribution as part of a capital increase in 2011.

- (2) Deleted.
- (3) With the consent of the Supervisory Board, the Management Board is authorized to increase the Company's share capital until May 31, 2027, by up to a total of EUR 49,875,000.00 (in words: Euro forty-nine million eight hundred and seventy-five thousand) by issuing, on one or several occasions, up to 19,950,000 new registered no-par value shares against cash contributions or contributions in kind (Authorized Capital 2022).

- (a) Subscription right

The shareholders shall in principle be granted subscription rights. The statutory subscription right may also be granted in such a way that the new shares are taken over by a credit institution and/or another company meeting the requirements of Section 186 (5) sentence 1 AktG (financial institution) or a syndicate of such credit or financial institutions with the obligation to offer them indirectly to the shareholders for subscription within the meaning of Section 186 (5) AktG.

- (b) Exclusion of subscription rights

However, the Management Board, subject to the consent of the Supervisory Board, or, exclusively with regard to subparagraph gg) below, the Supervisory Board, is authorized to exclude shareholders' statutory subscription rights in relation to one or more increases of the share capital within the scope of the authorized capital,

- aa) in order to exclude fractional amounts, resulting from the subscription ratio, from the shareholders' statutory subscription rights;
- bb) in the case of increases of the share capital against contributions in kind, in particular – but without limitation – for the acquisition of companies, businesses, parts of businesses or companies, equity interests in companies or for the acquisition of other assets or claims regarding the acquisition of assets, including claims against the Company or its group companies;
- cc) if the increase of the share capital is effected against cash contributions and the issue price of the new shares is not significantly lower than the stock market price of the already listed shares of the same class and having the same conditions within the meaning of Sections 203 (1) and (2), 186 (3) sentence 4 AktG;
- dd) to grant the holders of convertible bonds or warrant-linked bonds issued by the Company or by companies dependent on the Company or companies in which the Company holds a majority interest and which grant a conversion or option right or establish a conversion obligation (or combinations of all these instruments), a subscription right in the scope to which they would be entitled after exercise of the rights or fulfillment of the obligations under these instruments;

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- ee) to fulfill obligations of the Company arising from conversion and option rights or conversion obligations from convertible bonds or warrant-linked bonds issued by the Company or by companies dependent on the Company or companies in which the Company holds a majority interest, which grant a conversion or option right or establish a conversion obligation (or combinations of all these instruments);
- ff) to issue new shares against cash contributions or contributions in kind as part of participation programs or as part of share-based payment. The issue may only be made to persons who participate in the participation program as a member of the management of a company dependent on the Company or as employees of the Company or a company dependent on the Company or who are or were granted share-based remuneration as a member of the management of a company dependent on the Company or as employees of the Company or a company dependent on the Company, or to third parties who grant economic ownership or the economic benefits from the shares to a participant in a participation program. The new shares may in particular also be issued on preferential terms (including an issue at the lowest issue price within the meaning of Section 9 (1) AktG), against the contribution of remuneration claims or in such a way that the contribution to be made on the new shares is covered by that part of the net income for the year which the Management Board and Supervisory Board could allocate to other retained earnings (andere Gewinnrücklagen) in accordance with Section 58 (2) AktG. The new shares may also be issued through the intermediary of a bank or a company operating in accordance with Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act (KWG), that takes over these shares with the obligation to offer them to the aforementioned persons;
- gg) for use within the terms of provisions agreed with members of the Management Board regarding the Management Board remuneration. The new shares may be offered, granted and transferred to the members of the Management Board, whereby the Management Board employment relationship (Vorstandsanstellungsverhältnis) must exist at the time of the grant or transfer;
- hh) to implement a scrip dividend, whereby shareholders are offered the option of contributing their dividend entitlement (in whole or in part) to the Company in return for shares in the Company.

New shares may only be issued under exclusion of subscription rights in accordance with this authorization if the total of these new shares does not account for more than 10% of the share capital at the time the authorization becomes effective or – if the subsequent value is lower – at the time this authorization is exercised. If, during the term of this authorization until its exercise, other authorizations to issue or sell shares in the Company or to issue rights that enable or oblige to the subscription of shares in the Company are exercised and subscription rights are excluded in the respective process (including an exclusion of subscription rights pursuant to or analogously to Section 186 (3) sentence 4 AktG), this shall be counted towards the aforementioned 10% limit; shares used to serve convertible bonds issued on the basis of the authorization of the Annual General Meeting on May 24, 2013, under agenda item 6 shall not be taken into account. Subscription rights may only be excluded in accordance with subparagraphs ff) and gg) above up to a maximum of 5% of the share capital at the time the authorization takes effect or – if the

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subsequent value is lower – at the time it is exercised. Shares issued or sold to the same group of persons under another authorization excluding shareholders' subscription rights during the term of this authorization shall be counted towards this limit. In addition, the nominal amount of any conditional capital of the Company resolved for the purposes of Section 192 (2) no. 3 AktG shall be counted towards this 5% limit.

