



Excerpt from the Invitation to the Annual Shareholders' Meeting¹

– further information on agenda items –

**Joint report of the Supervisory Board and the Executive Board on
agenda item 9**

¹*Convenience translation - legally not binding*

2.2 Joint report of the Supervisory Board and the Executive Board on agenda item 9

The Supervisory Board and Executive Board recommend that the Annual Shareholders' Meeting approve the Liability and Coverage Settlement between Continental, the Former Executive Board Members, the Former CCO and the D&O Insurers, including the Annex (settlement agreement between Continental and Wolfgang Schäfer), under agenda item 9. With this step, Continental intends to largely conclude the Diesel Issue. In particular, this is intended to settle the civil law liabilities of board members and employees in connection with the Diesel Issue, as well as civil law claims in connection with the termination agreement of Wolfgang Schäfer against payment of a substantial settlement amount.

2.2.1 Background to the settlement agreement

a) The Diesel Issue at Continental

In July 2007, Continental announced the acquisition of Siemens VDO (“**SVDO**”). The purchase was completed in December 2007. With SVDO, Continental also took over the development and delivery of the engine control software for VW’s EA 189 (“**Project EA 189**”). VW had awarded this contract to SVDO in May 2006.

Project EA 189 faced challenges, particularly as a result of the demanding new EURO 5 emission limits. The challenges were exacerbated by the fact that VW wanted to use a relatively small diesel particulate filter (“**DPF**”) for cost and space reasons. The DPF filters soot particles produced during fuel combustion to prevent them from entering the environment. When the filter is full, it must regenerate itself through a process known as burn-off. However, after a certain number of regeneration cycles, the DPF must be replaced.

Its longevity increases if it is loaded as slowly as possible. However, for physical reasons, a reduction in particle emissions leads to an increase in NO_x-emissions (known as the sootNO_x-trade-off). Lower particle emissions to protect the relatively small DPF therefore inevitably led to higher NO_x-emissions, which in this case exceeded the legal limits. However, the engine control unit of the EA 189 for the VW Golf and Golf Plus contained software that ensured that this limit was not exceeded during regulatory test conditions.

Continental was involved in the development of this software, although the relevant divisions are no longer part of Continental. Technically, the shut-off device worked as follows: after each engine start, the so-called “normal mode” was initially active. In this mode, the vehicles complied with the legally prescribed EURO 5 emission limits. However, as soon as certain parameters specific to regulatory test situations were no longer present, the software irreversibly switched to “acoustic mode.” In this mode, the vehicles exceeded

the legal nitrogen oxide emission limits many times over, while fuel consumption and particle emissions were lower.

On September 18, 2015, the Diesel Issue became public. The United States Environmental Protection Agency (“**EPA**”) accused VW of installing so-called “defeat devices” (illegal shut-off devices under US law) in the EA 189 2.0 I and of violating environmental protection regulations as a result. Shortly thereafter, VW representatives informed Continental representatives that the EA 189 supplied by Continental also contained an “*unregistered cycle detection or defeat device*” and that VW needed Continental’s help in removing the defeat device.

Continental launched an internal investigation (“**Lupus Investigation**”). Neither the persons responsible at the time nor the Initial Legal Advisors ensured that the investigation was independent, open-ended and comprehensive. Despite the shortcomings of the Lupus Investigation, there were indications of misconduct on the part of Continental employees, Continental executives and a former member of the Executive Board. These indications were not properly investigated.

b) Investigation of the Diesel Issue and review of responsibilities

On July 1, 2020, the Hanover public prosecutor’s office searched Continental’s business premises for the first time in connection with the EA 189. Between September 2020 and early November 2021, there were five further searches at Continental and its subsidiaries.

Continental executives initially re-engaged the Initial Legal Advisors. This time, the mandate also included defending the Company and conducting a (further) internal investigation into EA 189. However, this investigation was also inadequate, and the Initial Legal Advisors failed to cooperate with the Hanover public prosecutor’s office as requested by Continental.

