

**Articles of Association  
KSB SE & Co. KGaA  
67227 Frankenthal (Pfalz)  
Germany**

Last updated: 4 May 2023



# CONTENTS

<b>I. General</b>	<b>Sections 1–3</b>
<b>II. Share Capital and Shares</b>	<b>Sections 4–5</b>
<b>III. Company Constitution</b>	<b>Sections 6–18</b>
<b>1. General Partner, Management and Representation</b>	<b>Sections 6–8</b>
<b>2. Supervisory Board</b>	<b>Sections 9–14</b>
<b>3. Annual General Meeting</b>	<b>Sections 15–18</b>
<b>IV. Annual Financial Statements and Distribution of Profits</b>	<b>Sections 19–21</b>
<b>V. Dissolution</b>	<b>Section 22</b>
<b>VI. Final Provisions</b>	<b>Sections 23–24</b>

## I. GENERAL

### Section 1

- (1) The name of the Company is **KSB SE & Co. KGaA**.
- (2) The registered office of the company is in Frankenthal (Pfalz), Germany.

### Section 2

- (1) The objects of the Company are the manufacture, marketing and sale of as well as trade in machinery, plant and other industrial products, including but not limited to pumps, valves and compressors.
- (2) Within these limits, the Company shall be entitled to effect all transactions and measures deemed to be necessary or useful for attaining the objects of the Company, including but not limited to the acquisition and sale of real estate, the setting-up of national and international branch establishments, the acquisition of other enterprises or equity interests in other enterprises, as well as the conclusion of pool or syndicate agreements and affiliation agreements.

### Section 3

Notifications of the Company are published in the Bundesanzeiger [German Federal Gazette]. Information to shareholders may also be provided via data transmission.

## II. SHARE CAPITAL AND SHARES

### Section 4

- (1) The share capital of the Company is EUR 44,771,963.82 (in words: forty four million, seven hundred and seventy-one thousand, nine hundred and sixty-three point eighty-two euros).
- (2) The Company's shares are no-par-value ordinary shares and no-par-value preference shares. The Company's share capital is divided into 886 615 no-par-value ordinary shares and 864 712 no-par-value preference shares.

### Section 5

- (1) All shares are issued to bearer; this shall also apply to shares issued pursuant to any increase in capital.

- (2) Decisions on the form and content of the shares, the dividend warrants and renewal certificates shall rest with the General Partner. Shareholders shall not be entitled to claim individual certification of their interest.
- (3) In the event of any capital increase, the entitlement to dividends of new shares may be determined in deviation from section 60(2) AktG [Aktiengesetz – German Public Companies Act].

### **III. COMPANY CONSTITUTION**

#### **1. General Partner, Management and Representation**

##### **Section 6**

- (1) The General Partner of the Company is KSB Management SE with registered office in Frankenthal (Pfalz).
- (2) The General Partner does not hold a capital stake in the Company. It shall not participate in the earnings and in the assets (including hidden reserves) of the Company and shall not be entitled to any credit balance from the apportionment of assets and liabilities on its withdrawal from the Company.
- (3) All legal relations between the Company and the General Partner shall be governed by separate agreements between the General Partner and the Company unless as otherwise provided in these Articles of Association or by law.

##### **Section 7**

- (1) The Company shall be represented by the General Partner. Vis-à-vis the General Partner, the Company shall be represented by the Supervisory Board.
- (2) The General Partner shall be responsible for the management of the Company. Its management competence shall also encompass exceptional management measures. The limited shareholders' right to object to extraordinary transactions pursuant to section 164, sentence 1, clause 2 HGB [Handelsgesetzbuch – German Commercial Code] is excluded.
- (3) The General Partner is entitled to compensation of all expenses in connection with the management of the Company's business, including but not limited to all expenses incurred for the remuneration of the members of its corporate bodies. The General Partner shall, in principle, invoice its expenses on a monthly basis. It may demand advance payments.

- (4) The General Partner shall receive an annual remuneration not based on profit or loss in the amount of 4 % of the share capital for the management of the Company and assumption of personal liability. Notwithstanding any tax regulations to the contrary, this remuneration shall be treated as an expense of the Company in relation to the limited shareholders.
- (5) The Company shall take out a Directors' and Officers' (D&O) liability insurance on behalf of the General Partner and its corporate bodies which shall cover the statutory liability arising from their activities for the Company in an adequate form.