(c) Further content of rights attached to the shares and the conditions of the share issue

The Management Board shall decide on the further content of the rights attached to the shares and the conditions of the share issue with the approval of the Supervisory Board. In particular, the profit entitlement may be structured in deviation from Section 60 (2) AktG and profit entitlement may be granted from the beginning of the fiscal year preceding the issuance, provided that at the time of the issue of the new shares a resolution of the Annual General Meeting on the appropriation of profits for this fiscal year has not yet been adopted. If the Supervisory Board is responsible for the issue of shares, it shall be responsible for deciding on the further content of the rights attached to the shares and the conditions of the share issue.

(d) Authorization to amend the wording of the Articles of Association

The Supervisory Board is authorized to amend the wording of the Company's Articles of Association following each increase of the share capital or following the expiry of the period for which the authorization has been granted and in which the Authorized Capital 2022 has not been exercised.

(4) Deleted.

(5) Deleted.

(6) The share capital of the Company is subject to a conditional increase of up to EUR 24,932,500.00 through the issue of up to 9,973,000 new registered no-par-value shares with dividend rights from the beginning of the fiscal year in which they are issued.

The conditional capital serves the purpose of granting shares to satisfy subscription and/or conversion rights and/or obligations of the holders of warrant-linked and/or convertible bonds that are issued by the Company or a Group Company in accordance with the authorization of the Company's Annual General Meeting of May 24, 2013, adopted under agenda item 6.

In addition, the conditional capital serves the purpose of issuing shares to creditors of convertible bonds issued based on the resolution under agenda item 7 of the Company's Annual General Meeting of May 26, 2009, or based on the resolution under agenda item 7 of the Company's Annual General Meeting of May 26, 2010, in case of an adjustment of the conversion ratio.

The total of the new shares issued shall be equivalent to

- the warrant or conversion price to be determined respectively on the basis of this authorization, in case the new shares are issued to satisfy subscription and/or conversion rights and/or obligations of the holders of warrant-linked and/or convertible bonds that are issued by the Company or a Group Company in accordance with the authorization of the Company's Annual General Meeting of May 24, 2013, adopted under agenda item 6;

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- the conversion price to be determined on the basis of this authorization, in case the new shares are issued to creditors of convertible bonds that are issued based on the resolution under agenda item 7 of the Company's Annual General Meeting of May 26, 2009;
- the conversion price to be determined on the basis of this authorization, in case the new shares are issued to creditors of convertible bonds that are issued based on the resolution under agenda item 7 of the Company's Annual General Meeting of May 26, 2010.

If warrant-linked and/or convertible bonds are issued by the Company or a Group Company in accordance with the authorization of the Company's Annual General Meeting of May 24, 2013 under agenda item 6 for the purpose of acquiring convertible bonds issued based on the resolution under agenda item 7 of the Company's Annual General Meeting of May 26, 2009, or based on the resolution under agenda item 7 of the Company's Annual General Meeting of May 26, 2010, the new shares are issued from the conditional capital against deposit of the respective (partial) convertible bond by the respective holder of that (partial) convertible bond as payment in kind. The number of shares to be issued against deposit of the respective (partial) convertible bond is derived from the conversion ratio determined on the basis of the authorization resolved under agenda item 6 of the Company's Annual General Meeting of May 24, 2013.

The conditional capital increase is only to take place to the extent that the respective holders and creditors of subscription and conversion rights make use of these rights, or to the extent that holders with an obligation to exercise conversions or warrants fulfill their obligations to exercise conversions or warrants, and insofar as no cash settlement is granted or own shares or shares created from other conditional capital or from authorized capital are used for servicing purposes. The Management Board is authorized to establish the further details of the implementation of a conditional capital increase (Conditional Capital 2013).

- (7) The share capital of the Company is subject to a conditional increase of up to EUR 24,937,500.00 (in words: Euro twenty-four million nine hundred thirty-seven thousand five hundred) through the issue of up to 9,975,000 new registered no-par value shares with dividend rights from the beginning of the fiscal year in which they are issued (Conditional Capital 2022).

