

ARTICLES OF ASSOCIATION OF HENSOLDT AG
27 MAY 2025

PART I
General Provisions

§ 1

Company Name, Registered Office, Duration and Financial Year of the Company

- (1) The name of the stock corporation is HENSOLDT AG (the "Company").
- (2) The Company has its registered office in Taufkirchen, administrative district of Munich, Germany.
- (3) The Company shall exist for an indefinite period of time.
- (4) The financial year of the Company shall be the calendar year.

§ 2

Object of the Company

- (1) The object of the Company is, directly or indirectly (through other holding companies), to acquire, hold, divest and manage interests in entities engaged in the development, manufacturing, operation and distribution of electro-technical systems, optronic devices and software solutions for military and non-military use and in the rendering of any services related thereto worldwide, and to manage the group of such companies.
- (2) The object of the Company also includes the rendering of administrative, consulting and other services to subsidiaries and affiliated companies.
- (3) The Company may become active in the areas of activity referred to in paragraph 1 itself as well. It may also realize its object entirely or partly indirectly.
- (4) The Company is entitled to establish companies and branches in Germany and abroad and to take all measures which directly or indirectly serve the object of the Company.

§ 3
Announcements and Transmission of Information

- (1) Announcements of the Company shall be published in the German Federal Gazette (*Bundesanzeiger*).
- (2) The Company is entitled, with consent of the shareholders or to the extent permitted by law, to transmit information to the shareholders by means of remote data transmission.

PART II
Share Capital and Shares

§ 4
Share Capital, Shares

- (1) The share capital of the Company amounts to EUR 115,500,000.00 (in words: one hundred and fifteen million and five hundred thousand Euros) and is divided into 115,500,000 bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*).
- (2) On the issuance of new shares, the profit participation of the new shares may deviate from Section 60 of the German Stock Corporation Act (*Aktiengesetz*).
- (3) The Management Board is authorized to increase, subject to the Supervisory Board's approval, the share capital on one or more occasions during the period lasting until the end of May 26, 2029, by up to a total amount of EUR 23,100,000.00 through the issuance of new bearer shares with no par value against contributions in cash and/or in kind (Authorized Capital 2025).

In the aggregate, the volume of (i) shares that are issued from Authorized Capital 2025 and of (ii) shares issued or granted, or to be issued or granted, in order to satisfy claims under a convertible or warrant bond with or without subscription rights excluded – provided that the relevant bond was issued during the term of Authorized Capital 2025 – is limited to a nominal amount of EUR 23,100,000.00.

In principle, the shareholders will have the right to subscribe for the shares. However, the Management Board is authorized to exclude, subject to the Supervisory Board's approval, shareholders' subscription rights,

- in order to exclude fractional amounts from shareholders' subscription rights in cases of capital increases against contributions in cash or in kind;
- to grant to holders or creditors of option or conversion rights granted, or of option or conversion obligations imposed, by the Company or its direct or

indirect subsidiaries subscription rights for new bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*) to the extent to which they would be entitled as shareholders after exercising the option or conversion rights or after fulfilling the option or conversion obligations;

- if the capital increase is carried out against contributions in kind, for a (direct or indirect) acquisition of companies, parts of companies, interests in companies, or other assets including rights and receivables or in the context of business combinations;
- as part of capital increases against contributions in cash if the issue price of the new bearer shares with no par value is not significantly lower than the stock exchange price at the time the final issue price is set, which is to occur as soon as possible after the placement of the no-par value bearer shares (simplified exclusion of subscription rights under Section 186 (3) sentence 4 of the German Stock Corporation Act (*Aktiengesetz*)). The shares issued with shareholders' subscription rights excluded pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) must not in aggregate exceed 10% of the share capital amount at the time this authorization takes effect or – if this amount is lower – at the time the resolution on the first use of this authorization is passed. The proportionate amount of the share capital attributable to shares that are sold with subscription rights excluded during the term of Authorized Capital 2025 on the basis of an authorization regarding the sale of treasury shares pursuant to Section 71 (1) no. 8 sentence 5 and Section 186 (3) sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) will also count towards the limit of 10% of the share capital. The proportionate amount of the share capital attributable to shares issued during the term of Authorized Capital 2025 on the basis of other authorizations to issue shares in the Company with shareholders' subscription rights excluded pursuant to or in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) will likewise count towards this limit. Additionally, the proportionate amount of the share capital attributable to shares that may or must be issued to satisfy claims under bonds with conversion or option rights or with conversion or option obligations will count towards this limit, provided that the bonds are issued during the term of Authorized Capital 2025 with shareholders' subscription rights being excluded in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (*Aktiengesetz*);