### **Section 8**

- (1) The General Partner shall withdraw from the Company under a withdrawal agreement concluded with the Supervisory Board or in the event of compelling legal grounds for withdrawal. Involuntary withdrawal (exclusion) of the General Partner shall not be permitted. Irrespective of this, the General Partner shall withdraw from the Company if control of the General Partner is acquired by a third party which does not, at the same time, submit a takeover offer to all limited shareholders. 'Third party' within the meaning of the previous sentence is a person or company in which KSB Stiftung [KSB Foundation] or/and Küh-borth-Stiftung GmbH individually or jointly does/do not hold a majority interest in the voting power.
- (2) If the General Partner withdraws from the Company, or if such withdrawal is foreseeable, the Supervisory Board shall be entitled and obliged to admit without delay, or at the time of the General Partner's withdrawal, a limited company, whose shares are fully held by the Company, into the Company as the new General Partner. If the General Partner withdraws from the company without such new General Partner having been admitted at the same time, the Company shall, for a transitional period, be continued by the Company's limited shareholders alone. In such case, the Supervisory Board shall immediately apply for the appointment of a temporary representative which shall represent the Company until a new General Partner has been admitted in accordance with sentence 1, in particular with respect to the acquisition and/or establishment of such new General Partner.

- (3) The Supervisory Board shall be authorised to amend the structure and wording of the Articles of Association to reflect the withdrawal of or change in the General Partner.

## **2. Supervisory Board**

### **Section 9**

- (1) The Supervisory Board shall consist of twelve members of which six members shall be elected by the Annual General Meeting and six members by the employees in accordance with the provisions of the Mitbestimmungsgesetz (MitBestG) [German Co-determination Act] of 4 May 1976.
- (2) Members of the Supervisory Board shall be elected for a period ending at the close of the Annual General Meeting which resolves on the discharge of the Supervisory Board in respect of the fourth financial year following the commencement of their term of office unless a shorter term of office is specified in the resolution of appointment for the members to be elected by the Annual General Meeting. The financial year in which the term of office commences shall not be included. If a member of the Supervisory Board elected by the Annual General Meeting retires during his or her term of office, his or her successor shall, subject to subsection (3), be elected only for the remainder of the term of office of the retiring member unless another term of office – which must, however, not exceed the term provided in sentence 1 – is determined by the Annual General Meeting.
- (3) When a member of the Supervisory Board is appointed by the Annual General Meeting, a substitute member may concurrently be appointed to become a member of the Supervisory Board if the member of the Supervisory Board retires before expiration of his or her term of office. When a successor for the retired member of the Supervisory Board has been elected or appointed by court, the term of office of the succeeding substitute member shall end on the date on which the successor's term of office commences as determined by the Annual General Meeting or by court, but no later than upon expiration of the term of office of the retired member. Substitute members for the members of the Supervisory Board to be elected by the employees shall be elected pursuant to the MitbestG [German Co-determination Act].

- (4) Any member of the Supervisory Board may resign from office, without cause, by giving at least one month's written notice to the Chair of the Supervisory Board and to the General Partner. With the consent of the Chair of the Supervisory Board, the resignation may take effect earlier.

### **Section 10**

In accordance with the provisions of section 27 MitbestG [German Co-determination Act], the Supervisory Board shall appoint one Chair and one Deputy Chair from among its members. They shall be elected for a period coinciding with their term of office on the Supervisory Board, unless otherwise agreed at the time of election.

### **Section 11**

- (1) The Supervisory Board may set up committees from among its members. If and to the extent that this is permitted by law, the Supervisory Board's decision-making authority may be delegated to any such committee.
- (2) In the event of a tied vote in any committee, the Chair of the committee shall have a second casting vote if a new vote on the matter also ends in a tie. Apart from that, the composition, powers and procedures of the committees shall be determined by the Supervisory Board with due consideration being given to the provisions set forth in these Articles of Association. Unless otherwise provided for by the Supervisory Board, the provisions for the procedures of the Supervisory Board laid down in section 12 hereunder shall apply accordingly to the procedures of the committees.

