

## **Rules of Procedure of the Executive Board of Evonik Industries AG**

The Executive Board, with the approval of the Supervisory Board, has adopted the following Rules of Procedure effective September 16, 2020:

### **§ 1 General**

1. The Executive Board shall conduct the Company's business in accordance with statutory provisions, the Articles of Incorporation, these Rules of Procedure and the members' employment contracts. It is guided by the recommendations and suggestions as laid down in the German Corporate Governance Code.

The Executive Board is responsible for managing the Company in the interest of the Company, that is to say, with consideration for the concerns of shareholders, employees, and other groups associated with the Company (stakeholders), to achieve sustained creation of value. It shall work in close cooperation with the other corporate governance bodies for the good of the Company.

The Executive Board shall define and update the Company's business objectives, its basic strategic focus, the Company's business policy and the Company's corporate structure.

The Executive Board shall ensure compliance with statutory provisions and internal Company guidelines and shall encourage their observance in Group affiliates. It shall ensure appropriate measures in line with the company's risk situation (Compliance Management System) and disclose their basic characteristics. Employees and third parties shall be given an adequate opportunity to safely share information about legal violations within the company.

It is also responsible for appropriate risk management and risk controlling in the Company.

The Executive Board shall ensure diversity and the appropriate female representation in executive positions.

2. The allocation of areas of responsibility to individual members of the Executive Board is set out in the attached plan showing the allocation of duties, which forms an integral part of these Rules of Procedure.

3. The members of the Executive Board have a duty to maintain confidentiality. They shall ensure that every employee with whom they work also observes this confidentiality requirement in the same way.

## **§ 2 Joint responsibility**

1. The members of the Executive Board are jointly responsible for the overall management of the Company. They shall work together constructively and keep each other informed of the main activities and developments in their areas of responsibility. Each member is required to seek a resolution from the Executive Board on issues relating to other areas of responsibility about which he or she has serious reservations, where such reservations cannot be eliminated by discussion with the responsible Executive Board member. In such cases, a measure may only be carried out with the approval of the Executive Board.
2. The Executive Board develops the strategic focus of the Company and the Group, coordinates it with the Supervisory Board, ensures its implementation, and discusses the status of implementation of this strategy with the Supervisory Board at regular intervals.
3. The Executive Board shall pass resolutions on
  - a) all issues where a resolution by the Executive Board is required by law, the Articles of Incorporation or these Rules of Procedure, especially:
    - (aa) the preparation of individual financial statements of the Company, consolidated financial statements of the Group, management reports and all reports comparable to annual reports, which are published by the Company voluntarily or on the basis of capital market regulations (including stock market rules);
    - (bb) convening shareholders' meetings and the proposals to be put to the shareholders' meeting for a resolution;
    - (cc) periodic reporting to the Supervisory Board;
    - (dd) business matters and activities requiring the approval of the Supervisory Board;
    - (ee) issuing directives to manage the Company and its Group

companies, especially in relation to the group organization; the issuing of subordinated directives can be delegated to the concerned business unit;

- b) all issues submitted to the Executive Board by one of its members for a decision;
- c) corporate objectives and corporate policy;
- d) matters relating to the organization, organizational structure and business policy of the Company and the Group, principles of co-operation between the business units;
- e) budget and mid-term planning for the Company, the business areas and the Group;
- f) managing business activities, including overseeing the Group's business development;
- g) appropriate risk management and risk controlling within the Company and the Group;
- h) the following business activities of the Company and its Group companies:
  - (aa) equity investments in other companies (Share- and Asset-Deals) and withdrawal from such investments, and capital increases and decreases in excess of €50 million, or which are of special importance;
  - (bb) creation/acquisition or sale of assets including intangible assets, rent or leasing of assets, insofar as individual payments or total payments over the term of the agreement exceed €50 million, and investments in hardware and software and applications development (IT projects) with a value of over €10 million;
  - (cc) acquisition, divestment and encumbrance of land, similar rights and rights to land where the individual amount exceeds €50 million;
  - (dd) establishment or withdrawal from businesses or areas of activity;

- (ee) conclusion of agreements of major economic significance, including in particular procurement, sale, delivery and business supply agreements with a total value exceeding €100 million;
  - (ff) material changes as defined by company law and the exercise of ownership rights, especially the conclusion, termination and amendment of corporate contracts, liquidation, corporate reorganization and changes to the Articles of Incorporation insofar as these are of material importance to the business areas or have an impact on the Company;
  - (gg) commencement or termination of membership of professional or industry associations, public sector organizations, business promotion organizations and similar organizations insofar as they are of fundamental or material significance
  - (hh) assumption of loans exceeding €15 million with a term of more than one year and the issuance of bonds;
  - (ii) assumption of sureties, guarantees and similar liabilities outside normal business operations;
  - (jj) granting of loans and other credit facilities outside normal business operations;
  - (kk) conclusion of transactions involving financial derivatives insofar as the total volume exceeds €100 million per underlying or if the transaction is outside the Company's normal business operations;
- i) granting and withdrawal of statutory powers of attorney and other powers of authorization relating to the Company;
  - j) appointment of executive managers for the Company and the Group;
  - k) conclusion or amendment of collective bargaining agreements or works agreements on behalf of the Company, where these are of fundamental or material significance;
  - l) matters of fundamental or material significance for human resources, social and training policy and occupational safety;

