

**Rules of Procedure for the Supervisory Board  
of ThyssenKrupp AG**

**(Version of November 26, 2010)**

**Art. 1**

**Duties and responsibilities**

The duties and responsibilities of the Supervisory Board derive from the statutory provisions, the Articles of Association and these Rules of Procedure.

**Art. 2**

**Supervisory Board chairman and committees**

(1) Election of the Supervisory Board chairman

Following the general stockholders' meeting at which the Supervisory Board members of the stockholders have been elected, a Supervisory Board meeting shall be held without notice. At this meeting the Supervisory Board shall elect the chairman and vice chairman from among its members in accordance with Art. 27 paras. 1 and 2 of the Codetermination Act (MitbestG). The Supervisory Board shall then elect if appropriate the further vice chairman envisaged under Art. 10 par. 3 of the Articles of Association at the proposal of the Supervisory Board members of the stockholders. Art. 27 paras. 1 and 2 MitbestG shall not apply to this election.

(2) Mediation committee

- a) Directly after the elections pursuant to par. 1, the Supervisory Board shall form the committee pursuant to Art. 27 par. 3 MitbestG. This committee shall be composed of the Supervisory Board chairman, the vice chairman elected in accordance with Art. 27 paras. 1 and 2 MitbestG as well as one member elected by the Supervisory Board members of the stockholders and one elected by the Supervisory Board members of the employees by majority of the votes cast. This committee shall be chaired by the chairman of the Supervisory Board.
- b) The task of this committee shall be to make proposals for the appointment and revocation of the appointment of Executive Board members in the event of Art. 31 paras. 3 and 5 MitbestG.

(3) Personnel committee

- a) The Supervisory Board shall form a personnel committee. The personnel committee shall be composed of the chairman and vice chairman of the Supervisory Board and one Supervisory Board member elected at the proposal of the stockholder representatives on the Supervisory Board and one at the proposal of the employee representatives on the Supervisory Board. The personnel committee shall be chaired by the chairman of the Supervisory Board.
- b) The personnel committee shall prepare the personnel decisions of the Supervisory Board. It shall submit to the Supervisory Board proposals for resolution on the compensation of the Executive Board, on the compensation system and regular review thereof, and on the conclusion, amendment and termination of the contracts of service with the members of the Executive Board. It shall resolve in place of the Supervisory Board on the following:
  - (aa) other legal transactions vis-à-vis Executive Board members under Art. 112 AktG,

- (bb) consent to secondary occupations (including the acceptance of seats on supervisory boards outside the Group) and to other activities of an Executive Board member under Art. 88 AktG,
- (cc) granting of loans to the persons named in Art. 89 and Art. 115 AktG,
- (dd) approval of agreements with Supervisory Board members under Art. 114 AktG.

(4) Executive committee (Praesidium)

- a) The Supervisory Board shall form an executive committee (Praesidium). In addition to the chairman and the vice chairman, the executive committee shall comprise one Supervisory Board member elected at the proposal of the stockholder representatives and one at the proposal of the employee representatives on the Supervisory Board. The executive committee shall be chaired by the chairman of the Supervisory Board.
- b) In addition to the functions mentioned in section I par. 4 of the "Agreement on Codetermination" between Industriegewerkschaft Metall / Deutscher Gewerkschaftsbund (trade unions) and Thyssen AG / Fried. Krupp AG Hoesch-Krupp dated March 20, 1998, the executive committee shall deal with questions calling for possible immediate action by the Executive Board or potentially relating to confidential inside information, notwithstanding the subsequent approval of the full Supervisory Board. The executive committee shall prepare the efficiency review pursuant to Art. 9. In certain cases decision-making power may be conferred upon the executive committee by the full Supervisory Board.

(5) Audit committee

- a) The Supervisory Board shall form an audit committee. The audit committee shall be composed of three Supervisory Board members elected at the proposal of the stockholder representatives and three elected at the proposal of the employee representatives on the Supervisory Board. The chairman of the audit committee shall be elected at the proposal of the stockholder representatives.

- b) The audit committee shall in particular have the task of preparing discussions and resolutions of the Supervisory Board on accounting-related questions, monitoring the accounting process, monitoring the effectiveness of the internal control system, the risk management system and the internal auditing system, monitoring the financial statement auditing process (in particular the independence of the financial statement auditors and the additional services provided by the financial statement auditors), and preparing the placement of the audit assignment with the auditors, the determination of key areas of the audit, and the fee agreement. Details are set out in the rules of procedure for the audit committee.

