

CERTIFIED COPY

Deed No. 1384/2017

**Certification in accordance with  
section 181 of the German Stock Corporation Act.**

The amendments contained in the following Articles of Association of

**GRAMMER Aktiengesellschaft**

are consistent with the resolution passed by the Supervisory Board on May 23, 2017 to amend the Articles of Association. Otherwise, the unchanged provisions are consistent with the full wording of the Articles of Association in the version previously filed with the commercial register.

Signed in Amberg on June 19, 2017

(Dr. Frank, Notary)

**Non-binding translation of the Articles of Association of GRAMMER  
Aktiengesellschaft.**

**Articles of Association**  
of  
GRAMMER Aktiengesellschaft

**I. General provisions**

**Article 1**

**Name, domicile and financial year**

- (1) The Company shall have the name  
GRAMMER Aktiengesellschaft
- (2) It shall have its registered offices in Amberg.
- (3) Its financial year shall be the calendar year.

**Article 2**

**Purpose of the Company**

- (1) The Company's purpose shall be to develop, manufacture, deliver and sell seats as well as interior components and systems for the automotive industry as well as products for related technologies.
- (2) The Company may engage in all activities and take all measures deemed conducive to its purpose. In particular, it may establish or acquire branches, permanent establishments and other companies in Germany or abroad, acquire shares in them and transfer all or part of its operations to such undertakings. It may also enter into corporate, partnership and interesting-pooling contracts.

**Article 3**

**Choice of court**

All disputes between the Company or its governance bodies and its shareholders who are not subject to any general jurisdiction within Germany at the time at which proceedings are commenced shall be referred to the competent courts of law holding jurisdiction for the town or city in which the Company's registered offices are located.

**Article 4**

**Announcements and notices**

- (1) In the absence of any mandatory statutory provisions to the contrary, the Company's announcements shall be published in "Bundesanzeiger".
- (2) The Company may transmit information to the holders of its securities by

means of data telecommunications in accordance with Section 30b (3) of the German Securities Trading Act.

## **II. Share capital and shares**

### **Article 5**

#### **Share capital**

- (1) The Company has share capital of EUR 32,274,229.76 (say: thirty-two million two hundred and seventy-four thousand two hundred and twenty-nine euros and seventy-six euro cents).
- (2) The share capital is divided into 12,607,121 (say: twelve million six hundred and seven thousand one hundred and twenty-one) shares.
- (3) The Executive Board shall be authorized to increase the Company's share capital once or repeatedly by a total of up to EUR 14,777,182 on a cash and/or non-cash basis on or before May 25, 2016 subject to the Supervisory Board's approval (Authorized Capital 2011). A general shareholder subscription right applies to the new shares. The new shares may also be underwritten by one or more banks subject to an obligation to offer them for subscription to shareholders. The Executive Board is, however, authorized, subject to the approval of the Supervisory Board, to exclude shareholders' statutory subscription rights,
  - provided that this is necessary to eliminate fractional amounts;
  - if the shares are issued on a non-cash basis for the purpose of acquiring companies, parts of companies or for settling any amounts owed by the Company;
  - if the cash issue of new share capital does not exceed 10% of share capital and the issue price of the new shares is not substantially lower than the stock price (Section 186 (3) Sentence 4 of the German Stock Corporation Act); if use is made of the authorization in conjunction with an exclusion of the shareholders' preemptive subscription rights in accordance with Section 186 (3) Sentence 4 of the German Stock Corporation Act, the exclusion of shareholders' preemptive subscription rights under other authorizations shall be taken into account pursuant to Section 186 (3) Sentence 4 of the German Stock Corporation Act.

The Executive Board is authorized to determine the further details of the capital issue and its execution subject to the Supervisory Board's approval. The Supervisory Board shall be authorized to revise the Articles of Association to reflect the exercise of Authorized Capital 2011.