Finally, the Hanover public prosecutor’s office scheduled a meeting with several Company executives in the presence of the Initial Legal Advisors. At this meeting, the public prosecutor’s office harshly criticized the investigation conducted so far and the insufficient cooperation at that time. The public prosecutor’s office summoned several members of the Supervisory Board as witnesses. When calculating the fine, the public prosecutor’s office blamed the Company for failing to provide sufficient information and cooperation up to that point.

After the criticism of the Hanover public prosecutor’s office, the Supervisory Board then took over the investigation and changed legal advisors. The Supervisory Board resolved to conduct an independent and comprehensive investigation into Continental’s role in the Diesel Issue, also in order to assess

possible misconduct on the part of members of the Executive Board. To this end, it commissioned a comprehensive and independent investigation of various emissions issues and related Executive Board investigations from June 2021 to September 2024, engaging a law firm specializing in this area as well as a forensic and technical expert.

The Supervisory Board had the results of the investigation reviewed from a legal perspective for possible claims for damages. On September 19, 2024, the Supervisory Board considered the claims for damages assessed by its legal advisors and resolved to claim damages of approximately EUR 296 million from the Former Executive Board Members for breaches of their duty of care.

On November 15, 2024, the Executive Board also resolved to include claims for damages against the Former CCO in connection with the Diesel Issue in any negotiations with the D&O Insurers.

The resolutions are based on legal advice from Skadden (for the Supervisory Board) and GMW as well as the external employment law advisors (for the Executive Board), which had each affirmed enforceable claims for damages due to negligent breaches of duty of care. The review covered the members of the Executive Board in office during the relevant period and involved subordinate employees.

Continental's Executive Board has also conducted a review of whether former or current members of the Supervisory Board acted in accordance with their duties of care in connection with the Diesel Issue. The Executive Board also commissioned the law firm GMW to conduct this review. GMW concludes that there are no indications that former or current members of Continental's Supervisory Board may have violated their obligations under stock corporation law in connection with the Diesel Issue.

c) Ongoing proceedings in connection with the Diesel Issue

With the Liability and Coverage Settlement and Annex taking effect, Continental has largely concluded the Diesel Issue for Continental. Continental currently pursues claims against the Initial Legal Advisors, which they reject. In addition, to the best of Continental's knowledge, criminal proceedings against Dr. Karl-Thomas Neumann and three former employees are still ongoing, although Continental is not involved in these proceedings.

d) Continental's claims for damages against the Former Executive Board Members

Continental believes that it has enforceable claims for damages in a substantial amount against a total of six former members of the Executive Board in connection with the Diesel Issue.

(1) Dr. Karl-Thomas Neumann

Dr. Karl-Thomas Neumann was a member of Continental's Executive Board from October 1, 2004, to August 12, 2009, and was responsible for the Automotive Systems division, which also included the Powertrain division from 2007 onwards. From September 1, 2008, until his departure from the Executive Board on August 12, 2009, he also held the position of Chief Executive Officer.

In Continental's opinion, Dr. Karl-Thomas Neumann negligently violated his duties of care under stock corporation law by:

- failing to investigate specific indications of possible misconduct by Continental employees in the development and sale of VW vehicles with the EA 189 engine, which became known to him on December 8, 2008, at the latest, and remedy legal violations, if confirmed, and impose penalties where appropriate and
- failing, in the course of the integration of SVDO and as the member of the Executive Board responsible for the Powertrain division, to create a system that ensured legal compliance of the products of the Engine Systems business unit; in particular, failing to select, instruct and supervise employees who ensured that these products complied with legal requirements. The Engine Systems business unit later supplied VW with the Relevant Software.

By December 8, 2008, at the latest, Dr. Karl-Thomas Neumann received concrete indications of misconduct by former Continental employees in the development of VW's EA 189. By this date at the latest, he was aware of various modes with different emissions within the engine control software with which VW had obtained certification for the EA 189. At the same time, he learned that Continental employees were working on the development of these modes.

Nevertheless, Dr. Karl-Thomas Neumann did not demand any investigation and did not take any other measures to ensure the admissibility of the software.

In his role as the board member responsible for the Automotive Systems division, Dr. Karl-Thomas Neumann was also jointly responsible for the integration of SVDO. The acquisition created new risks, particularly in the area of environmental regulations. Even though Dr. Karl-Thomas Neumann realized this, he failed to create a system that ensured legal compliance of the products of the Engine Systems business unit.

