

Joint Report

by the Management at HELLA GmbH & Co. KGaA

and

by the Management at FWB Kunststofftechnik GmbH

on the Profit and Loss Transfer Agreement dated 20th March 2023

between

HELLA GmbH & Co. KGaA

and

FWB Kunststofftechnik GmbH

pursuant to section 293a of the German Stock Corporation Act (AktG)

For the purpose of informing the limited shareholders (*Kommanditaktionäre*) of Hella GmbH & Co. KGaA (“**Hella KGaA**” or “**Controlling Entity**”) and in preparation for the passing of resolutions at the General Meeting of Hella KGaA and the Shareholders’ Meeting of FWB Kunststofftechnik GmbH (or “**Controlled Entity**”), the General Partner of Hella KGaA and the Management at FWB Kunststofftechnik GmbH have jointly prepared the following report on the profit and loss transfer agreement between Hella KGaA and FWB Kunststofftechnik GmbH (“**Profit and Loss Transfer Agreement**” or “**Agreement**”) pursuant to section 293a of the German Stock Corporation Act (*Aktiengesetz*, “**AktG**”).

I.

Formation of the Agreement and entry into effect

The Profit and Loss Transfer Agreement between Hella KGaA and FWB Kunststofftechnik GmbH was signed on 20th March 2023.

In the context of a profit and loss transfer agreement between an entity legally structured as a *KGaA* (German public partly limited partnership) and a wholly-owned subsidiary that is legally structured as a *GmbH* (German limited liability company), the Agreement is governed by sections 291 et seq. AktG at the level of the KGaA and then, at the level of the GmbH, it is primarily governed by sections 53 et seq. of the German Act on Limited Liability Companies (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*, “**GmbHG**”) by analogous application and, in addition, by sections 291 et seq. AktG. The validity of the Agreement is subject to the approval of the Shareholders’ Meeting of FWB Kunststofftechnik GmbH, by analogous application of section 53 GmbHG, and is also subject to the approval of the General Meeting of Hella KGaA pursuant to section 293(2) AktG. The Agreement will be put forward for approval at the General Meeting of Hella KGaA on 20th March 2023 and at the Shareholders’ Meeting of FWB Kunststofftechnik GmbH on 20th March 2023. In order to become fully valid, the existence of the Agreement also needs to be registered with the commercial register (*Handelsregister*) at the registered

office of FWB Kunststofftechnik GmbH. Under section 293b(1) AktG it is not necessary for the Agreement to be audited by one or more expert auditors.

II. The Parties

Hella KGaA is a German public partly limited partnership (*Kommanditgesellschaft auf Aktien*) with registered office in Lippstadt. It is registered in the commercial register (*Handelsregister*) at the Paderborn Local Court (*Amtsgericht*) under HRB 6857. Its share capital amounts to EUR 222,222,224 and is divided into 111,111,112 no-par value bearer shares (*Stückaktien*). The shares are stock listed.

FWB Kunststofftechnik GmbH is registered with the commercial register (*Handelsregister*) at the Local Court (*Amtsgericht*) of Zweibrücken under HRB 21947. Its share capital amounts to EUR 160,000. The sole shareholder of FWB Kunststofftechnik GmbH is Hella KGaA. The object of the company is the planning, developing and manufacturing of plastic parts, and the sale, distribution and procurement of tools for thermoplastic parts.

III. Explanation of the Agreement

The Profit and Loss Transfer Agreement made between Hella KGaA and FWB Kunststofftechnik GmbH is an inter-company agreement (*Unternehmensvertrag*) for the purposes of sections 291 et seq. AktG. It contains the standard provisions for such a contractual agreement. There is no need for provisions on appropriate recurring compensation (*Ausgleich*) (section 304 AktG) or other compensation (*Abfindung*) (section 305 AktG) for outside shareholders of the Controlled Entity, as all shares in the Controlled Entity are held by the Controlling Entity.