- (4) The Company's share capital shall be increased by up to EUR 12,057,318.40 on a contingent basis through the issue of up to 4,709,890 new bearer shares (Contingent Capital 2014/I). The contingent capital is only to be issued to the extent that the holders of convertible bonds and/or option bonds issued by the Company on or before May 27, 2019 in accordance with the authorization granted by the Annual General Meeting on May 28, 2014 exercise their conversion or option rights or conversion obligations under such bonds are

settled and to the extent that no other methods are used to perform these obligations. The new shares will be dividend-entitled from the beginning of the year in which they arise as a result of the exercise of conversion or option rights or the settlement of conversion obligations. The Executive Board shall be authorized subject to the Supervisory Board's approval to determine the details of the creation of the contingent capital. The Supervisory Board shall be authorized to revise the Articles of Association to reflect the exercise of the contingent capital.

## **Article 6**

### **Shares**

- (1) The shares shall be bearer shares.
- (2) Subject to the Supervisory Board's approval, the Executive Board shall determine the form which share certificates and renewal coupons are to take.
- (3) The Company may combine individual shares in share certificates embodying multiple shares (collective shares). Shareholders shall not be entitled to demand a certificate embodying the shares which they hold.
- (4) If the share capital is increased, the dividend entitlement accruing to the new shares may be determined in derogation from section 60 of the German Stock Corporation Act (Aktiengesetz).

## **III. Constitution and management of the Company**

### **Article 7**

#### **Governance bodies**

The Company shall have the following governance bodies:

- a) the Executive Board,
- b) the Supervisory Board,
- c) the Annual General Meeting

#### **A. THE EXECUTIVE BOARD**

### **Article 8**

#### **Composition, resolutions and rules of procedure of the Executive Board**

- (1) The Company's Executive Board shall comprise at least two persons. Deputy members of the Executive Board may be appointed.
- (2) The Supervisory Board shall be responsible for determining the number of

members of the Executive Board, appointing persons to the Executive Board, nominating deputy members of the Executive Board, entering into service contracts with the members of the Executive Board and dismissing the members of the Executive Board. It may nominate a chairman and deputy chairman of the Executive Board.

- (3) The Executive Board shall pass resolutions with a simple majority of the votes cast. If a member of the Executive Board has been nominated as chairman and if the Executive Board is composed of more than two members, the chairman shall have the casting voting in the event of a parity of votes.

## **Article 9**

### **Management and representation of the Company**

- (1) The members of the Executive Board shall conduct the Company's business pursuant to the relevant statutory provisions, these Articles of Association, the Executive Board's rules of procedure and the schedule of responsibilities.
- (2) The Company shall be represented by two members of the Executive Board or one member of the Executive Board acting in conjunction with a holder of general signing powers ("Prokurist").
- (3) The Supervisory Board may grant all or individual members of the Executive Board authorization to represent the Company on their own and exempt them to the extent permitted by law (Section 112 of the German Stock Corporation Act) from the self-contracting provisions provided for in Section 181 of the German Civil Code.

## **B. THE SUPERVISORY BOARD**

### **Article 10**

#### **Composition and duration of office of the Supervisory Board**

- (1) The Supervisory Board shall be composed of twelve members, six of whom shall be elected by the Annual General Meeting and six by the employees in accordance with the Co-Determination Act of 1976.
- (2) The members of the Supervisory Board shall be elected for a period ending at the conclusion of the Annual General Meeting at which a resolution is passed to ratify its actions for the fourth financial year after the commencement of office, not including the year in which their term of office commences. The Annual General Meeting may determine a shorter term of office for individual or all members to be elected to the Supervisory Board. Re-election shall be permissible.
- (3) Replacement members may be elected for individual or multiple members of the Supervisory Board elected by the Annual General Meeting. The replacement members shall become full members of the Supervisory Board in the sequence to be determined during the election in the event that any

members of the Supervisory Board as whose deputies they have been elected leave the Supervisory Board prior to the expiry of their full term of office. The election of the replacement members of the Supervisory Board by the employees shall be governed by the provisions of the Co-Determination Act of 1976.