The aggregate notional amount of the share capital attributable to shares issued from Authorized Capital 2025 with shareholders' subscription rights excluded must not exceed 10% of the amount of the share capital at the time the authorization takes effect or, if this amount is lower, at the time at which the authorization is used. This capital limit will not take into account the amount of the share capital attributable to shares issued from Authorized Capital 2025 for fractional amounts. However, the

capital limit is to take into account the amount of the share capital attributable to

- shares that have been issued or granted, or are to be issued or granted, on the basis of a convertible or warrant bond issued during the term of this authorization with shareholders' subscription rights excluded;
- shares, i.e., treasury shares, sold or used with subscription rights excluded based on an authorization granted by the General Meeting pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (*Aktiengesetz*) during the term of this authorization up until the time the resolution is adopted on the issue of the bond with subscription rights excluded, except in the case of an exclusion of subscription rights for fractional amounts.

The new shares participate in profits from the beginning of the financial year in which they are issued. To the extent permitted by law, the Management Board may, subject to the Supervisory Board's approval, stipulate in deviation from the above and Section 60 (2) of the German Stock Corporation Act (*Aktiengesetz*) that the new shares will participate in profits from the beginning of a financial year that has already ended and for which no resolution on the appropriation of net profit has been adopted by the General Meeting at the time the shares are issued. Pursuant to Section 186 (5) of the German Stock Corporation Act (*Aktiengesetz*), the new shares may also be underwritten by a credit institution, securities institution or a company operating pursuant to Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act (*Gesetz über das Kreditwesen*) subject to the obligation to offer the shares to the shareholders for subscription (indirect subscription right).

The Management Board is also authorized to stipulate, subject to the Supervisory Board's approval, the further details of the capital increase and its implementation.

(4) The share capital of the Company is conditionally increased by up to EUR 23,100,000 through the issuance of up to 23,100,000 new bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*) (Conditional Capital 2025). The conditional capital increase will be implemented only insofar as, under convertible or warrant bonds, profit participation rights, or profit participation bonds (or combinations of these instruments), in each case with conversion or option rights or conversion or option obligations attached, that are issued based on the authorization approved by resolution of the General Meeting on May 27, 2025, during the period lasting until the end of May 26, 2029, by HENSOLDT AG or by group companies of HENSOLDT AG within the meaning of Section 18 of the German Stock Corporation Act (*Aktiengesetz*), conversion or option rights are exercised or bondholders subject to a conversion obligation or obligated to exercise an option fulfill their obligations or the Company exercises its right to grant no-par value shares in the Company to the holders of the relevant partial bonds in whole or in part instead of paying an amount due in cash upon maturity of the bonds, and unless other forms

of performance have been chosen. The new shares will be issued at the conversion or option price to be determined in each case in accordance with the authorization resolution referred to above. The new shares so issued will participate in profits from the beginning of the financial year in which they are created; to the extent permitted by law, the Management Board may, subject to the Supervisory Board's approval, resolve that profit participation of the new shares be set differently from this and Section 60 (2) sentence 3 of the German Stock Corporation Act (*Aktiengesetz*), even for a financial year that has already ended. The Management Board is authorized to stipulate, subject to the Supervisory Board's approval, the further details of the implementation of the conditional capital increase.

§ 5
Shares

- (1) A shareholder's right to securitize his share is excluded, unless securitization is required under the rules applicable to a stock exchange on which the share is listed within the meaning of Section 3 (2) of the German Stock Corporation Act (*Aktiengesetz*). The shareholder's entitlement to the issuance of profit share and renewal coupons (*Gewinnanteils- und Erneuerungsscheine*) is also excluded.
- (2) The Management Board shall have the right to decide on the issuance of share certificates and profit share and renewal coupons (*Gewinnanteils- und Erneuerungsscheine*) and any related details. Global share certificates may be issued.