- m) budget for donations and individual donations whose value exceeds €5,000;
  - n) agreements concluded by the Company and the Group that do not relate to normal business operations.
4. The Executive Board shall delegate its task and authorization to decide about actions and transactions of the Divisions and Technology & Infrastructure as defined in 3 h) (aa), (bb) first halfsentence and (cc) in the range from €25 million to €50 million to the Investment and Performance Committee. The Executive Board member responsible for the corresponding Division or Technology & Infrastructure as specified in the business distribution scheme and the CFO shall be members of the committee and authorized to make a joint decision.
  5. Information disseminated to the workforce or to a significant part of the workforce and press releases in this relation normally require the approval of the Executive Board. In cases of urgency, the approval of one other member of the Executive Board is sufficient.
  6. Resolution taken by the entire Executive Board may comprise a general decision taken in advance for a designated group of actions.
  7. If it is not possible to obtain a timely resolution of the full Executive Board and a delay is not acceptable as it could be detrimental for the Company, the member of the Executive Board responsible for the relevant area of activity shall take a decision with one other member of the Executive Board. The subsequent approval of the full Executive Board must be obtained without delay and at the latest at the next meeting of the Executive Board.

### **§ 3**

#### **Areas of Responsibility**

1. Each member of the Executive Board shall manage the area of responsibility allocated to him or her independently within the framework of the resolutions adopted by the Executive Board. Where the business and activities of an area of responsibility also relate to one or more other areas of responsibility, Executive Board members must liaise in advance with the other Executive Board members affected. If agreement cannot be reached, or a decision cannot be made within the necessary time, every member of the Executive Board is obligated to take action to obtain a

resolution of the Executive Board.

2. Actions and business activities undertaken by an area of responsibility that are of exceptional importance for the Company or entail an exceptional economic risk require the prior consent of the Executive Board. The same shall apply for actions and business activities for which the Chairman of the Executive Board requires a prior resolution by the Executive Board.
3. If a resolution of the Executive Board cannot be obtained within good time in compliance with paragraph 1 sentence 3 or paragraph 2, and a delay is unacceptable as it could result in serious disadvantages for the Company, the members of the Executive Board who can be contacted shall take a decision. The other members of the Executive Board must be informed of the decision without delay.
4. Every member of the Executive Board shall report to the Executive Board on all actions, transactions, measures and developments in their area of responsibility that are of significance for that area, the Company or the Group. Reports should be made as soon as possible. The Executive Board must be notified in advance of actions and business activities that require the approval of the Executive Board.

#### **§ 4**

##### **Chairperson of the Executive Board**

1. The Chairperson of the Executive Board coordinates all areas of responsibility within the remit of the Executive Board. The Chairperson strives to ensure that the management of all sectors works in accordance with the objectives set by the resolutions of the Executive Board. The Chairperson of the Executive Board may require information from members of the Executive Board at any time on specific aspects of their areas of responsibility and require advance information on specific types of business.
2. The Chairperson of the Executive Board represents the Executive Board and the Company in dealings with the public offices, professional associations, industry organizations and the media. All media publications and other public statements by the Company must be agreed with the Chairperson of the Executive Board. He or she may delegate these tasks to another member of the Executive Board for specific issues or in individual cases.

3. The Chairperson of the Executive Board is responsible for leading discussions with the Supervisory Board and its members. He or she is responsible for coordinating information for the Supervisory Board and its committees in accordance with the Rules of Procedure of the Supervisory Board. The Chairperson of the Executive Board and the Chairperson of the Supervisory Board shall meet at least once a month to discuss the Company's business position and major upcoming decisions. The Chairperson of the Executive Board shall notify the Chairperson of the Supervisory Board without delay of any event which may have an impact on the evaluation of the situation, development and management of the Company or the Group.
4. If the Supervisory Board appoints a board member to serve as Deputy Chairperson, the Deputy Chairperson shall assume the Chairperson's duties and authorizations in his or her absence.