The main elements of the Agreement are as follows:

a) **Transfer of profit (§ 1 of the Agreement)**

§ 1 contains provisions on the content and scope of the transfer of profit. In principle, the Controlled Entity is required to transfer its entire profits to the Controlling Entity during the term of the Agreement. The maximum amount of profit to be transferred – subject to the establishment or dissolution of reserves – is the annual net income arising without the transfer of profits, reduced by any loss carry-forward from the previous year, and by the amount that must not be distributed pursuant to section 268(8) of the German Commercial Code (*Handelsgesetzbuch, "HGB"*). This is in line with the currently applicable statutory rule in section 301 sentence 1 AktG. Should Section 301 AktG be amended in the future, the version as amended from time to time is applicable in a given case.

The Controlled Entity may only allocate parts of its annual net income to the profit reserves to the extent permitted under commercial law and as economically justified by reasonable commercial judgement and where the Controlling Entity consents to the allocation. The Controlling Entity may also demand that other profit reserves established during the term of the Agreement be dissolved and transferred as profit or be used in accordance with section 302(1) AktG.

However, it is not possible to transfer amounts from the dissolution of capital reserves under section 272(2) HGB, nor can this be done from the dissolution of profit reserves and of profit carry-forwards, to the extent that any such amounts originate from the period before the Agreement takes effect. This does not affect the permissibility of dissolving or distributing capital reserves in accordance with the general statutory provisions.

The claim to the transfer of profit is created at the end of the Controlled Entity's fiscal year and becomes due and payable upon approval of the Controlled Entity's annual financial statements for the preceding fiscal year. In principle, the Controlling Entity may also demand an advance transfer of profits if and to the extent that the payment of an advance dividend would be permitted.

b) Assumption of losses (§ 2)

§ 2 governs the assumption of losses by the Controlling Entity and refers to the statutory provisions in section 302 AktG, as amended from time to time. In contrast to the claim to the transfer of profit, the claim to compensation for losses becomes due and payable already upon expiry of the Controlled Entity's fiscal year.

c) Preparation of annual financial statements (§ 3)

§ 3 governs the procedure for preparing and coordinating the Controlled Entity's annual financial statements and stipulates that Controlled Entity's financial statements shall be submitted to the Controlling Entity for information, review and consultation. The Controlled Entity's annual financial statements must be prepared and approved prior to the Controlling Entity's annual financial statements.

If the Controlled Entity's fiscal year ends at the same time as the Controlling Entity's fiscal year, as is currently the case, the Controlled Entity's profit to be transferred or loss to be assumed shall be accounted for in the Controlling Entity's annual financial statements for the same fiscal year.

d) Information rights (§ 4)

§ 4 gives the Controlling Entity the right to request information from the management at the Controlled Entity regarding the affairs of the Controlled Entity and to inspect its books and business records at any time. In addition, the Controlled Entity must also report to the Controlling Entity on its business development and performance on an ongoing basis, including on significant business transactions.

e) Entry into effect, term, and termination (§ 5)

Under § 5, the Agreement will apply for the first time to the fiscal year of the Controlled Entity in which the Agreement becomes effective. In accordance with section 294(2) AktG, the Agreement will become effective when its existence has been registered with the commercial register (*Handelsregister*) at the registered office of the Controlled Entity. The Agreement will then be deemed effective retroactively from the beginning of the Controlled Entity's fiscal year in which the Agreement is registered.

The Agreement was entered into for an indefinite period of time. The Agreement may be ordinarily terminated by giving six months' notice with effect as of the end of a given fiscal year of the Controlled Entity, but no earlier than with effect as of a point in time occurring a minimum of five (full) years, i.e. 60 months (minimum term), after the beginning of the Controlled Entity's fiscal year in which the Agreement

became effective. The minimum term is required in order to ensure the establishment of a consolidated tax group for corporation and trade tax purposes.

The right to terminate the Agreement prematurely for good cause (*aus wichtigem Grund*) or by mutual consent is not affected by the above provisions. Good cause for termination is deemed to be present in any of the following instances, in particular:

- a. The sale, disposal, contribution or other transfer of shares in the Controlled Entity,
- b. The merger, demerger or liquidation of the Controlling Entity or the Controlled Entity,
- c. A change of the Controlled Entity's legal structure, unless the Controlled Entity is transformed into a corporation (*Kapitalgesellschaft*) with a different legal structure,
- d. The relocation of the registered office or administrative headquarters of the Controlled Entity or the Controlling Entity to a foreign country, if this results in the cessation of the consolidated tax group (*steuerliche Organschaft*).