The conditional capital serves to grant shares to the holders or creditors of warrant-linked bonds or convertible bonds issued by the Company or by companies dependent on the Company or by companies in which the Company holds a majority interest in accordance with the authorization approved by the Annual General Meeting on June 1, 2022, under agenda item 8. It will only be implemented to the extent that option or conversion rights under the aforementioned warrant-linked bonds and convertible bonds are exercised or conversion obligations under such bonds have to be fulfilled and to the extent that no other forms to fulfill such claims are used. The issue amount of the new shares shall be equal to the option and/or conversion price to be set in each case subject to the aforementioned authorization.

The conditional capital also serves to issue shares to holders of convertible bonds issued on the basis of the resolution on agenda item 6 of the Annual General Meeting of the Company on May 24, 2013, in the event of an adjustment of the conversion ratio. In this case, the issue price of the new shares corresponds to the conversion price determined in accordance with the authorization of the Annual General Meeting on May 24, 2013.

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To the extent that warrant-linked bonds and/or convertible bonds are issued by the Company or a group company in accordance with the authorization described above for the purpose of acquiring convertible bonds issued on the basis of the resolution on agenda item 6 of the Annual General Meeting of the Company on May 24, 2013, the new shares shall be issued from the conditional capital against contribution of the respective (partial) convertible bond by the respective holder of this (partial) convertible bond to be contributed as a contribution in kind. The number of shares to be issued against contribution of the respective (partial) convertible bond results from the exchange ratio determined on the basis of the authorization of the Annual General Meeting of the Company on June 1, 2022, under agenda item 8.

The Management Board is authorized to determine the further details of the implementation of the conditional capital increase.

- (8) The shares are registered by name. If, in the event of a capital increase, the resolution on the capital increase does not specify whether the new shares should be bearer shares or registered shares, then they shall be issued as shares registered by name.
- (9) The form of the share certificates and the dividend and talon coupons shall be determined by the Management Board upon approval of the Supervisory Board. The shareholders' right to receive share certificates and dividend coupons is excluded to the extent permissible by law and certificates are not required according to the rules of the stock exchange where the share has been admitted for trading. The Company shall be entitled to issue share certificates which embody individual shares or multiple shares (global shares).
- (10) In the event of a capital increase, the dividend rights of new shares may be determined in deviation from Section 60 para. 2 of the German Stock Corporation Act.

III. Corporate Bodies

Section 5 Corporate Bodies

The organisation of the Company shall follow the two-tier system. Corporate bodies of the Company are the management body ("Management Board"), the supervisory body ("Supervisory Board") and the General Meeting.

IV. Management Board

Section 6 Composition and Rules of Procedure

- (1) The Management Board comprises one or more members. The Supervisory Board shall determine the number of members of the Management Board.
- (2) The Supervisory Board may appoint a chairman of the Management Board as well as a deputy chairman of the Management Board.
- (3) The Supervisory Board shall issue Rules of Procedure for the Management Board including a Schedule of Responsibilities (*Geschäftsverteilungsplan*).

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- (4) Members of the Management Board shall be appointed for a maximum term of office of five years. A member may be re-appointed once or several times.

Section 7 Representation of the Company

If the Management Board only has one member, this member shall represent the Company acting individually. If two or more members are appointed, then the Company shall be represented by two members acting jointly or by one member acting jointly together with an authorized signatory (*Prokurist*). The Supervisory Board may grant individual Management Board members the power to represent the Company individually and/or release that person from the prohibition of multiple representation set forth in Section 181 2nd alternative of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*).

Section 8 Management

- (1) The Management Board shall manage the business in accordance with the laws, the Articles of Association, its Rules of Procedure and the Schedule of Responsibilities.
- (2) The Management Board requires the approval of the Supervisory Board to carry out the following transactions:
- transactions which will cause a fundamental change of the net assets, financial position and results of operations or the risk exposure of the Company;
 - foundation, dissolution, acquisition or sale of shareholdings as well as changes in shareholding which exceed a limit to be determined by the Supervisory Board in the Rules of Procedure of the Management Board;
 - conclusion, major amendment or termination of inter-company agreements within the meaning of Sections 291 et seq. of the German Stock Corporation Act; and
 - conclusion, major amendment or termination of profit participation agreements and silent partnerships.