## **§ 5 Meetings and Resolutions**

1. The Executive Board shall normally pass resolutions at meetings, which should be held at least twice a month. Resolutions are normally adopted on the basis of documents prepared for this purpose. The agenda shall be submitted to the members no later than five days before meeting; proposed resolutions together with the necessary documents relating to the items on the agenda shall be submitted to the members no later than three days before the meeting. A submission at the meeting can be justified in exceptional cases. The Chairperson of the Executive Board convenes meetings. In addition, any member of the Executive Board may request that a meeting be convened by submitting a reason; similarly, any member may request that an item be included in the agenda for a meeting.
2. The Chairperson of the Executive Board chairs meetings. If he or she is unable to attend, the Deputy Chairperson shall chair the meeting. The person chairing the meeting determines the order in which the items on the agenda are discussed and the type and order of any votes. The Executive Board may agree to consult persons who are not members of the Executive Board on specific issues. The Chairperson of the Executive Board may require postponement of a resolution on individual items on the agenda.

3. The Executive Board is quorate if all members have been invited to the meeting and at least more of the half of them are present. Members of the Executive Board who take part via a conference call or video conferencing shall be deemed to be present. Members who are absent may vote in writing, by telefax or via electronic media. No objection may be raised to this method of adopting resolutions. Members who are absent must be notified without delay of any resolutions adopted in their absence. Decisions on matters relating to the area of responsibility of a member of the Executive Board who is not present should only be taken after contacting the member who is absent and if a delay is not acceptable as it could entail serious disadvantages for the Company.
4. Resolutions may also be adopted outside meetings on the instructions of the Chairperson of the Executive Board, by submitting votes verbally, by phone, in writing, by fax or via electronic media, providing no member of the Executive Board objects to this procedure.
5. The Executive Board shall endeavor to obtain unanimity and shall pass resolutions with a simple majority of the votes cast at meetings or a simple majority of its members outside of meetings. In case of a tied vote, the Chairperson shall have the deciding vote.
6. Minutes must be kept of meetings of the Executive Board, stating the place and date of the meeting, the members present, the agenda and the exact wording of any resolutions. The minute-taker shall be determined by the person chairing the meeting. A copy of the minutes is sent to all members of the Executive Board. The minutes shall be deemed to be approved if no member of the Executive Board raises an objection at the meeting following receipt of the minutes. Resolutions adopted by the Executive Board outside meetings must be included in the minutes of the next meeting of the Executive Board or recorded separately.

## **§ 6 Absence**

The members of the Executive Board shall reach agreement with the Chairperson of the Executive Board on the timing and duration of prolonged business trips and any vacation and on who will deputize for them during periods of vacation, illness or other reasons for absence. The Chairperson of the Executive Board shall coordinate his or her vacation periods with the Chairperson of the Supervisory Board.



**§ 7**  
**Information of the Supervisory Board**

1. It is the joint responsibility of the Executive Board and the Supervisory Board to provide the Supervisory Board with sufficient information. The Executive Board shall provide the Supervisory Board with the reports to be prepared in accordance with the Rules of Procedure of the Supervisory Board in compliance with § 90 of the German Stock Corporation Act (AktG). It shall provide the Supervisory Board with timely, regular and full information on all matters relating to planning, business development, risks, and risk management for the Company and the Group and all matters of compliance. It shall outline deviations between the planned and actual business performance and targets and the reasons for these.
2. The Executive Board shall normally submit written reports to the Supervisory Board.
3. Documents necessary for decisions, especially the financial statements of the Company, consolidated financial statements of the Group and the audit report, shall be submitted to the members of the Supervisory Board in good time for the meeting.

**§ 8**  
**Business Dealings with the Company**

All transactions between the Group or one of its Companies on the one hand, and members of the Executive Board and related parties on the other, shall comply with the customary standards for the sector. Material transactions, i.e. transactions with a value in excess of €25,000, must be approved by the Supervisory Board. The provisions of § 112 AktG must be observed.

**§ 9**  
**Conflicts of Interest**

1. Members of the Executive Board may not request or accept gifts or other benefits from third parties for themselves or other people, nor may they grant unwarranted benefits to third parties.

2. Members of the Executive Board are required to act in the interests of the Company. Members of the Executive Board may not pursue personal interests in their decisions, nor may they utilize business opportunities available to the Company for personal gain.
3. For the duration of their employment with the Company, the members of the Executive Board are subject to a comprehensive competition ban. Every member of the Executive Board is required to disclose any conflict of interest to the Chairperson of the Supervisory Board without delay and to notify the other members of the Executive Board accordingly.
4. Members of the Executive Board may only assume additional posts, especially posts on the supervisory boards of companies that are not affiliated companies, with the consent of the Supervisory Board. Where such posts are assumed with the consent of the Supervisory Board, the Executive Board member shall accept the post as a personal office and shall ensure strict confidentiality and strict separation of his or her activities as a member of the Company's Executive Board.