In accordance with section 307 AktG, the Agreement will also terminate automatically where outside shareholders acquire an interest in FWB Kunststofftechnik GmbH. In the event that the Agreement is terminated, section 303 AktG will apply, *mutatis mutandis*. This rule allows for the provision of security under certain circumstances in the interests of protecting the Controlled Entity's creditors.

§ 5 of the Agreement also governs the Parties' obligations to cooperate with each other in the event of termination of the Agreement, in order to ensure the validity of the termination.

f) Costs (§ 6)

The costs incurred in connection with the formation of the Agreement shall be borne by the Controlling Entity.

g) Final provisions (§ 7)

§ 7 of the Agreement contains what is known as a 'severability clause'. This clause provides that, in the event of the (partial) invalidity or unenforceability of any provisions in the Agreement (including provisions on performance and time), this will not affect the validity of the remaining provisions. A gap in the Agreement is to be filled by applying a supplementary interpretation of the Agreement that is fair to both Parties' interests.

§ 7 also stipulates that the Agreement will be exclusively governed by German law. To the extent permitted by law, the exclusive place of jurisdiction for any disputes arising out of, and in connection with, the Agreement will be Lippstadt.

IV.

Economic significance and purpose of the Agreement

The Agreement is aimed at forming a consolidated tax group between Hella KGaA and FWB Kunststofftechnik GmbH for corporate income tax and trade tax purposes. The Agreement contains provisions that are standard for a profit and loss transfer agreement that has been made with the aim of setting up a consolidated tax group.

The consolidated tax group for corporate income tax and trade tax purposes results in the tax results of FWB Kunststofftechnik GmbH and Hella KGaA being combined at the level of Hella KGaA. This avoids the isolation of FWB Kunststofftechnik GmbH's tax results and ensures that its tax results, and in particular any corporate income tax and trade tax losses, can be dealt with in a tax-efficient manner. FWB Kunststofftechnik GmbH must determine its tax results separately from Hella KGaA in accordance with general rules and the resulting taxable income or trade income generated by FWB Kunststofftechnik GmbH that has been determined in this way is then allocated to Hella KGaA.

V.

Alternatives to the Profit and Loss Transfer Agreement

There is no alternative to forming the Profit and Loss Transfer Agreement between Hella KGaA and FWB Kunststofftechnik GmbH that both makes economic sense and that would allow the objectives set out above to be achieved in a similar or better way. Under section 14(1) of the German Corporation Tax Act (*Körperschaftsteuergesetz*, "**KStG**") and section 2(2) sentence 2 of the German Trade Tax Act (*Gewerbesteuer*gesetz, "**GewStG**"), the formation of a profit and loss transfer agreement is a prerequisite for setting up a consolidated tax group for corporate income tax and trade tax purposes. In particular, the formation of another type of inter-company agreement for the purposes of section 292 AktG (a business lease agreement, business transfer agreement, profit pooling or partial profit transfer agreement) or of an operational management agreement would not have resulted in the consolidated taxation of Hella KGaA and FWB Kunststofftechnik GmbH.

VI.

Documents and materials available online

The Agreement, the annual financial statements and management reports from the last three fiscal years at Hella KGaA and FWB Kunststofftechnik GmbH, as well as this Joint Report are available on the website

www.hella.com/hauptversammlung

from the date the General Meeting is convened.

The aforementioned documents and materials will also be made available at the General Meeting on 28th April 2023.

Lippstadt, ____ March 2023

HELLA GmbH & Co. KGaA

represented by their personally liable partner

Mr Michel Favre

(Managing Director Hella
Geschäftsführungsgesellschaft mbH)

Mr Bernard Schäferbarthold

(Managing Director Hella
Geschäftsführungsgesellschaft mbH)

Lippstadt, ____ March 2023

FWB Kunststofftechnik GmbH

Mr Andreas Kleinehr

(Managing Director FWB Kunststofftechnik
GmbH)

Dr Anthanasios Valous

(Managing Director FWB Kunststofftechnik
GmbH)