The Supervisory Board has the right to issue Rules of Procedure for the Management Board in which, in particular, further transactions may be made subject to the approval of the Supervisory Board. The Supervisory Board may grant a revocable approval in advance of a specific group of transactions in general or on the condition that an individual transaction satisfies specific requirements.

V. Supervisory Board

Section 9 Composition, Term of Office, Resignation from Office

- (1) The Supervisory Board comprises six members, who shall be elected by the General Meeting.
- (2) The Supervisory Board members shall each be elected for a period up to the conclusion of the General Meeting which resolves on the formal discharge of the Supervisory Board for the fourth

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business year after commencement of the respective term of office, whereby the business year in which the term of office begins is not counted. The term of office shall be no longer than six years. When electing a Supervisory Board member, the General Meeting may in each case determine a shorter term of office. A successor to a member who resigned before his term of office expired shall be elected for the remainder of the term of office of the resigning member unless otherwise resolved by the General Meeting. A member may be reappointed once or several times.

(3) Notwithstanding paragraph 1 and paragraph 2, the following persons are appointed as members of the first Supervisory Board of Klöckner & Co SE:

- Professor Dr. Dieter H. Vogel, Meerbusch, Managing Partner of Lindsay Goldberg Vogel GmbH, Düsseldorf;
- Dr. Michael Rogowski, Heidenheim, Chairman of the Supervisory Board and Shareholders' Committee of Voith AG, Heidenheim;
- Robert J. Koehler, Wiesbaden, Chairman of the Management Board of SGL CARBON Aktiengesellschaft, Wiesbaden;
- Frank H. Lakerveld, Hattingen, member of the Management Board of Sonepar S.A., Paris (France);
- Dr. Jochen Melchior, Essen, former Chairman of the Management Board of the former STEAG AG, Essen,
- Dr. Hans Georg Vater, Ratingen, former member of the Management Board of HOCHTIEF Aktiengesellschaft, Essen.

The appointment of Prof. Dr. Dieter Vogel, Dr. Michael Rogowski and Mr. Frank H. Lakerveld shall be for the period up to the conclusion of the General Meeting which resolves on the discharge of the Supervisory Board for the second business year after the commencement of the term of office. The appointment of Dr. Jochen Melchior and Dr. Hans Georg Vater shall be for the period up to the conclusion of the General Meeting which resolves on the discharge of the Supervisory Board for the third business year after the commencement of the term of office. The appointment of Mr. Robert J. Koehler shall be for the period up to the conclusion of the General Meeting which resolves on the discharge of the Supervisory Board for the fourth business year after the commencement of the term of office.

The appointments set forth above shall each be for a maximum of six years. If the registration of the SE takes place in 2008, the business year in which the term of office commences shall not be counted in respect of the appointments set forth above. On the other hand, if the registration of the SE takes place in 2009 or later, the business year in which the term of office commences shall be counted in respect of the appointments set forth above

(4) When a Supervisory Board member is elected, a substitute member may also be appointed at the same time who shall become a Supervisory Board member if the Supervisory Board member should resign prior to the expiration of his term of office and a successor has not been elected. The term of office of a substitute member who has joined the Supervisory Board shall expire once

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a successor for the resigned Supervisory Board member has been appointed, at the latest upon the expiration of the resigned Supervisory Board member's term of office.

- (5) Notwithstanding the right to resign from office for good cause, the members and the substitute members of the Supervisory Board may resign from office by rendering a written declaration to the Chairman of the Supervisory Board or to the Management Board observing a notice period of four weeks.
- (6) The General Meeting shall be free to recall members of the Supervisory Board prior to the expiration of their term of office without giving reasons.

Section 10 Chairman and Deputy Chairman

- (1) The Supervisory Board shall elect a Chairman and a Deputy Chairman from among its members. The Supervisory Board Chairman and the Deputy Supervisory Board Chairman shall be elected by a simple majority of votes, in the event of a tie, the decision shall be made by lot. Should the Chairman or his Deputy resign from the Supervisory Board before his term of office has expired, the Supervisory Board shall conduct a new election.
- (2) If the Supervisory Board Chairman and the Deputy Supervisory Board Chairman are hindered to carry out their duties, then the eldest Supervisory Board member in terms of age shall take the chair of the Supervisory Board for the duration of the hindrance.
- (3) The Chairman of the Supervisory Board or in his absence, his Deputy, are authorized to submit and receive declarations of intent in the name of the Supervisory Board which are required to implement the Supervisory Board's resolutions.

Section 11 Rules of Procedure

The Supervisory Board shall decide on its own Rules of Procedure within the framework of the mandatory statutory provisions and the provisions of these Articles of Association.