- (4) If a member of the Supervisory Board elected by the shareholders is appointed to replace a member leaving the Supervisory Board, his office shall expire on the date on which the original member's office would also have expired. If a replacement member replaces a member leaving the Supervisory Board, his office shall expire upon the termination of the next Annual General Meeting at which an election is held provided that this is no later than the date on which the term of office of the member leaving the Supervisory Board would have expired. If the replacement member is elected as a replacement for at least one further member of the Supervisory Board still holding office, he shall resume his status as a replacement member for this member of the Supervisory Board.

## **Article 11**

### **The chairman and deputy chairman of the Supervisory Board**

- (1) The Annual General Meeting at which all of the members of the Supervisory Board to be elected by the shareholders are elected shall be followed by a meeting of the Supervisory Board, for which no particular convening notice shall be required. At this meeting, the Supervisory Board shall elect from its own number a chairman and one or more deputy chairmen for the term of office of the Supervisory Board or for a shorter period. It shall be possible for the chairman of the Supervisory Board and/or his deputies to be dismissed.
- (2) If the chairman of the Supervisory Board is prevented from exercising his duties, his duties shall be performed by the deputy chairman. If there is more than one deputy chairman, the order determined during the election in which they are to perform the chairman's duties shall apply. If the chairman and the deputy chairman are prevented from performing their duties, these duties shall be performed by the oldest member of the Supervisory Board for the duration of the period in which the chairman and the deputy chairman are unavailable.
- (3) If the chairman or deputy chairman retire before the expiry of their term of office, Supervisory Board shall immediately elect a replacement for the remaining term of office of the retiring chairman or deputy chairman.

## **Article 12**

### **Dismissal or resignation from office**

- (1) The members of the Supervisory Board elected by the Annual General Meeting may be dismissed before the expiry of their term of office with a simple majority of the votes cast.
- (2) The members and replacement members of the Supervisory Board may resign

from office by serving a written declaration to this effect on the Executive Board and simultaneously notifying the Chairman of the Supervisory Board subject to notice of four weeks.

### **Article 13**

#### **Duties and rights of the Supervisory Board**

- (1) The Supervisory Board shall hold all rights and perform all duties accruing to it in accordance with statutory provisions, these Articles of Association or in any other manner.
- (2) In the rules of procedure which it issues to the Executive Board, the Supervisory Board shall determine the types of transactions and activities which require its approval.
- (3) The Supervisory Board may make modifications to these Articles of Association affecting only their wording.

### **Article 14**

#### **Rules of procedure and committees**

- (1) The Supervisory Board shall adopt rules of procedure within the scope provided for by statute and these Articles of Association.
- (2) The Supervisory Board may form one or more committees from its number and delegate certain duties and rights to them under its rules of procedure or by means of a specific resolution. To the extent permitted by law, decision-making powers may also be delegated to such committees.

### **Article 15**

#### **Expressions of will of the Supervisory Board**

Expressions of will of the Supervisory Board shall be given on its behalf by the chairman of the Supervisory Board or, if he is not available, the deputy chairman.

### **Article 16**

#### **Notices convening the meeting of the Supervisory Board**

- (1) The Supervisory Board shall convene a meeting once each quarter of the calendar year; such meeting must be convened twice every six months.
- (2) Meetings of the Supervisory Board shall be convened by the chairman of the Supervisory Board or, if he is not available, the deputy chairman in writing subject to notice of fourteen days, not including the day on which the notice is posted and the day on which the meeting is held. In urgent cases, the

chairman may determine that a shorter period of notice is to apply and convene the meeting of the Supervisory Board orally, by telephone, by telex, by telefax or electronically.

- (3) The notice convening the meeting of the Supervisory Board shall include the agenda and motions on which votes are to be cast at the meeting.