PART III
Constitution

A. The Management Board

§ 6
Composition, Rules of Procedure

- (1) The Management Board consists of at least two members. Otherwise, the number of Management Board members is determined by the Supervisory Board. The Supervisory Board may appoint a member of the Management Board as chairperson of the Management Board.
- (2) Resolutions of the Management Board shall be passed unanimously to the extent possible. Resolutions of the Management Board that are not passed unanimously require a simple majority of votes cast unless a different majority is required by law. If the Management Board consists of more than two members, the chairperson shall have the right to a casting vote in the event of a tie.
- (3) The Management Board shall adopt rules of procedure by unanimous resolution of

all Management Board members unless the Supervisory Board issues rules of procedure for the Management Board.

§ 7
Representation

- (1) The Company shall be represented by two members of the Management Board acting jointly or by one member of the Management Board acting jointly with a holder of a general power of attorney for the Company (*Prokurist*).
- (2) The Supervisory Board may exempt individual or all members of the Management Board generally or in individual cases from the prohibition of multiple representation pursuant to Section 181, 2nd alternative of the German Civil Code (*Bürgerliches Gesetzbuch*); Section 112 of the German Stock Corporation Act (*Aktiengesetz*) remains unaffected.

B. The Supervisory Board

§ 8
Composition, Election, Term of Office

- (1) The Supervisory Board consists of twelve members, namely six members appointed by the shareholders and six members appointed by the employees in accordance with the German Co-Determination Act (*Mitbestimmungsgesetz*).
- (2) The Federal Republic of Germany (as represented by the Federal Ministry of Defence together with the Federal Ministry for Economic Affairs and Climate Protection or the respective successor ministry for each respective function) is, as soon as and as long as it is shareholder of the Company, entitled to appoint (*entsenden*) one member of the Supervisory Board representing the shareholders. The right of appointment shall be exercised by written declaration to the Management Board of the Company. The member of the Supervisory Board appointed in accordance with sentence 1 shall, as long as the right of appointment of the Federal Republic of Germany exists, be independent from the Federal Republic of Germany, in a sense that the person to be appointed is neither a civil servant nor employee of the Federal Republic of Germany, another local authority (*Gebietskörperschaft*) or a public institution (*öffentlich-rechtliche Anstalt*). The Federal Republic of Germany is entitled to appoint one additional member to the Supervisory Board attributable to the shareholders as soon as and as long as the Federal Republic of Germany directly or indirectly holds shares in the amount of at least 25.1 % of the Company's share capital. This right of appointment shall also be exercised by written declaration to the Management Board of the Company. Paragraphs 3 and 4 apply accordingly to appointed (*entsendete*) members of the Supervisory Board.

- (3) Unless the General Meeting decides on a shorter period of appointment at the time of election of individual members or the entire Supervisory Board, members of the Supervisory Board shall be appointed until the end of the Annual General Meeting which resolves on the discharge of their liability for the fourth financial year after the beginning of the term of office. The year in which the term of office begins shall not be counted.
- (4) If a member of the Supervisory Board to be elected by the General Meeting resigns from the Supervisory Board before the end of his term of office and no elected substitute member is available, a successor shall be elected for the remainder of the term of office of the member of the Supervisory Board who resigned prematurely, unless a shorter term of office is determined.
- (5) Any member of the Supervisory Board may resign from office by giving four weeks' notice in writing to the chairperson of the Supervisory Board, even without good cause, and in the case of resignation of the chairperson of the Supervisory Board by notice in writing to the deputy chairperson. The chairperson of the Supervisory Board or the deputy chairperson of the Supervisory Board, as the case may be, may waive compliance with the notice period.

§ 9

Chairperson and Deputy Chairperson; Declarations

- (1) The Supervisory Board shall elect a chairperson and a deputy chairperson from among its members, which election shall take place following the General Meeting at which the Supervisory Board members representing the shareholders to be elected by the General Meeting have been appointed. The election shall be conducted in accordance with the provisions of the German Co-Determination Act (*Mitbestimmungsgesetz*). The election shall be for the term of office of the elected members or for a shorter period determined by the Supervisory Board.
- (2) The deputy chairperson shall only have the rights and duties assigned to the chairperson of the Supervisory Board by law or by the articles of association if the chairperson is prevented from acting. In no case shall the deputy chairperson be entitled to a second vote.
- (3) If the chairperson or one of his deputies resigns from office prematurely, the Supervisory Board shall without undue delay hold a new election for the remaining term of office of the resigning member. In the event of premature resignation of the chairperson of the Supervisory Board, the Supervisory Board shall be convened by the deputy chairperson.
- (4) The chairperson or, in case the chairperson is prevented from acting, the deputy chairperson, is authorized to make declarations required to implement the resolutions of the Supervisory Board and its committees on behalf of the Supervisory Board.