### **Section 12**

- (1) Meetings of the Supervisory Board shall be convened by the Chair of the Supervisory Board or, if he or she is unable to perform his or her duties, the Deputy Chair. Meetings may be convened by letter, telex, fax, telephone, cable, or e-mail. Meetings shall be called by giving at least ten days' notice of the date. In computing the period of notice, both the day on which the notice is given and the day of the meeting convened by it shall be disregarded. In urgent cases, the Chair may call meetings at shorter notice. The Chair may cancel or reschedule a scheduled meeting. When convening a meeting, the agenda items need to be made known. Resolutions on items not or not duly announced on the agenda when convening a meeting can only be passed if no member objects or where there is a special urgency.

- (2) The presence at the meeting of a minimum of half the number of members the Supervisory Board is required to consist of shall constitute a quorum. Members of the Supervisory Board who are absent may arrange for votes in writing to be submitted at the meetings of the Supervisory Board and its committees by other members of the Supervisory Board.
- (3) Resolutions may be passed at meetings only on items on the agenda. Outside of meetings, resolutions may be passed by letter, telex, fax or telephone, or any other common means of communication if no member objects.
- (4) Minutes shall be taken of negotiations and resolutions of the Supervisory Board and its committees, such minutes to be signed by the Chair in office. For resolutions passed outside of meetings, sentence 1 shall apply accordingly subject to the proviso that the manner in which resolutions were arrived at is also recorded in the minutes
- (5) For the purpose of preparing and implementing the resolutions of the Supervisory Board and its committees, the Chair shall be authorised to conduct negotiations and correspondence, and to make declarations of intent. The Deputy Chair shall be authorised to exercise these powers if the Chair is unable to perform his or her duties for a prolonged period of time.
- (6) Apart from that, the Supervisory Board itself shall define its Rules of Procedure.

### **Section 13**

- (1) The Supervisory Board shall supervise the management of the Company by the General Partner.
- (2) If the Company holds an interest in its General Partner, all rights of the Company arising out of and in connection with this interest (e.g. voting rights, right to information) shall be exercised by the Supervisory Board of the Company.

### **Section 14**

- (1) The members of the Supervisory Board shall receive a fixed remuneration of EUR 30,000.00 for the financial year. The Chair shall receive double the amount, the Deputy Chair one and a half times the amount. In addition, the members of

the Supervisory Board shall receive an attendance fee of EUR 2,000.00 per meeting of the Supervisory Board and its committees they attend; the attendance fee for persons chairing committee meetings shall be EUR 3,000.00 for each committee meeting. Furthermore, the members of the Supervisory Board shall be covered by directors' and officers' (D&O) liability insurance taken out by the Company at usual market conditions in favour of the members of the Supervisory Board if and to the extent that such insurance policy is in place; any premiums shall be paid by the Company. Any additional remuneration is reserved for determination by the Annual General Meeting.

- (2) The members of the Supervisory Board shall be reimbursed for their expenses including the input tax deductible turnover tax applicable to the Supervisory Board's remuneration. Members of the Supervisory Board who only served on the Supervisory Board for part of the financial year shall be remunerated on a pro-rata-temporis basis.

### **3. Annual General Meeting**

#### **Section 15**

- (1) The Annual General Meeting shall take place at the registered office of the Company, in Frankfurt (Main) or in Berlin.
- (2) The Annual General Meeting shall be convened by the General Partner or, in such cases as provided for by law, by the Supervisory Board. Furthermore, the Chair of the Supervisory Board or, if he or she is unable to perform his or her duties, the Deputy Chair shall be authorised to convene the Annual General Meeting on his or her own initiative.
- (3) The Annual General Meeting shall be convened subject to the relevant periods of time provided by law.
- (4) The General Partner shall be authorized, for general meetings taking place by the end of 3 May 2028, to provide for the meeting to be held without attendance in person of the shareholders or their proxies at the place of the general meeting (virtual general meeting). If a virtual general meeting is held, the legal requirements stipulated for this shall be complied with. In the case of a virtual

general meeting, members of the Supervisory Board shall be permitted to take part by way of video and audio transmission.