(6) Strategy, finance and investment committee

- (a) The Supervisory Board shall further form a strategy, finance and investment committee. This committee shall comprise the chairman and vice chairman of the Supervisory Board, plus three members elected at the proposal of the stockholder representatives and three elected at the proposal of the employee representatives on the Supervisory Board. The strategy, finance and investment committee shall be chaired by the chairman of the Supervisory Board.
- (b) The strategy, finance and investment committee shall prepare discussions and resolutions of the Supervisory Board on questions relating to strategy, the financial situation and structure of the Company as well on fixed asset and financial investment, in particular the construction of new assets, the procurement of which is subject to resolution by the Supervisory Board.

(7) Nomination committee

- (a) The Supervisory Board shall form a nomination committee comprising four stockholder representatives on the Supervisory Board. The members of the nomination committee shall be elected by the stockholder representatives on the Supervisory Board. The nomination committee shall be chaired by the chairman of the Supervisory Board.

- (b) The nomination committee shall propose suitable candidates for the Supervisory Board's stockholder representatives to the Supervisory Board for its proposals to the General Meeting.
- (8) The Supervisory Board may form further committees from among its members. The duties, powers and procedures of the committees shall be determined by the Supervisory Board. As far as permitted by law, decision-making powers vested in the Supervisory Board may also be conferred upon such committees.
- (9) The committees under Art. 2 par. 2 and par. 3 and the executive committee under Art. 2 par. 4 shall be composed of the same persons.
- (10) The chairmen of the committees shall report to the Supervisory Board on the discussions and resolutions of the respective committees.

### **Art. 3**

#### **Supervisory Board meeting**

- (1) Resolutions of the Supervisory Board shall generally be passed in meetings. Supervisory Board meetings should be held at least once each calendar quarter and must be held twice each calendar half-year.
- (2) A meeting shall also be called if applied for by a member of the Supervisory Board or the Executive Board of the Company stating the purpose and reasons. The application shall be directed to the chairman of the Supervisory Board. The meeting shall be convened without delay observing the notice specified in Art. 4 par. 1 of these Rules of Procedure.
- (3) The meetings of the Supervisory Board shall be chaired by the chairman or if he is unavailable by the vice chairman elected in accordance with Art. 27 paras. 1 and 2 MitbestG and if he is unavailable by the further vice chairman, if a further vice chairman has been elected. If he, too, is unavailable, a member determined by the attending Supervisory Board members shall chair the meeting. The chairman shall determine the procedure of the meeting and the method of voting.

- (4) At the instigation of the chairman, a resolution of the Supervisory Board may also be passed by votes cast orally, by telephone, in writing, by fax or using another common means of communication. However, if a member of the Supervisory Board objects to this procedure, the executive committee shall decide on the matter. The resolutions shall be established in writing by the chairman and sent to all members.

#### **Art. 4**

#### **Convening, resolutions**

- (1) The chairman shall convene the Supervisory Board meeting in writing at 14 days' notice and shall determine the venue. If he is not available, these tasks shall be incumbent upon the vice chairman elected in accordance with Art. 27 paras. 1 and 2 MitbestG and, if he is not available, upon the further vice chairman. In urgent cases the chairman may shorten the period of notice and convene meetings orally, by telephone, by fax or using another common means of communication. The items of the agenda shall be announced in the invitation. Resolution proposals on agenda items shall be disclosed well enough in advance of the meeting to allow absent members to vote in writing. At the request of a Supervisory Board member, English translations shall be enclosed with the invitation, the resolution proposals and the written reports. In the same way, at the request of a Supervisory Board member the discussions of the Supervisory Board shall be simultaneously translated into English.
- (2) The Supervisory Board shall only constitute a quorum if at least half of its full number of members take part in the resolution. A member abstaining from voting shall also be counted toward the Supervisory Board's quorum.
- (3) If Supervisory Board members are unable to attend meetings, they may have a vote in writing submitted by another member of the Supervisory Board. A vote transmitted by fax or using electronic media shall also be deemed to be a written vote. The submission of the written vote shall be deemed to be participation in the resolution.