§ 10

Meetings and Resolutions of the Supervisory Board

- (1) Meetings of the Supervisory Board shall be convened and chaired by the chairperson. The Supervisory Board shall hold two meetings per calendar half-year. It shall also hold meetings when required by law or when appropriate for the business. The meetings of the Supervisory Board shall be convened in writing (includes transmission in electronic or text form, (Section 126b of the German Civil Code (*Bürgerliches Gesetzbuch*)), orally or by phone by the chairperson giving a notice period of two weeks. For the purpose of the calculation of the notice period, the day on which the notice is dispatched and the day of the meeting shall be disregarded. This period may be shortened by the chairperson in urgent cases. The items on the agenda shall be communicated in a timely manner before the meeting.
- (2) The chairperson shall determine the order of the agenda items and the form of voting. The chairperson may determine that members of the Supervisory Board may attend a meeting by telephone or video conference or by way of a comparable audio and/or video transmission; the other members of the Supervisory Board have no right to object to such attendance. A member participates in a resolution even if he abstains from voting. Members who are connected by video or telephone conference or participate in a comparable manner via audio and/or video transmission are deemed to be present. Absent Supervisory Board members may participate in the adoption of resolutions by the Supervisory Board by having other Supervisory Board members submit written votes (which may also be delivered by telefax, electronic form or other text form (Section 126b of the German Civil Code (*Bürgerliches Gesetzbuch*)) on their behalf.
- (3) The chairperson may adjourn the resolution on individual or all agenda items until the next regular meeting unless an equal number of shareholder representatives and employee representatives participate in the decision making or there is another material reason to adjourn. The chairperson shall not be permitted to adjourn the same agenda item again in the subsequent meeting of the Supervisory Board.
- (4) A resolution on an agenda item that was not included in the invitation notice is only permissible if no member of the Supervisory Board objects to the resolution. In this case, absent Supervisory Board members shall be given the opportunity to object to the resolution within a reasonable period of time to be determined by the chairperson or to submit their vote in a form specified in paragraph 5 sentence 1 below to the Supervisory Board chairperson. The resolution shall only become effective if none of the absent Supervisory Board members objects within the period of time determined by the chairperson. After expiry of the period of time determined by the chairperson, the resolution shall be recorded by the chairperson in writing in the

minutes, a copy of which shall be sent to all members without undue delay.

- (5) At the request of the chairperson, resolutions of the Supervisory Board may also be passed outside a meeting by vote in oral, written, electronic or text form (Section 126b of the German Civil Code (*Bürgerliches Gesetzbuch*)) (including a combination of the aforementioned forms) or by means of telephone or video conference. There is no right to object to the form of resolution determined by the chairperson. Paragraph 1 above shall apply *mutatis mutandis* to the initiation of the passing of resolutions outside a meeting. Such resolutions shall be recorded in writing by the chairperson and included in the minutes of the next meeting.
- (6) The Supervisory Board is constituted to pass a resolution if at least six members participate in the passing of the resolution. Resolutions require a majority of the votes cast, unless otherwise stipulated by law. In the event of a tie, each member of the Supervisory Board may request another vote on the same matter. If that vote is again a tie, the chairperson shall have two votes. The second vote may also be cast in the form provided for meetings under paragraph 2 and in the manner provided for decisions taken outside meetings under paragraph 5.
- (7) Minutes, signed by the chairperson, shall be prepared for the meetings and resolutions of the Supervisory Board. A copy of the minutes shall be provided to each member of the Supervisory Board without undue delay.
- (8) Declarations by the Supervisory Board and its committees shall be made by the chairperson on behalf of the Supervisory Board. For submission of declarations to the Supervisory Board, submission to one member of the Supervisory Board is sufficient.
- (9) The Supervisory Board may resolve on amendments to the Articles of Association which only affect the wording.

§ 11 **Rules of Procedure and Committees**

- (1) The Supervisory Board shall adopt its own rules of procedure.
- (2) The Supervisory Board may, in addition to the committee referred to in Section 27 (3) of the German Co-Determination Act (*Mitbestimmungsgesetz*), establish further committees composed of members of the Supervisory Board. To the extent legally permitted, decision making powers of the Supervisory Board may be delegated to the committees.
- (3) The provisions of § 10 shall apply *mutatis mutandis* to the committees. Each committee may elect a chairperson from among its members, unless the Supervisory Board appoints a chairperson. In the event of a tied vote in a committee – except for in the committee pursuant to Section 27 (3) of the German Co-Determination Act

(*Mitbestimmungsgesetz*) – the chairperson of the committee shall have two votes if another vote on the same matter results in a tied vote. Otherwise, the Supervisory Board may regulate activities of the committees in the rules of procedure or adopt individual rules of procedures for the committees.