## **Article 17**

### **Resolutions**

- (1) The Supervisory Board shall be deemed to have a quorum if the notice convening the meeting has been served on all members at their last known address and at least half of the members of which Supervisory Board is required to consist attend the meeting. A member shall also be deemed to have attended the meeting of the Supervisory Board notwithstanding the fact that he abstains from voting. The Chairman of the Supervisory Board may determine that meetings of the Supervisory Board may also be held in the form of a video conference or that in justified cases individual members of the Supervisory Board may participate in a meeting of the Supervisory Board via a video conference.
- (2) Resolutions concerning any item of the agenda not mentioned in the notice convening the meeting shall be permissible only if no member of the Supervisory Board present at the meeting raises any objection. In such case, absent members of the Supervisory Board shall be given an opportunity of rejecting the resolution or casting their vote in writing within a reasonable period to be determined by the chairman. The resolution shall not take effect until the absent members of the Supervisory Board have cast their vote in writing or if they have rejected the resolution within the period stated.
- (3) The chairman or, in his absence, the deputy chairman of the Supervisory Board shall chair the meeting of the Supervisory Board. In this capacity, the chairman of the meeting shall be responsible for determining the order of the items of the agenda as well as the manner and order of voting.
- (4) In the absence of any mandatory statutory provisions to the contrary, the resolutions of the Supervisory Board shall be deemed to have been passed with a simple majority of the vote cast. In the event of a parity of votes, voting shall be repeated, in which case the chairman of the Supervisory Board shall hold two votes. This shall also apply to elections.
- (5) An absent member of the Supervisory Board may arrange for another member of the Supervisory Board to lodge his vote in writing. In this way, the absent member of the Supervisory Board shall be deemed to have participated in voting on the resolution in question. Votes may also be cast by telefax or electronically.
- (6) Resolutions may be passed orally, by telephone, in writing, by telefax or electronically if the chairman or, in his absence, the deputy chairman of the Supervisory Board so instructs and no member of the Supervisory Board raises any objection. Otherwise, the provisions set out above shall apply.
- (7) If not all members of the Supervisory Board are present in person or via video

conference when a resolution is to be passed and if the absent members of the Supervisory Board do not submit written votes, voting on the resolution may be postponed at the request of at least two members of the Supervisory Board present. If voting on a resolution is postponed, votes shall be cast on this resolution at the next regular meeting unless an extraordinary meeting of the Supervisory Board is convened or Paragraph 6 above is applied. A further minority request to postpone voting shall not be permissible with such second vote.

- (8) If the chairman of the Supervisory Board takes part in the meeting or if a member of the Supervisory Board present at the meeting casts his vote in person, Paragraph 7 shall not apply if the same number of shareholder and employee representatives are present in person or cast their vote in writing or if any imbalance is eliminated as a result of individual members of the Supervisory Board abstaining from voting.

## **Article 18**

### **Minutes**

Minutes shall be taken of the resolutions and the meetings of the Supervisory Board and signed by the person presiding over the meeting or, in the case of Article 17 (6), by the chairman of the Supervisory Board.

## **Article 19**

### **Confidentiality**

- (1) The members of the Supervisory Board shall treat as confidential all privileged information and the Company's secrets, including but not limited to operating and business secrets of which they become aware in the performance of their duties on the Supervisory Board.
- (2) If a member of the Supervisory Board intends to disclose to third parties any information which cannot be completely excluded as constituting confidential information, he shall first notify the chairman of the Supervisory Board, stating the identity of the persons to whom the information is to be disclosed and giving him an opportunity of expressing an opinion.
- (3) The duty of confidentiality provided for above shall survive the expiry of the office held by the members of the Supervisory Board.

## **Article 20**

### **Remuneration of the Supervisory Board**

- (1) For each complete year of Supervisory Board membership, each member of the Supervisory Board shall receive fixed remuneration of EUR 30,000. The Chairman shall receive twice this amount and the Deputy Chairman one and a half times this amount as fixed annual remuneration. The fixed remuneration is

payable after the end of each fiscal year.

