



## **Rules of Procedure for the Managing Board of init innovations in traffic systems SE**

The Supervisory Board of the company has adopted the following rules of procedure for the Managing Board.

### **§ 1**

#### **General information**

The members of the Managing Board shall conduct the business of the company with the diligence of a prudent and conscientious manager in accordance with the provisions of the law, the articles of association, the rules of procedure, the schedule of responsibilities and their contracts of employment. These rules of procedure also apply to those members of the Managing Board of init SE who have contracts of employment with INIT GmbH.

### **§ 2**

#### **Areas of responsibility of the individual members of the Managing Board**

- (1) The areas of responsibility of the members of the Managing Board are set out in the schedule of responsibilities. Each member of the Managing Board shall act independently in the area of responsibility assigned to him, but shall always subordinate the interests of his area of responsibility to the overall welfare of the Company.  
Irrespective of the allocation of responsibilities, each member of the Managing Board remains responsible for the management of the Company as a whole.
- (2) The Chairperson of the Managing Board shall be informed on an ongoing basis of all important matters relating to the areas of responsibility of the other members of the Managing Board and, at his request, also of individual matters.
- (3) Insofar as measures and transactions of one business area simultaneously affect another or several other business areas, the member of the Managing Board must first reach an agreement with the other member(s) concerned. If no agreement can be reached, a decision must be taken by the entire Managing Board, unless, in the Managing Board's opinion, immediate action is required to avoid imminent damage to the company. The Chairperson of the Board shall be informed immediately of such independent action and the full Board shall be informed at the next meeting.
- (4) The members of the Board shall work together as colleagues. They shall keep each other informed of important actions and events in their respective business areas. Each member



of the Managing Board is obliged to bring about a decision by the full Managing Board in the event of concerns about measures in another business area, if the concerns cannot be resolved through discussion with the other member of the Managing Board.

- (5) Measures and transactions which are of exceptional importance to the company or which involve an exceptional economic risk require the prior approval of the entire Managing Board, unless immediate action is required at the discretion of the Managing Board to avoid imminent disadvantages for the company. Para. 3, sentence 3 shall apply mutatis mutandis.

### **§ 3**

#### **Resolutions of the entire Managing Board**

- (1) Notwithstanding the provisions of Article 2 of these Rules of Procedure, the Managing Board as a whole shall decide
- (a) on matters for which the law, the Articles of Association or these Rules of Procedure provide for a decision by the Managing Board as a whole
  - (b) on matters requiring the approval of the Supervisory Board
  - (c) on the annual financial statements and the annual report of the company
  - (d) on fundamental questions concerning the organisation, business policy and investment and financial planning of the company
  - (e) on the convening of the General Meeting and the motions and proposals of the Managing Board for resolutions to be passed by the General Meeting
  - (f) if the chairperson of the Managing Board or two members of the Managing Board so request.
- (2) The entire Managing Board may authorise individual members of the Managing Board to implement resolutions and measures which are the responsibility of the entire Managing Board.
- (3) The Managing Board as a whole may determine that matters other than those referred to in (1) are the responsibility of the Managing Board as a whole, either generally or in individual cases. The Supervisory Board shall be informed of this decision.

### **§ 4**

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

- (1) Within the framework of these Rules of Procedure, the schedule of responsibilities and the employment contracts of the members of the Managing Board, the Chairperson of the Managing Board shall determine the areas in which and the manner in which several members of the Managing Board shall cooperate. He shall regulate the cooperation between the members of the Managing Board, in particular in the event of overlapping business



areas. The Chairperson of the Managing Board shall determine which matters are to be referred to him.

- (2) The Chairperson of the Managing Board may object to management measures taken by members of the Managing Board and to resolutions of the Managing Board as a whole. If the Chairperson of the Managing Board exercises this right of veto, the management measure or the implementation of the resolution must be omitted. In this case, the Supervisory Board shall be informed immediately.

## **§ 5**

### **Schedule of Responsibilities**

- (1) The schedule of responsibilities shall be proposed by the Chairperson of the Managing Board, taking into account the service contracts of the individual members of the Managing Board.
- (2) The adoption, amendment or cancellation of the Schedule of Responsibilities shall require a unanimous decision of the entire Managing Board. If no unanimous decision can be reached, the Chairperson of the Managing Board shall request the Supervisory Board to regulate the allocation of responsibilities in accordance with § 2 of the Rules of Procedure.
- (3) The schedule of responsibilities shall be submitted to the Supervisory Board for approval immediately after its adoption (Article 5(4) of the Articles of Association).

## **§ 6**

### **Meetings and Resolutions**

- (1) Meetings of the Managing Board shall be held at regular intervals, but at least once a month. They shall be held whenever the interests of the Company so require.
- (2) The Chairperson of the Managing Board shall convene a meeting of the entire Managing Board at the request of a member of the Managing Board.
- (3) Resolutions of the Managing Board shall be passed regularly at meetings. Resolutions may also be passed outside meetings in writing or by telephone, video conference, fax, e-mail or other electronic media, provided that no member of the Managing Board objects to this procedure. Votes cast by telephone or video conference must be confirmed in writing. In this context, "in writing" also means confirmation by e-mail or inclusion in the minutes of the next meeting of the Managing Board.
- (4) Meetings of the Managing Board shall be prepared, convened and chaired by the Chairperson of the Managing Board or, in his absence, by the Deputy Chairperson, with one week's notice of the agenda. Amendments to the agenda within the period of notice shall be



permitted, provided that the current agenda is available for inspection by all members of the Managing Board prior to the meeting of the Managing Board.