§ 12

Remuneration of Supervisory Board Members

- (1) Each member of the Supervisory Board receives fixed annual remuneration ("fixed remuneration") for his/her work. The fixed remuneration is to be EUR 120,000.00 (in words: one hundred and twenty thousand) for the chairperson of the Supervisory Board, EUR 70,000 (in words: seventy thousand) for the deputy chairperson and EUR 50,000 (in words: fifty thousand) for every additional member.
- (2) For membership in the committees of the Supervisory Board listed below, additional remuneration is received in each case as follows:
 - (i) the chairperson of the presidial committee (*Präsidium*) receives fixed annual remuneration of EUR 25,000.00 (in words: twenty-five thousand), and each other member of the executive committee fixed annual remuneration of EUR 15,000.00 (in words: fifteen thousand);
 - (ii) the chairperson of the nomination committee (*Nominierungsausschuss*) receives fixed annual remuneration of EUR 20,000.00 (in words: twenty thousand), and each other member of the nomination committee fixed annual remuneration of EUR 10,000.00 (in words: ten thousand);
 - (iii) the chairperson of the audit committee (*Prüfungsausschuss*) receives fixed annual remuneration of EUR 25,000.00 (in words: twenty-five thousand), and each other member of the audit committee fixed annual remuneration of EUR 15,000.00 (in words: fifteen thousand);
 - (iv) the chairperson of the compliance committee (*Complianceausschuss*) receives fixed annual remuneration of EUR 25,000.00 (in words: twenty-five thousand), and each other member of the compliance committee fixed annual remuneration of EUR 15,000.00 (in words: fifteen thousand).
- (3) The total annual remuneration of each member of the Supervisory Board pursuant to paragraphs (1) and (2) is limited to twice the amount of the relevant fixed remuneration pursuant to paragraph (1).
- (4) The Fixed Remuneration pursuant to paragraph 1 and remuneration pursuant to paragraph 2 are payable four weeks after the end of the financial year. Supervisory Board members who are members of the Supervisory Board or a committee for only part of the financial year or who have chaired a committee for only part of the financial year shall receive remuneration that is lower in proportion to time; this applies to each remuneration within the meaning of paragraphs 1 and 2.

- (5) All remuneration within the meaning of paragraphs 1 and 2 shall be exclusive of value-added tax in the amount legally owed by the Supervisory Board member.
- (6) The Company shall reimburse members of the Supervisory Board for any expenses incurred in the performance of their duties, including any value-added tax attributable to the reimbursement of such expenses.
- (7) The Company may take out liability insurance for the benefit of members of the Supervisory Board which covers statutory liability arising from their activities on the Supervisory Board.

C. The General Meeting

§ 13

Venue and Notice of the General Meeting

- (1) The General Meeting shall be held at the registered office of the Company or in a German municipality with more than 100,000 inhabitants.
- (2) Unless other persons are authorized by law to do so, the General Meeting shall be convened by the Management Board. The convocation shall be published in the German Federal Gazette (*Bundesanzeiger*) within the statutory time limit.
- (3) The Management Board is authorized to provide that the General Meeting be held without the shareholders or their proxies being physically present at the venue of the General Meeting (virtual General Meeting). This authorization applies to the holding of virtual General Meetings during the period until June 30, 2027.

§ 14

Right to Attend

- (1) Only those shareholders who have registered with the Company in text form (Section 126b of the German Civil Code (*Bürgerliches Gesetzbuch*)) in the German or English language are entitled to attend the General Meeting and exercise their voting rights.
- (2) In addition, shareholders shall provide evidence of their right to attend the General Meeting and exercise their voting rights. For this purpose, the shareholding shall be evidenced by the last intermediary in text form (Section 126b of the German Civil Code (*Bürgerliches Gesetzbuch*)) in the German or English language; proof of shareholding by the last intermediary in accordance with the requirements of Section 67c (3) of the German Stock Corporation Act (*Aktiengesetz*) is sufficient. It shall be received by the Company at the address specified in the notice for convening the meeting at least six days before the General Meeting, whereby the day of receipt and

the day of the General Meeting are not counted.

