



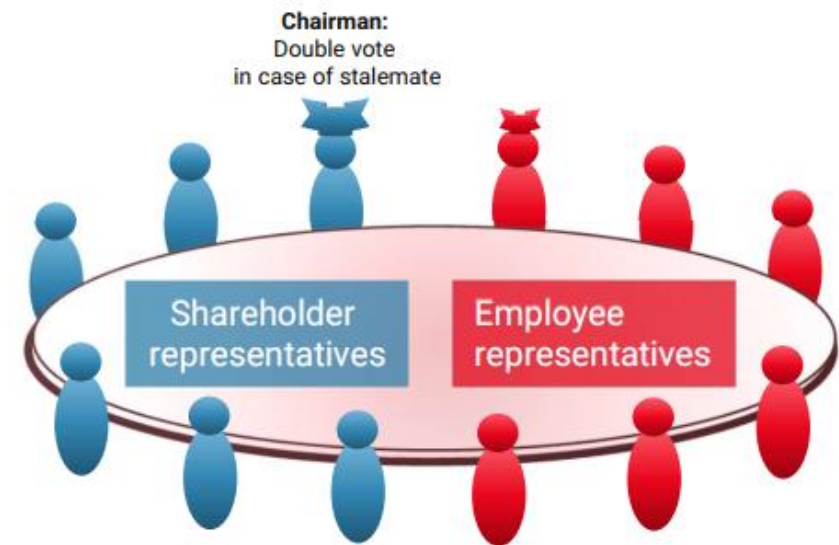
Supervisory Board

SUPERVISORY BOARD

According to German Co-Determination Act 1976



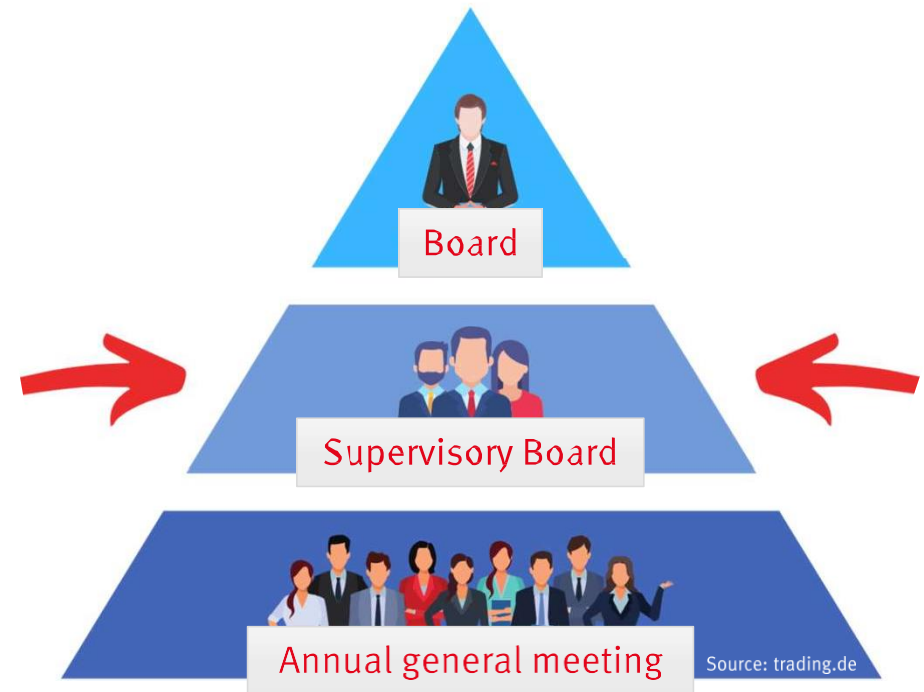
- ▶ Companies with 2,000 or more employees
- ▶ Equal representation of the Supervisory Board
- ▶ Number of Supervisory Board members 12-20
- ▶ Labour director required
- ▶ Trade union representatives required
- ▶ Senior executive required as employee representative
- ▶ Despite the same number of seats, structural subparity of the employee side
- ▶ Double vote of the Chairman of the Supervisory Board



SUPERVISORY BOARD

Function

- ▶ Statutory general monitoring mandate (Section 111 of the German Stock Corporation Act)
- ▶ The Supervisory Board has two main functions:
 - Appointment and dismissal of the Management Board (Section 84 of the German Stock Corporation Act)
 - Supervision of the management of the company, Section 111 (1) of the German Stock Corporation Act (AktG) (control of the Management Board for legality and expediency of actions)



SUPERVISORY BOARD

Monitoring Fields



- ▶ **Retrospective monitoring of the company's management**
 - Business
 - Annual financial statements and auditing
- ▶ **Ongoing monitoring of the company's management**
 - Transactions requiring approval
 - Effectiveness of management systems
 - Financial Reporting
 - Key Actions/Transactions
- ▶ **Forward-looking management monitoring and strategic support**
 - Overall strategy incl. personnel strategy
 - Planning
 - Mergers & Acquisitions
 - Investment
 - Executive Board Compensation



Source: canstockphoto.com



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