- (4) Subject to overriding provisions of the law, resolutions of the Supervisory Board shall be passed by a simple majority of the votes cast. An abstention shall not be considered as a vote cast. In the event of a tie, the chairman – taking into consideration the Agreement on codetermination mentioned in Art. 2 par. 4 b of these Rules of Procedure – shall decide whether the matter shall be voted on again and whether the new poll shall be taken at the same or another meeting of the Supervisory Board. If a new vote on the same matter also results in a tie, the chairman shall have two votes. The second vote too may, in accordance with Art. 4 par. 3, be submitted in writing.
- (5) Resolutions may only be passed on items of the agenda not announced at least one week before the meeting if no member objects to the procedure. In such cases, absent members shall be given the opportunity to object to the resolution within an appropriate period to be determined by the chairman. The resolution shall only become effective if no absent member objects within the period.
- (6) In calculating the aforesaid periods, the day on which the invitation is sent and the day of the meeting shall not be counted.
- (7) The members of the Executive Board shall attend the meetings of the Supervisory Board unless the chairman of the Supervisory Board determines otherwise.

## **Art. 5**

### **Notices**

- (1) Public notices of the Supervisory Board shall be made by the chairman of the Supervisory Board or if he is unavailable by the vice chairman and if he is unavailable by the further vice chairman, if a further vice chairman has been elected.
- (2) The members of the Supervisory Board shall keep secret any confidential reports and confidential discussions as well as secrets of the Company, especially trade and business secrets, which may have been disclosed to them as members of the Supervisory Board. This obligation shall survive their term of office.
- (3) If a Supervisory Board member wishes to give third parties information in respect of which it cannot safely be ruled out that it is confidential or relates to secrets of the

Company, the member shall notify the chairman of the Supervisory Board in advance and give him the opportunity to comment.

- (4) Consultancy and other service agreements between a Supervisory Board member and the Company shall require the approval of the Supervisory Board.

## **Art. 6**

### **Minutes**

- (1) For every meeting of the Supervisory Board, minutes shall be prepared which state the venue and date of the meeting, the participants, the items of the agenda, the main contents of the discussions and the resolutions of the Supervisory Board. At the request of a Supervisory Board member an English translation shall be enclosed with the minutes.
- (2) The minutes shall be signed by the chairman of the meeting and brought to the attention of all members of the Supervisory Board.
- (3) The resolution on the approval of the minutes shall be passed in the next meeting of the Supervisory Board.
- (4) Paragraphs 1 and 2 shall apply by analogy to resolutions of the Supervisory Board passed outside meetings.

## **Art. 7**

### **Committee rules**

- (1) The members of the committees of the Supervisory Board shall be appointed for the duration of their term of office, unless a shorter period of office is determined at the election by the Supervisory Board.
- (2) The provisions made for the Supervisory Board in the Articles of Association and Rules of Procedure shall apply by analogy to committees unless specified otherwise below.
- (3) The committee shall constitute a quorum when at least three committee members take part in the resolution.

- (4) If a vote in the committee is tied, the chairman of the committee shall have two votes in a renewed vote on the item if this too is tied. The vice chairmen are not entitled to a second vote. The provisions of this par. do not apply for the committee under Art. 27 par. 3 MitbestG.

## **Art. 8**

### **Supervisory Board member requirements**

- (1) The Supervisory Board should include what the Supervisory Board feels is an adequate number of independent members.
- (2) Each member of the Supervisory Board shall immediately disclose to the Supervisory Board any conflicts of interest, in particular those which may result from a consultant or directorship function with clients, suppliers, lenders or other business associates. The disclosure procedure shall be agreed with the Supervisory Board chairman.

In its report to the general stockholders' meeting, the Supervisory Board shall provide information on any conflicts of interest which have occurred together with their treatment.

Material conflicts of interest and those which are not merely temporary in respect of the person of a Supervisory Board member shall result in the termination of his mandate, e.g. through resignation.

A Supervisory Board member whose professional activity significantly changes compared with that at the time of his election shall discuss the possible termination of his mandate with the Supervisory Board chairman.

- (3) As a rule, only persons below the age of 70 should be proposed for election as members of the Supervisory Board of the Company.

**Art. 9**

**Efficiency review**

The Supervisory Board shall examine the efficiency of its activities once a year. As well as qualitative criteria to be determined by the Supervisory Board, the object of the efficiency review shall be in particular the procedures followed by the Supervisory Board and the flow of information between the committees and the full Supervisory Board as well as the provision of adequate information in good time to the Supervisory Board. To this end, the Supervisory Board shall define more closely the information and reporting requirements applying to the Executive Board.

**Art. 10**

**Declarations of intent**

- (1) The chairman of the Supervisory Board is authorized to issue the declarations of intent necessary for the implementation of Supervisory Board resolutions and to accept declarations of intent on behalf of the Supervisory Board. If he is unavailable the vice chairman – and if he is unavailable the further vice chairman – shall have these powers.
- (2) The chairman shall represent the Supervisory Board in such a way that he adds the words "The Chairman of the Supervisory Board" to the Company name.