- (3) Voting rights may be exercised by proxy. The granting of the proxy, its revocation and evidence of the proxy to the Company shall be in text form (Section 126b of the German Civil Code (*Bürgerliches Gesetzbuch*)).
- (4) The Management Board is authorized to determine that shareholders may participate in the General Meeting without being present at the venue and without a proxy and may exercise all or some of their rights in whole or in part by way of electronic communication (online participation). The Management Board is entitled to determine the scope and procedure of online participation in detail. The members of the Supervisory Board are allowed, in coordination with the chairperson of the Supervisory Board, to participate in the General Meeting by means of video and audio transmission in those cases where they are unable to physically attend the meeting or are only able to attend the meeting with unreasonably high effort at the venue of the General Meeting due to legal restrictions, a stay abroad, their necessary stay at another location in Germany or if their physical attendance would entail an unreasonably long travel time or if the General Meeting is held as a virtual General Meeting without the shareholders or their proxies being physically present at the venue.
- (5) The Management Board is authorized to determine that shareholders may cast their votes in writing or by means of electronic communication, even without attending the meeting (postal vote). The Management Board may regulate the postal voting procedure in detail.

§ 15

Procedure at the General Meeting

- (1) The General Meeting shall be chaired by the chairperson of the Supervisory Board or, in his absence, by another shareholder representative on the Supervisory Board appointed by the chairperson. In the event that neither the chairperson nor a member of the Supervisory Board appointed by the chairperson assumes the chair, the chairperson of the meeting shall be elected by a simple majority of votes cast by the shareholder appointed members of the Supervisory Board present at the General Meeting.
- (2) The chairperson of the General Meeting chairs the negotiations and determines the order of items to be discussed and the speakers as well as the type and form of voting.
- (3) The Management Board is authorized to permit the complete or partial video and/or audio transmission of the General Meeting in a manner to be specified by the Management Board.
- (4) The chairperson of the General Meeting shall be authorized to reasonably limit the shareholders' right to ask questions and speak; if appropriate, the chairperson shall

in particular be authorized to limit the time allowed for individual or all shareholders to ask questions and/or speak on individual or all items of the General Meeting at the beginning or during the course of the General Meeting and, if this is legally permissible with regard to the proper conduct of the General Meeting, to order the end of the debate.

§ 16
Resolutions

- (1) Each share entitles to one vote at the General Meeting.
- (2) Unless the Articles of Association or the law stipulate otherwise, resolutions of the General Meeting shall be passed by a simple majority of the votes cast and, to the extent that a capital majority is also required, by a simple majority of the share capital represented when the resolution is adopted.

PART IV
Annual Financial Statements and Distribution of Profits

§ 17
Annual Financial Statements

- (1) The Management Board shall prepare the annual financial statements, the management report, the consolidated financial statements and the group management report for the past financial year within the statutory periods and submit them to the Supervisory Board and the auditor immediately after preparation. At the same time, the Management Board shall submit to the Supervisory Board a proposal for the distribution of the balance sheet profit.
- (2) The preparation of the annual financial statements and the consolidated financial statements is based on statutory provisions and commercial principles.
- (3) When adopting the annual financial statements, the Management Board and Supervisory Board are authorized to allocate part or all of the net income for the year remaining after deduction of the amounts to be transferred to the statutory reserve and any loss carried forward to other revenue reserves. It is not permissible to allocate more than half of the net income for the year if the other revenue reserves would exceed half of the share capital after the allocation.

PART V
FINAL PROVISIONS

§ 18
CHANGE OF LEGAL FORM; FORMATION COSTS

- (1) The share capital in the amount of EUR 80,000,000.00 (in words: eighty million Euros) was contributed by the change of legal form of the former legal entity, HENSOLDT GmbH, registered in the Commercial Register of the local court of Munich under HRB 252143 and with registered office in Taufkirchen, Germany, together with all assets and liabilities.
- (2) The costs of the change of legal form of the Company into a stock corporation shall be borne by the Company up to an amount of EUR 130,000.00 (in words: one hundred and thirty thousand Euros) as formation expenses.
- (3) The costs of establishing and registering the Company in its former legal form as a limited liability company (*GmbH*) were borne by the founder (historical formation expenses).