- (2) The members of the Supervisory Board shall also receive a fee of EUR 1,000 for each Supervisory Board or committee meeting which they attend in person, plus reimbursed expenses. The chairman of a committee shall receive a further EUR 1,000 per committee meeting. The meeting fee is not paid for participation in meetings of the Nominating Committee. The fixed payment for reimbursement of expenses is payable in each case on the first business day following the Supervisory Board or committee meeting.
- (3) Members of the Supervisory Board who only sit on the board for part of the year receive fixed remuneration on a pro rata basis.
- (4) The Company is authorized to take out financial loss insurance (D&O, directors and officers liability insurance) at reasonable conditions in line with the prevailing market rate, the premiums for which shall be paid by the Company.
- (5) The Company will also reimburse members of the Supervisory Board for any VAT liability incurred on the remuneration paid and the lump-sum reimbursement of expenses.

## **C. THE ANNUAL GENERAL MEETING**

### **Article 21**

#### **Place of and invitation to the Annual General Meeting**

- (1) The Annual General Meeting shall be held at the registered offices of the Company or of a branch or subsidiary of the Company or in another city in the Federal Republic of Germany with a population of more than 100,000 or in which a German stock market is domiciled in Germany. The place of the Annual General Meeting shall be stated in the invitation.
- (2) The Annual General Meeting shall be convened by the Executive Board or, in the cases stipulated by law, by the Supervisory Board.
- (3) The Annual General Meeting shall be held within the first eight months of each financial year. Extraordinary shareholder meetings may be convened whenever they are warranted by the Company's interests.
- (4) The annual general meeting shall be convened subject to notice, the period of which shall be no less than that stipulated by law.

### **Article 22**

#### **Right of attendance at the Annual General Meeting**

- (1) Only those shareholders who register for the Annual General Meeting and provide proof of share ownership shall be entitled to attend the Annual General Meeting and exercise their voting rights. Registration and proof of share ownership shall be served on the Company at the address stated in the

invitation for this purpose by no later than the expiry of the statutory period prior to the Annual General Meeting. The invitation may provide for a shorter period stated in days for service of registration and proof of share ownership.

- (2) Proof of share ownership shall be true as of the beginning of the 21st day prior to the date of the Annual General Meeting. In accordance with section 126b of the German Civil Code (BGB - "Bürgerliches Gesetzbuch"), the proof of share ownership must be provided in the form of written confirmation issued by the custodian bank at which the shares are held. The confirmation must be in German or English. The invitation may also include provision for the confirmation to be drafted in other languages.
- (3) The day of the Annual General Meeting shall not be included in the periods provided for in Paragraphs 1 and 2.
- (4) The Executive Board may permit shareholders to attend the Annual General Meeting notwithstanding their physical absence and without the need for any proxy and to exercise all or any part of their rights either fully or partially in electronic form (online attendance). The Executive Board may also stipulate the specific arrangements applicable to this procedure. These shall be published in the invitation to the Annual General Meeting.

### **Article 23**

#### **Voting rights**

- (1) Shareholders shall have one vote per share.
- (2) Voting rights may be exercised by proxy. Proxies, notice of revocation of proxies and proof of authorization must be served on the Company in text form. The invitation to the Annual General Meeting may provide for formal conveniences in connection with the grant, revocation and/or documentary evidence of voting proxies. This shall not prejudice section 135 of the German Stock Corporation Act. Documentary evidence of the voting proxy may be submitted to the Company by electronic means specified in greater detail by the Executive Board. The details shall be published in the invitation to the Annual General Meeting.
- (3) The Company shall nominate a representative to exercise the shareholders' voting rights in accordance with their instructions. The details pertaining to the grant of such instructions shall be published in the invitation to the Annual General Meeting.
- (4) The Executive Board may permit shareholders who do not attend the Annual General Meeting to exercise their voting rights in writing or electronically (postal vote) and shall be authorized to determine the rules of this procedure. The details shall be published in the invitation to the Annual General Meeting.