Section 12 Committees

The Supervisory Board may establish committees from among its members and, to the extent legally permissible, allocate decision-making authority to them.

Section 13 Confidentiality

The members of the Supervisory Board shall - even after resigning from office - maintain secrecy with respect to confidential information and secrets of the Company, namely trade and business secrets, which become known to them as part of their activities on the Supervisory Board.

Section 14 Remuneration

- (1) The members of the Supervisory Board shall receive, in addition to the reimbursement of their reasonable cash expenses and the value added tax accruing on their compensation and expenditures, a fixed annual compensation in the amount of EUR 60,000.

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- (2) The Chairman of the Supervisory Board shall receive two and a half times, his deputy one and a half times and the Chairman of the Audit Committee one and a quarter times the compensation as set forth in para. 1.
- (3) In addition, Supervisory Board members shall receive an attendance fee of EUR 2,000 for each Supervisory Board meeting and committee meeting they attend. The Supervisory Board Chairman and the Chairman of a Supervisory Board Committee shall receive two and a half times and the deputy of the Supervisory Board Chairman and deputies of a Chairman of a Supervisory Board Committee shall receive one and a half times the attendance fee.
- (4) Supervisory Board members that sit on the Supervisory Board only during part of the fiscal year shall receive one twelfth of the compensation for each month or part of a month of their membership. The same shall hold true for the increase in compensation of the Chairman of the Supervisory Board and his deputy as well as the Chairman of the Audit Committee pursuant to para. 2.
- (5) The compensation pursuant to para. 1 and the attendance fee shall become due after the end of the Annual General Meeting that receives the consolidated financial statements for the relevant fiscal year or decides on the approval thereof.
- (6) The Company may maintain, on its own behalf and at its own expense, a reasonable amount of directors' and officers' liability insurance for its executive bodies. If it does so, the Supervisory Board members are to be included.

VI. General Meeting

Section 15 Location and Convening

- (1) The General Meeting shall be held at the registered seat of the Company, a German stock exchange centre or a major German city with a population of more than 100,000.
- (2) The convening of the meeting must be published in the Federal Gazette of the Federal Republic of Germany (*Bundesanzeiger*) at least 30 days before the day at the end of which the shareholders must have notified their attendance (Section 16), not counting the day of the announcement and the last day on which the shareholders have to submit their notification.
- (3) The Management Board is authorized, for a period of two years after registration of the addition of this Section 15 (3) to the Articles of Association resolved by the General Meeting of May 17, 2023, to provide for the General Meeting to be held as a virtual General Meeting without the physical presence of the shareholders or their proxy holders at the venue of the General Meeting (virtual General Meeting); with respect to the time period of this authorization the date of the virtual General Meeting shall be decisive. If a virtual General Meeting is held, the applicable statutory requirements shall be complied with. In all other respects, all provisions of these Articles of Association for General Meetings shall apply to the virtual General Meeting unless otherwise required by law or unless expressly otherwise stipulated in these Articles of Association.

Section 16 Participation and Voting Rights

- (1) Shareholders shall be entitled to participate in the General Meeting and exercise their voting right in the General Meeting if they have notified the Management Board at the Company's registered seat of their participation in a timely manner in writing, by facsimile or, if the Management Board so resolves, electronically by a method to be determined in detail by the Company, and are registered in the share register on the date of the General Meeting. The voting right may only be exercised to the extent reflected by the entry in the share register on the date of the General Meeting. The delivery of the notification and the date of the General Meeting must be at least six days apart. The Management Board may determine a shorter time period.
- (2) Voting rights may be exercised in accordance with the relevant statutory provisions by an authorized representative if the invitation to the Annual General Meeting does not determine that formalities be dispensed with. Evidence of the authority may be transmitted to the Company electronically by means to be determined in detail by the Management Board as part of the invitation to the Annual General Meeting.
- (3) The Management Board is authorized to provide for shareholders to be able to participate in an Annual General Meeting even without being present in person or through an authorized representative and to exercise all or specific rights wholly or in part by electronic means of communication. If the Management Board makes use of this authority, it must fix the details and list them in the invitation to the Annual General Meeting.
- (4) The Management Board is authorized to provide for shareholders to cast their votes, without participating in person in the Annual General Meeting, in writing or by electronic means of communication. If the Management Board makes use of this authority, it must fix the details and list them in the invitation to the Annual General Meeting.
- (5) The members of the Supervisory Board, with the exception of the Chairman of the General Meeting, may, in consultation with the Chairman of the Supervisory Board, also attend in General Meetings by means of video and audio transmission (i) if the General Meeting is held as a virtual General Meeting, (ii) for reasons relating to the health of the Supervisory Board member concerned or for reasons of general health protection, (iii) if the Supervisory Board member concerned would have to travel to the General Meeting from abroad and has a one-way travel distance of more than 500 kilometers, or (iv) if the Supervisory Board member concerned assures being unable to travel to the General Meeting due to other professional obligations or other important personal reasons.

