



Declaration on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (*Aktiengesetz*, “AktG”)

The general partner as well as the shareholders' committee and the supervisory board of HELLA GmbH & Co. KGaA (“Company”) declare, in accordance with section 161 AktG, that since the last time this declaration was made on 02. June 2021, and except for the deviations set out below, the Company has complied, and intends to comply in the future, with the recommendations of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*, “DCGK”), as amended on 16 December 2019, taking into account the special features of its legal form described below.

I. Special features of the legal form

The DCGK is designed for companies in the legal form of a stock corporation or a European Company (SE) and does not take into account the special features of a limited partnership by shares (*Kommanditgesellschaft auf Aktien*, “KGaA”). Thus, a number of recommendations of the DCGK can be applied to HELLA GmbH & Co. KGaA only in a modified form. Important modifications follow from the special features of the legal form set out below:

1. Management

Unlike a stock corporation, which is managed by the board of directors (*Vorstand*), a KGaA is managed by its general partners. Their appointment and dismissal is not a responsibility of the supervisory board, but instead is a task of the general shareholders’ meeting. The company has one general partner, Hella Geschäftsführungs gesellschaft mbH with its registered office in Lippstadt, which is represented by its managing directors Dr. Rolf Breidenbach (chairman of the management board), Yves Andres, Dr. Lea Corzilius, Dr. Frank Huber, Bernard Schäferbarthold and Björn Twiehaus.¹ In contrast to the board of directors of a stock corporation, the appointment of the managing directors of Hella Geschäftsführungs gesellschaft mbH is not limited in time. The shares in Hella Geschäftsführungsgesellschaft mbH are held by the company. The associated shareholder rights are exercised by the Shareholders' Committee.

¹ Dr. Rolf Breidenbach and Dr. Frank Huber will leave the management board as planned on 30 June 2022. As of 1 July 2022, Michel Favre is set to succeed Dr. Rolf Breidenbach as chairman of the management board.

2. Shareholders' committee

The legal form of the KGaA, unlike that of the stock corporation, offers the possibility of creating further optional corporate bodies. The company has made use of this option. The shareholders' committee, established according to the articles of association and elected by the general shareholders' meeting, monitors and advises the general partner in the management of the business and can issue rules of procedure for it. In addition, it determines which transactions of the general partner require its prior consent. It has management authority and power of representation for the legal relationships between the Company and the general partner and represents the Company in legal disputes with the general partner.

The shareholders' committee exercises all rights arising from the shares in Hella Geschäftsführungsgesellschaft mbH held by the company. In particular, it is responsible for appointing and dismissing the managing directors and for regulating their employment relationships. The Shareholders' Committee is also responsible for implementing the resolutions of the shareholders.

Insofar as the DCGK contains recommendations on the tasks and responsibilities of the Supervisory Board, which at HELLA GmbH & Co. KGaA are performed by the Shareholders' Committee in accordance with the articles of association, these recommendations are related to the Shareholders' Committee.

3. Supervisory board

The supervisory board of a KGaA has limited powers compared to the supervisory board of a stock corporation. In particular, it is not responsible for appointments and dismissals in relation to the Company's management. Also, it has no power to issue rules of procedure for the Company's management and cannot determine which business decisions require its consent.

4. General shareholders' meeting

The legal status of the general shareholders' meeting does not differ significantly from that of a stock corporation. In particular, it elects the shareholder representatives of the supervisory board and the members of the shareholders' committee. As far as legally permissible, resolutions at the general shareholders' meeting of HELLA GmbH & Co. KGaA are passed by simple majority. In contrast to a stock corporation, the general shareholders' meeting of HELLA GmbH & Co. KGaA adopts resolutions on the approval of the annual financial statements by law.

According to the German Stock Corporation Act, certain resolutions of the general shareholders' meeting of a KGaA are dependent on the consent of the general partners (see

section 285 (2) AktG and section 286 (1) AktG). This right of approval is excluded by the articles of association of HELLA GmbH & Co. KGaA insofar as this is legally permissible; this applies in particular to amendments to the articles of association, fundamental transactions, extraordinary management measures and the admission and dismissal of general partners. The adoption of the annual financial statements by the Annual General Meeting, on the other hand, is only possible with the consent of the general partner. According to the Company's articles of association, the general partner declares this consent with the resolution recommendation on the annual financial statements addressed to the Annual General Meeting.

II. Deviations from recommendations of the DCGK

1. Period since submission of the last declaration of compliance on 02 June 2021

In the period since the last submission of the declaration of compliance on 02 June 2021, the following recommendations of the DCGK were not complied with:

- a) In deviation from recommendation C.4 DCGK, the chairmain of the shareholders' committee held a total of four mandates on supervisory boards or comparable bodies of listed companies outside the Group until August 31, 2021, two of which were as chair. The shareholders' committee was satisfied that the chairman had sufficient time to perform his duties on the shareholders' committee despite this slight exceeding of the maximum number of mandates. Since September 01, 2021 the chairman of the shareholders' committee has held only three such mandates, two of them as chair.
- b) In deviation from recommendation D.4 sentence 2 DCGK, the chairman of the supervisory board also chairs the audit committee. As a former Chief Financial Officer of a DAX company, he has particular knowledge and experience in accounting and internal control procedures. The purpose of recommendation D.4 sentence 2 DCGK is only applicable to a limited extent at HELLA, as there is a second control body in the form of the shareholders' committee. At HELLA, the chairman of the shareholders' committee assumes essential tasks that are the responsibility of the chairman of the supervisory board in an ordinary stock corporation.
- c) In deviation from recommendation G.4 DCGK, the shareholders' committee did not take into account the ratio of the remuneration of the management board to the remuneration of the senior management and the staff as a whole. The responsibilities of the individual members of the management board, his or her personal performance, the economic situation and the performance of the Group and the remuneration level of comparable companies are considered more appropriate and meaningful benchmarks for determining the amount of remuneration.

2. Forward-looking part

The general partner as well as the shareholders' committee and the supervisory board of HELLA GmbH & Co. KGaA intend not to comply with the recommendations of the DCGK listed above under No. 1 letters b) and c) in the future for the reasons stated in each case.

In addition, the shareholders' committee is expected to complete the business planning and formulation of financial targets for the new financial year only shortly after its start on 1 June 2022. The Company will thereby deviate from recommendation G.7, sentence 1 DCGK, according to which the performance criteria for the upcoming financial year are to be determined in advance for all variable remuneration components of the management board's compensation. This year's business planning is more demanding and therefore more time-consuming, among other things due to the inclusion of a short financial year (*Rumpfgeschäftsjahr*).

III. Further notes

According to recommendation G.10 DCGK, the variable remuneration of the board of directors should be predominantly invested in shares of the company or granted accordingly on a share-based basis. At HELLA, the recommendation is taken into account by linking the long-term variable remuneration component (LTI) for the management board to the development of HELLA's share price plus dividends granted (total shareholder return), in addition to other criteria. Following the acquisition of a large part of HELLA's shares by Faurecia at the beginning of the year, however, the development of HELLA's share price is only of limited relevance. HELLA is therefore considering restructuring the LTI component in the future. However, no change has yet been decided or concretely planned.

Lippstadt, 01. June 2022

The general partner

The shareholders' committee

The supervisory board