Through the lawyers he commissioned, Dr. Karl-Thomas Neumann rejected the allegation of a breach of his duty of care and disputed the claims asserted.

(2) Manfred Wennemer

Manfred Wennemer was a member of Continental's Executive Board from May 1, 1998, to August 31, 2008. From September 11, 2001, until his departure from the Executive Board, he held the position of Chairman of the Executive Board. From 1998 to 2005, he was also responsible for the ContiTech division. From 2001 to 2003, he was also responsible for the Passenger Car Tires division, and in 2003 he was Director of Labor Relations.

In Continental's opinion, Manfred Wennemer negligently violated his duties of care under stock corporation law by failing, in the course of the integration of SVDO, to establish a system, which ensured compliance with legal requirements for products of the Engine Systems business unit in his capacity as the member of the Executive Board responsible for the integration; in particular, he failed to select, instruct and supervise employees who would ensure that these products complied with legal requirements.

In his role as Chairman of the Executive Board, he was jointly responsible for the integration of SVDO. The largest acquisition in the Company's history created new risks, particularly in the area of environmental regulations. Even though Manfred Wennemer realized this, he failed to create a system that ensured legal compliance of the products of the Engine Systems business unit.

Manfred Wennemer, through his lawyers, rejected the allegation of a breach of his duty of care and disputed the claims asserted.

(3) Dr. Alan Hippe

Dr. Alan Hippe was a member of Continental's Executive Board from June 1, 2002, to February 28, 2009, and was responsible for Finance, Controlling and Legal Affairs. From 2007, the division he headed was designated "Finance, Controlling, IT and Legal Affairs." In addition, the divisions "Passenger Car Tires" (from August 1, 2008) and "Rubber Group" (from 2008) fell within his area of responsibility until his departure.

In Continental's opinion, Dr. Alan Hippe negligently violated his duties of care under stock corporation law by failing, in the course of the integration of SVDO, to create a system that ensured legal compliance of the products of the Engine Systems business unit as the member of the Executive Board responsible for the integration. In particular, he failed to select, instruct and supervise employees who would ensure that these products complied with legal requirements.

In his role as a member of the Executive Board responsible for legal affairs, among other things, Dr. Alan Hippe was jointly responsible for the integration of SVDO. The acquisition created new risks, particularly in the area of environmental regulations. Even though Dr. Alan Hippe realized this, he failed to create a system that ensured legal compliance of the products of the Engine Systems business unit.

Dr. Alan Hippe, through his lawyers, rejected the allegation of a breach of his duty of care and disputed the claims asserted.

(4) Wolfgang Schäfer

Wolfgang Schäfer was appointed to the Executive Board of Continental with effect from January 1, 2010. In this role, he was responsible for Finance, Controlling, IT and Legal Affairs throughout his term of office, which also included compliance from 2011 onwards. He held this position until his resignation on November 17, 2021.

In Continental's opinion, Wolfgang Schäfer negligently violated his duties of care under stock corporation law by:

- failing to inform the entire Executive Board of specific indications of legal violations at Continental in connection with the development and sale of VW vehicles with the EA 189 engine, which became known to him in the fall of 2015, and thereby failing to bring about a decision by the Executive Board to conduct an open-ended investigation; he subsequently failed to ensure that confirmed legal violations were remedied; rather, without a resolution by the full Executive Board on this matter, he allowed the Initial Legal Advisors to conduct an investigation that was results-driven and focused on defending Continental against VW;
- failing to report properly or have reported by the full Executive Board to the Supervisory Board on the specific indications of legal violations at Continental, in particular the involvement of a former member of the Executive Board known to him, in connection with the development and sale of the EA 189, or to bring about a resolution of the Executive Board to that effect and failing to ensure that the investigation conducted in this regard was reported on properly;
- failing to inform the entire Executive Board of specific indications that he became aware of at the beginning of October 2015 that, in addition to the EA 189, other engine control units supplied by Continental also contained illegal software functions, and to obtain an Executive Board resolution on the implementation of an open-ended investigation; he

subsequently failed to ensure that confirmed legal violations were remedied;

- failing to report these indications or have them reported by the full Executive Board to the Supervisory Board in the proper manner;
- failing to create a system that ensured legal compliance of the products of the Engine Systems business unit; in particular, failing to select, instruct and supervise employees who ensured that these products complied with legal requirements;
- failing to correct false reports to the Supervisory Board's Audit Committee on February 29, 2016, that Continental had a proven technical compliance management system in place; and
- failing to properly report his findings from 2015 and 2016 to his fellow members of the Executive Board and the Supervisory Board, even after searches by the public prosecutors' offices in Frankfurt am Main and Hanover in 2020 and 2021.