Section 17 Chairing the General Meeting

- (1) The General Meeting shall be chaired by the Chairman of the Supervisory Board or, if he is prevented from attending, by another Supervisory Board member to be determined by the Supervisory Board.
- (2) The Chairman shall preside over the meeting and shall determine the order in which the agenda items will be dealt with as well as the manner and order of the voting on resolutions. He may impose a reasonable time limit on the shareholders' right to ask questions and speak; in

particular, he may set a reasonable timeframe for the course of the meeting, the deliberation of the agenda items as well as the individual speeches or questions.

Section 18 Image and Sound Transmission

The Management Board is authorized to permit transmission of the Annual General Meeting in picture and sound.

Section 19 Adoption of Resolutions

- (1) Each non-par value registered share shall grant one vote in the General Meeting.
- (2) Unless otherwise prescribed by mandatory law, the resolutions shall be adopted by a simple majority of the votes cast and, where the statutes require a majority of the capital along with a majority of the votes, by a simple majority of the share capital represented during the adoption of the resolution. A simple majority of the votes cast is sufficient for the adoption of a resolution regarding an amendment of the Articles of Association if at least half of the share capital is represented and no higher majority is prescribed by mandatory law.

VII. Annual Financial Statements and Appropriation of Profit

Section 20 Annual Financial Statements and Appropriation of Profit

- (1) Within the first three months of the business year, the Management Board shall submit the annual financial statements and the management report, as well as the consolidated annual financial statements and the consolidated management report for the past year to the Supervisory Board without undue delay after their preparation. At the same time, the Management Board shall submit its proposal for the appropriation of the balance sheet profit to the Supervisory Board. Section 298 para. 3 and Section 315 para. 3 of the German Commercial Code (*Handelsgesetzbuch - HGB*) shall remain unaffected.
- (2) Upon receipt of the Supervisory Board's report, the Management Board shall convene the ordinary General Meeting without undue delay, which must be held within the first six months of each business year. It shall decide on the discharge of the Management Board and Supervisory Board, on the election of the auditor of the annual financial statements and the appropriation of the balance sheet profit.
- (3) Upon approval of annual financial statements, the Management Board and Supervisory Board shall be authorized to allocate all or parts of the annual profit remaining after the deduction of the amounts to be allocated to the statutory reserves and the loss carry-forward, to other reserves.
- (4) The balance sheet profit shall be distributed to the shareholders unless the General Meeting resolves on a different appropriation.
- (5) The General Meeting may also resolve a distribution in kind if the items to be distributed can be traded on a market within the meaning of Section 3 para. 2 of the German Stock Corporation Act.

VIII. Final Provisions

Section 21 Amendments to the Articles of Association

The Supervisory Board shall be authorized to resolve amendments to these Articles of Association which only affect the wording. It may also adjust the Articles of Association to conform to new statutory requirements which are binding on the Company without a General Meeting resolution being required.

Section 22 Formation Costs (costs of formation of the Company as a GmbH, of the conversion into a stock corporation and of the conversion into an SE)

(1) Costs of formation as a GmbH

The Company shall bear the costs of the formation and publication up to an amount of EUR 2,000.

(2) Costs of Conversion of Multi Metal Holding GmbH into Klöckner & Co Aktiengesellschaft

The Company was created by way of a conversion into a different legal form. The Company shall bear the cost of the change of form (notarial and court costs, publication costs, legal and tax consultation costs, cost of the formation audit) up to the amount of EUR 100,000.

(3) Costs of Conversion of Klöckner & Co Aktiengesellschaft into Klöckner & Co SE

The Company shall bear the costs of the conversion from the legal form of a stock corporation into the legal form of an SE (in particular the costs of the negotiation procedure on the participation of the employees, notarial and court costs, publications costs, legal and tax consultation costs, costs of preparation of the valuation certificate pursuant to Art. 37 para. 6 of the German SE Participation Act) up to the amount of EUR 1 million.