- (5) The Board shall be quorate if at least half of its members, including the Chairperson or his Deputy, participate in the passing of resolutions.
- (6) Absent members of the Managing Board may cast their votes in writing, by telephone, video conference, fax, e-mail or any other electronic means. Votes cast by telephone or video conference must be confirmed in writing. In this context, "in writing" includes confirmation by e-mail or inclusion in the minutes of the next meeting of the Managing Board. Absent members must be informed without delay of the decisions taken in their absence.
- (7) Unless otherwise provided, the Managing Board shall pass resolutions by a simple majority of the votes of the members participating in the resolution. In the event of a tied vote, the Chairperson of the Board shall have the casting vote.
- (8) Matters falling within the competence of an absent member of the Managing Board shall be discussed and decided upon only in exceptional cases of urgency. The absent member shall be informed of the outcome of the decision. If the result of the decision does not meet with the approval of the absent director, the absent director shall immediately object to the Chairperson of the Board. On the basis of the written or oral objection, the subject matter of the resolution must then be discussed again at the next meeting and a final decision taken.
- (9) Minutes shall be taken of each meeting of the Managing Board, stating the place and date of the meeting, the participants, the agenda and the content of the resolutions of the Board.

## **§ 7**

### **Committees**

- (1) Committees of the Managing Board for technical, commercial or financial matters may be formed to conduct audits and prepare resolutions of the Board. The formation of Board Committees shall be decided by the Managing Board as a whole on the proposal of the Chairperson.
- (2) Committees of the Managing Board may adopt rules of procedure governing the details of their activities within the scope of the authority granted to them by the Board.
- (3) The Committees shall inform the Managing Board as a whole of the results of their deliberations and send it the minutes of their meetings.

## **§ 8**

### **Coordination during holidays and illness**

The Chairperson of the Managing Board shall coordinate the requests for leave and the corresponding representation of the members of the Managing Board. The same shall apply in the event of illness or other incapacity of a member of the Board.



## § 9

### Cooperation with the Supervisory Board

- (1) The obligation to report to the Supervisory Board on the matters specified in Section 90 of the German Stock Corporation Act is the responsibility of the entire Managing Board under the leadership of the Chairperson of the Managing Board. The reports of the Managing Board shall be submitted in writing, unless a verbal report is sufficient or required in individual cases due to the urgency of the matter.
- (2) In addition to reporting in accordance with para. 1, the Chairperson of the Managing Board shall regularly inform the Chairperson of the Supervisory Board orally and, if the latter so requests, in writing about the course of business and the situation of the company, including of affiliated companies. All members of the Managing Board shall support the chairperson in the fulfilment of this task.
- (3) The Chairperson of the Managing Board shall immediately report to the Chairperson of the Supervisory Board orally or in writing on all matters of particular importance to the company.
- (4) Reports and proposals from members of the Managing Board to the Supervisory Board shall be submitted to the Chairperson of the Managing Board with the request that they be forwarded.

## § 10

### Business subject to approval

- (1) In principle, the provisions of the German Stock Corporation Act shall apply to transactions requiring approval.
- (2) The preparation of corporate planning (annual budget) shall require the approval of the Supervisory Board. An investment and business plan with a budget for the following financial year shall be submitted to the Supervisory Board for approval each year.
- (3) The Managing Board shall require the approval of the Supervisory Board for the following transactions, unless they are already covered by the approval in the investment and business plan
  - (a) Acquisition and disposal of real estate and encumbrance of own real estate, in each case with a value of more than EUR 1,000,000.
  - (b) Acquisition and disposal of companies, investments in companies, significant changes in capital and disposal of shares in subsidiaries. In addition, the establishment and closure of locations (i.e. the establishment and closure of operating facilities and branches) as well as cooperation agreements similar to shareholdings, provided that this process is of material importance to the company,
  - (c) The addition or discontinuance of businesses, provided that this process amounts to 2.5 per cent of the group's revenues,



- (d) Entering into intercompany agreements (e.g. profit and loss transfer agreements, domination agreements, etc.)
  - (e) Issuing bonds,
  - (f) Taking out or granting financial loans, except in the ordinary course of business. The granting of financial loans to subsidiaries is part of normal business operations,
  - (g) This does not apply to guarantees (e.g. advance payment guarantees), guarantees and loans that are customary in the ordinary course of business,
  - (h) Investment projects outside the investment plan, the scope of which exceeds EUR 1,000,000 in an individual case, irrespective of whether the investments are made in one financial year or are spread over several financial years in accordance with the plan; investments that belong together are also to be added together. Investments that are within the scope of the investment and business plan do not require any further approval; new hardware and software developments or enhancements that exceed EUR 1,000,000 in an individual case (regardless of whether the costs are incurred in one or more financial years) and that must be capitalised in accordance with IFRS regulations require the approval of the Supervisory Board. If no capitalisation is required, it can be assumed that the costs of investments made in the ordinary course of business have been taken into account in the submitted business plan.
  - (i) Employment contracts of members of the Managing Board with subsidiaries and/or third parties, as well as remuneration from employment contracts with third parties.
- (4) The Supervisory Board is authorised to extend or restrict the scope of the transactions requiring approval.

## **§ 11**

### **Amendments to the Rules of Procedure**

Amendments to the Rules of Procedure require a 2/3 majority of the members of the Supervisory Board.