

# **RULES OF PROCEDURE**

## **for the Audit Committee of the Supervisory Board of MAN SE**

The Audit Committee has adopted the following rules of procedure:

### **Section 1 General information**

The Audit Committee shall perform its function in accordance with statutory provisions, the Articles of Association, the rules of procedure and resolutions of the Supervisory Board, and these rules of procedure.

### **Section 2 Constitution of the Audit Committee & chair**

- (1) The Audit Committee meets for a constituent meeting without delay after a standard term of office for the Supervisory Board has begun and after the members of the Audit Committee to be elected by the Supervisory Board have been appointed.
- (2) The Audit Committee elects a chair and a deputy chair at the constituent meeting. The chair of the Audit Committee must be a shareholder representative. He/she should not be a former member of the Company's Executive Board or the Chair of the Supervisory Board. The chair and his/her deputy shall be elected for a term of office that corresponds to the Supervisory Board's term of office. The chair and his/her deputy should have specific knowledge and experience of applying accounting principles and internal control procedures.
- (3) If the chair leaves during the term of office or vacates his/her office before the end of the term, the Audit Committee must elect a new chair for the remaining term without delay. This election will not be held until the Supervisory Board has elected any new member required for the Audit Committee. If the deputy chair leaves, sentences 1 and 2 of this section will apply accordingly.

### **Section 3 Meetings and resolutions**

- (1) The Audit Committee holds a minimum of two regular meetings over the course of the year. One meeting has to take place before the Supervisory Board financial statements meeting, and another prior to the publication of the half-year financial statements.  
If quarterly reports are published for Q1 and/or Q3, the Audit Committee is to also discuss these reports with the Executive Board prior to their publication, see section 4 (3).
- (2) The chair of the Audit Committee, or alternatively the deputy chair, prepares the agenda for the meetings.
- (3) The Audit Committee constitutes a quorum if the members have been invited by contacting them at their last known address in writing (or even by fax, e-mail, or any other conventional means of telecommunication) and at least three members of the Audit Committee take part in adoption of the resolution.
- (4) The chair, or alternatively the deputy chair, convenes the Audit Committee meetings with at least one week's notice. The notice period may be shortened in urgent cases and the meeting may also be convened by telephone. The invitation must specify the venue, date, and time of the meeting as well as the individual items on the agenda in order to enable absent Audit Committee members to exercise their right to cast votes in writing.
- (5) Votes may only be taken on items not announced on the agenda if all members of the Audit Committee agree with the resolution regarding such items. If the meeting is not attended by all members, the resolution procedure will require the subsequent approval of the absent Audit Committee member(s). The absent Audit Committee members must inform the chair of the Audit Committee, or alternatively the deputy chair, of their decision within seven days. If they do not approve or if they do not voice an opinion within this period, the resolution is deemed not to have been adopted.
- (6) Unless otherwise provided for by law, resolutions of the Audit Committee require a simple majority of the votes cast by its members. In the event of a tie, the chair of the Audit Committee has the casting vote. A deputy chair of the Audit Committee is not entitled to exercise a casting vote.

- (7) As a rule, resolutions of the Audit Committee are passed in meetings where the members are present. However, meetings of the Audit Committee may be held in the form of a video conference or teleconference if the chair of the Audit Committee rules accordingly. Alternatively, individual Audit Committee members may take part in meetings via a video or telephone link. In such cases, votes may be cast and resolutions adopted in a video conference, via a video link-up, or by telephone. Outside of meetings, votes may be cast and resolutions passed in text form as defined by section 126b of the *Bürgerliches Gesetzbuch* (BGB — German Civil Code), i.e., in writing, by fax or via e-mail, or by any other conventional means of telecommunication if ordered by the chair of the Audit Committee and if no member of the Audit Committee raises any objections to this procedure without delay in text form.
- (8) The negotiations and resolutions of the Audit Committee shall be recorded in minutes of the meeting, which must then be signed by the chair of the Audit Committee or by the chair of the meeting.
- (9) The chair of the Supervisory Board shall be responsible for the enforcement of resolutions adopted by the Audit Committee.

#### **Section 4 Powers of the Audit Committee**

- (1) The powers and duties of the Audit Committee are governed by the relevant assignments set by the Supervisory Board.
- (2) Pursuant to section 3.4 of the rules of procedure for the Supervisory Board (as of: July 28, 2017), the Audit Committee is entrusted with deliberation of the following matters:
  - a) Preparing the Supervisory Board's decision regarding the adoption of the annual financial statements and approval of the consolidated financial statements. This primarily includes dealing with accounting and auditing issues — and in particular the independence of the auditor and the services additionally rendered by the auditor — in addition to discussing the audit report with the auditor.
  - b) Dealing with the monitoring and integrity of accounting and of accounting processes, the effectiveness of the internal control system, the internal risk management system, and the internal audit system, and dealing with compliance issues.
  - c) Preparing the Supervisory Board's decision regarding the nomination of an auditor for election by the Annual General Meeting and reviewing the independence of the auditor.

- d) Preparing the Supervisory Board's decision regarding the engagement of the auditor for the annual and consolidated financial statements, which includes determining the areas of emphasis of the audit and agreeing the fee for the audit.
- (3) Furthermore, the Audit Committee must discuss half-yearly and quarterly financial reports with the Executive Board prior to their publication pursuant to section 3.5 of the Supervisory Board's rules of procedure.
- (4) Pursuant to section 3.6 of the rules of procedure for the Supervisory Board, the Audit Committee is authorized to issue guidelines for the treatment of nonstatutory audit services performed by auditors in the MAN Group. The performance of these nonstatutory audit services requires the prior approval of the Audit Committee if and to the extent that this decision has not been delegated in accordance with the aforementioned guidelines.
- (5) Pursuant to section 3.7 of the rules of procedure for the Supervisory Board, the Audit Committee reviews the quality of financial statements audits on a regular basis — at least every two years.

## **Section 5 Reports by the Executive Board**

- (1) The Executive Board regularly reports to the Audit Committee on all main topics in connection with the duties of the Audit Committee, including the primary audit findings and audit planning of the internal audit function. The chair of the Executive Board, and in particular the Executive Board member responsible for Controlling activities, should attend the meetings of the Audit Committee at its request and report to the Committee.
- (2) The chair of the Audit Committee is responsible for regularly discussing current accounting topics with the Executive Board, particularly any key accounting issues, half-year and quarterly financial reports (if these are published), special topics in connection with the preparation of the annual and consolidated financial statements, and compliance questions.

## **Section 6 Reporting at Supervisory Board meetings**

The chair of the Audit Committee, or alternatively the deputy chair, reports on the main results of the Audit Committee's work and its resolutions at Supervisory Board meetings.