## **Article 24**

### **Chairman of the Annual General Meeting/ public transmission**

- (1) The Annual General Meeting shall be presided over by the chairman of the Supervisory Board.
- (2) If the chairman of the Supervisory Board is not available, he shall nominate another member of the Supervisory Board to perform this duty. If the chairman is not available and has not nominated anyone to take his place, the members of the Supervisory Board representing the shareholders shall select a chairman of the meeting from their number.
- (3) The chairman of the meeting shall preside over the Annual General Meeting, determine the order of the items of the agenda to be deliberated on as well as the manner and sequence of voting. He may limit the time in which shareholders are permitted to exercise their right to ask questions and make statements to a reasonable degree. In particular, he may define the time constraints for conducting the meeting, opening the floor for discussion of any items of agenda and exercising the rights to address the assembly or asking questions on any items of the agenda.
- (4) The chairman of the meeting shall be authorized to permit the full or partial audio-visual transmission of the Annual General Meeting in a manner determined by him in greater detail.

## **Article 25**

### **Voting at the Annual General Meeting**

- (1) In the absence of any mandatory statutory provisions to the contrary, the resolutions of the Annual General Meeting shall be passed with a simple majority of the votes cast. In cases in which the relevant statutory provisions additionally require a majority of the share capital represented during the voting on the resolution, a simple majority of the share capital represented shall be deemed to be sufficient unless a larger majority is required by law. For this purpose, abstention from voting shall not be deemed to be a cast vote.
- (2) In the event of a parity of votes, the motion shall be deemed to have been rejected.
- (3) If a simple majority is not achieved in the first vote, a run-off vote shall be held between the two persons with the highest number of votes. The person with the higher number of votes shall be deemed to have prevailed; in the event of a parity of votes, lots shall be drawn by the chairman.

## **Article 26**

### **Minutes of the Annual General Meeting**

- (1) If and to the extent that this is required by law, minutes shall be taken of the Annual General Meeting and certified by a notary.

- (2) It shall not be necessary to attach written powers of attorney to the minutes.

#### **IV. Annual financial statements and appropriation of net profit**

##### **Article 27**

##### **Annual financial statements**

- (1) The Executive Board shall prepare the Company's annual financial statements and the management report as well as the consolidated financial statements and the Group management report for the previous financial year within the first three months of the new financial year and submit them to the Supervisory Board and the statutory auditor immediately upon their completion. At the same time, the Executive Board shall present to the Supervisory Board the proposal for the appropriation of the net profit to be submitted to the Annual General Meeting.
- (2) The Supervisory Board shall examine the annual financial statements, the management report and the proposal concerning the appropriation of the net profit as well as the consolidated financial statements and the Group management report and report to the Annual General Meeting on its findings in writing. It shall forward its report to the Executive Board within one month of receiving the documents.
- (3) The Executive Board shall convene the Annual General Meeting immediately after receiving the Supervisory Board's report.

##### **Article 28**

##### **Retained earnings**

- (1) If the Executive Board and the Supervisory Board approve the annual financial statements for the year, they may allocate up to half of the net profit for the year to the Company's retained earnings.
- (2) If the Annual General Meeting approves the annual financial statements for the year, half of the net profit for the year shall be allocated to the Company's retained earnings.
- (3) Any allocations to statutory reserves and loss carryforwards shall be deducted from the calculation of the portion of the net profit for the year to be retained in accordance with Paragraphs 1 and 2 above.

##### **Article 29**

##### **Utilization of net profit**

- (1) The Annual General Meeting shall pass a resolution on the allocation of the net profit stated in the approved annual financial statements. It may also

determine that the net profit is to be utilized for a purpose other than that provided for in section 58 (3) Sentence 1 of the German Stock Corporation Act.

- (2) The shareholders' share in the profit shall be determined on the basis of the number of shares held.
- (3) At the end of a financial year, the Executive Board may determine subject to the Supervisory Board's approval that an advance dividend is to be paid to the shareholders from the expected net profit in accordance with section 59 of the German Stock Corporation Act.
- (4) In passing a resolution on the allocation of the unappropriated surplus, the Annual General Meeting may determine that a non-cash dividend is to be distributed in addition to or in lieu of a cash dividend.

## **V. Miscellaneous provisions**

### **Article 30**

#### **Incorporation costs**

- (1) The incorporation costs shall be for GRAMMER AG's account.
- (2) The incorporation costs shall not exceed a total of DM 100,000.

This copy is identical to the original deed.

Signed in Amberg on June 20, 2017

Notary