### **Section 16**

- (1) Only such shareholders shall be entitled to attend the Annual General Meeting and to exercise their right to vote – if and to the extent such right is accorded to shareholders under these Articles of Association and the AktG [German Public Companies Act] – who have submitted their registration in due time pursuant to subsection (2) and have provided specific proof of their entitlement to attend pursuant to subsection (3).
- (2) The registration shall reach the Company at the address specified in the Notice of Annual General Meeting no later than six days before the Annual General Meeting either in text form [“Textform” as defined by section 126b BGB (German Commercial Code)] or by transmission through intermediaries under the requirements of section 67c AktG [German Public Companies Act] in conjunction with Article 6 of Implementing Regulation (EU) 2018/1212. The Notice of Annual General Meeting may provide for a shorter period of time (in days).
- (3) A certificate of share ownership issued by the depository bank in text form [“Textform” as defined by section 126b BGB (German Commercial Code)] in German or proof pursuant to sections 123(4), sentence 1, 67c(3) AktG [German Public Companies Act] in conjunction with Article 5 of Implementing Regulation (EU) 2018/1212 shall be sufficient to furnish proof of entitlement to attend the Annual General Meeting and to exercise voting rights – if and to the extent such rights are accorded to the shareholders under these Articles of Association and the relevant statutory provisions. The certificate of share ownership shall relate to the beginning of the 21st day before the Annual General Meeting and shall reach the Company at the address specified in the Notice of Annual General Meeting no later than six days before the Annual General Meeting either in text form [“Textform” as defined by section 126b BGB (German Commercial Code)] or by transmission through intermediaries under the requirements of section 67c(3) AktG [German Public Companies Act] in conjunction with Article 5 of Implementing Regulation (EU) 2018/1212. The Notice of Annual General Meeting may provide for a shorter period of time (in days).

- (4) The right to vote may be exercised by proxy. If the shareholder authorises more than one proxy, the Company may refuse to accept one or more of these proxies. The authorisation of the proxy, revocation of proxy and proof of proxy authorisation provided to the Company require text form [“Textform” as defined by section 126b BGB (German Commercial Code)]. The Notice of Annual General Meeting may ease the requirement of a specific form. Section 135 AktG [German Public Companies Act] shall remain unaffected. The General Partner shall be entitled to provide for the shareholders to vote without being present at the Annual General Meeting by submitting their vote in writing or by electronic means of communication (absentee vote).
- (5) The calculation of periods and dates shall be governed by the relevant legal provisions and regulations.

#### **Section 17**

- (1) The Chair of the Supervisory Board shall preside over the Annual General Meeting. If he or she is unable to attend, the person to take the chair shall be elected by the members of the Supervisory Board attending the Annual General Meeting who, in turn, have been elected in accordance with the provisions of the Aktiengesetz [German Public Companies Act].
- (2) The Chair of the meeting shall determine the order in which proceedings are conducted as well as the type and form of voting. The Chair may reasonably restrict the time allocated to questions and speeches by shareholders and may, at the start of or during the course of the Annual General Meeting, set time limits for the entire proceedings of the Meeting, the discussion of the various items on the agenda as well as on individual questions and speeches.

#### **Section 18**

- (1) Each no-par-value ordinary share shall accord entitlement to one vote in the Annual General Meeting.
- (2) The no-par-value preference shares shall carry voting power in the cases prescribed by law; in such cases, subsection (1) shall apply analogously. The issue of additional ordinary or preference shares does not require the consent of the holders of preference shares.

- (3) Resolutions in Annual General Meeting shall be passed by simple majority of votes cast and, if a majority of capital is required, by simple majority of share capital represented at the vote unless anything to the contrary is prescribed by law or these Articles of Association.
- (4) If no majority pursuant to subsection (3) is achieved in the first ballot of an election, a second ballot shall be held between the nominees who have obtained the highest and second highest number of votes. If the second ballot results in a tie, the Chair shall decide between the two candidates by drawing lots.
- (5) The resolutions of the Annual General Meeting require the consent of the General Partner if and to the extent that they relate to matters which, in the case of a limited partnership [Kommanditgesellschaft], require the consent of the general partner [Komplementär] and the limited partners [Kommanditisten].
- (6) The Supervisory Board shall have the authority to make amendments to the Articles of Association that only concern the structure or wording of the Articles of Association.

#### **IV. ANNUAL FINANCIAL STATEMENTS AND DISTRIBUTION OF PROFITS**

##### **Section 19**

- (1) The financial year shall be the calendar year.
- (2) Within the first three months of the financial year, the General Partner shall prepare the annual financial statements and management report as well as the consolidated financial statements and the consolidated management report for the past financial year and submit the same to the auditor immediately when completed. At the same time, the General Partner shall submit these documents to the Supervisory Board along with the proposal on the appropriation of net retained earnings it intends to present to the Annual General Meeting.

##### **Section 20**

- (1) The Annual General Meeting shall decide on the adoption of the annual financial statements. The resolution requires the consent of the General Partner.

- (2) In preparing the annual financial statements, the General Partner may transfer amounts of up to half of the net profit for the year to other revenue reserves. By resolution of the General Partner and the Annual General Meeting further amounts of up to 80 % of the net profit for the year can be transferred to other revenue reserves if and to the extent that such other revenue reserves do not exceed half of the share capital and will not exceed it after the transfer.

### **Section 21**

Except as otherwise resolved in Annual General Meeting, with the consent of the General Partner, in accordance with section 58(3) AktG [German Public Companies Act], the net retained earnings, notwithstanding the granting of assured profit shares, shall be appropriated as follows:

1. Distribution of a separate dividend on preference shares of EUR 1.03, intended for the holders of preference shares without voting rights. Should the net retained earnings prove insufficient for the distribution of the dividend on preference shares, the deficient amounts, without interest, shall be paid subsequently from the net retained earnings shown in the financial statements of the following years, prior to distribution of any dividend to the holders of ordinary shares. Should the net retained earnings prove insufficient for paying the arrears as well as the dividend on preference shares of EUR 1.03 for the new financial year, payment shall first be effected of the arrears in order of their accrual on the dividend warrants of the years of non-yield, and not until then shall payment be made of the dividend on preference shares in respect of the new year.
2. Distribution of a dividend of € 1.03 to the holders of ordinary shares.
3. Payment of an additional remuneration to the Supervisory Board in accordance with section 14(1), sentence 6 of these Articles of Association;
4. Distribution of an additional dividend to the holders of preference and ordinary shares unless any other form of appropriation is decided upon by resolution in Annual General Meeting with the consent of the General Partner. Preference and ordinary shares shall participate in such distribution of profits in such a way that the preference shares receive the following additional dividend in addition to the dividends declared for the ordinary shares:

- |                                                                                                              |            |
|--------------------------------------------------------------------------------------------------------------|------------|
| a) in the case of dividend distribution on ordinary shares<br>of more than € 1.03 up to and including € 2.56 | 0.51 Euro, |
| b) in the case of dividend distribution on ordinary shares<br>of more than € 2.56 up to and including € 3.58 | 0.38 Euro, |
| c) in the case of dividend distribution on ordinary shares<br>of more than € 3.58                            | 0.26 Euro. |

In cases where differences occur to the disadvantage of the additional dividend to be distributed in accordance with the Articles of Association of KSB Aktiengesellschaft dated 25 June / 7 September 1998 which are attributable to rounding differences resulting from the changed calculation basis for the additional dividend on preference shares due to the conversion to euro, the relevant amounts shall be rounded up to the nearest whole cent.

## V. DISSOLUTION

### Section 22

- (1) A resolution in Annual General Meeting on the termination or the consent to the dissolution of the Company as well as on the application for a dissolution of the Company by a court decision requires a majority of at least four-fifths of the voting share capital. Such vote must be repeated in a second, separately convened Annual General Meeting with the same majority. Each of these resolutions requires the consent of the General Partner.
- (2) The winding-up of the Company shall be carried out solely by the General Partner.

## **VI. FINAL PROVISIONS**

### **Section 23**

Should any provision of these Articles of Association be or become, in whole or in part, ineffective, or should a gap be found in these Articles of Association, this shall not affect the effectiveness of the remaining provisions of these Articles of Association. Based on (also supplementary) interpretation, such provision shall apply which comes as close as possible to the intended economic effect of the ineffective provision.

If interpretation is not possible for legal reasons, the Company shall undertake to adopt corresponding supplemental provisions. The same shall also apply if a gap that needs to be filled is found in implementing or interpreting these Articles of Association.

### **Section 24**

The Company shall bear the expenses relating to the costs associated with the conversion of KSB AG into KSB SE & Co. KGaA up to a total amount of EUR 500,000 (in words: five hundred thousand euros) (plus value-added tax).



**KSB SE & Co. KGaA**  
**Johann-Klein-Str. 9 67227**  
**Frankenthal (Pfalz)**  
[www.ksb.com](http://www.ksb.com)