On September 18, 2015, the public learned that VW had used illegal defeat devices in its vehicles with 2.0-liter diesel engines sold in the United States. Shortly thereafter, Wolfgang Schäfer learned that the VW EA 189 engine supplied by Continental also contained an "*unregistered cycle detection or defeat device*." Since VW was apparently dependent on the help of Continental employees to eliminate the "*unreported cycle detection or defeat device*," Wolfgang Schäfer had to assume the following: Continental employees had such deep insights into the system that they must also have been aware of the defeat device. This was confirmed in the course of the following weeks. During the investigation, Wolfgang Schäfer even received indications that Continental employees had been involved in the development of the cycle detection system and that the former Chairman of the Executive Board was aware of this.

At the beginning of October 2015, Wolfgang Schäfer received indications that, in addition to EA 189, other engine control units supplied by Continental also contained illegal software functions. However, he did not ensure that these indications were properly investigated and that any misconduct was remedied and punished.

Wolfgang Schäfer did not share any of the above information with the full Executive Board or the Supervisory Board. Therefore, neither the Executive Board nor the Supervisory Board could initiate a legally required independent, open-ended and comprehensive investigation. Instead, Wolfgang Schäfer, Dr. Elmar Degenhart and José Avila instructed the Former CCO and the former Head of Corporate Compliance to initiate an investigation without the

involvement of the full Executive Board. This investigation was not conducted in an open-ended manner, which was apparent to Wolfgang Schäfer. Nevertheless, the persons involved in the investigation gave the Executive Board and the Supervisory Board the impression that misconduct by employees should and would be investigated in an open-ended manner. Wolfgang Schäfer also gave the Chairman of the Supervisory Board's Audit Committee the correspondingly false information.

Wolfgang Schäfer did not ensure that the internal investigation initiated in autumn 2015 was conducted in an open-ended manner. This was one of the reasons why it came to the unjustifiable conclusion that no evidence of misconduct by Continental executives was found and that Continental was not facing any fines or confiscation. Even though Wolfgang Schäfer knew that the Initial Legal Advisors actually had indications of a possible breach of duty by Dr. Karl-Thomas Neumann, Continental did not remedy or punish misconduct and did not improve its compliance management system ("**CMS**"). Immediate improvement of the systems in 2015 could have prevented the distribution of several vehicles with illegal defeat devices from Continental.

Further breaches by Wolfgang Schäfer of his duty of care go back even further. In Continental's opinion, as part of the reorganization of the CMS in January 2011, he should have created a system that ensured legal compliance of the products of the Engine Systems business unit. He failed to do so.

In 2010, at the suggestion of the Supervisory Board, the Executive Board intended to comprehensively improve Continental's compliance organization. Wolfgang Schäfer, who was involved in the implementation, assumed – without checking – that the specialist functions had been performing their compliance management tasks flawlessly for a long time. If Wolfgang Schäfer had initiated an audit, it would have been noticed that the Engine Systems business unit did not have a system in place to ensure compliance with legal requirements for its products. Based on the assumption that a functioning system was already in place, no improvements were made in this area, which led to the consequences described above.

Even when the Supervisory Board asked the Executive Board to examine whether *“technical processes and product development could be more closely integrated into compliance and auditing work”* after the Diesel Issue came to light, Wolfgang Schäfer failed to have a sufficient analysis carried out. He did not intervene when the Supervisory Board's Audit Committee was misinformed in his presence.

Wolfgang Schäfer's misconduct was one contributing factor why the public prosecutor's office conducted several searches at the Company in 2020 and 2021 and imposed heavy fines on Continental. Even after these searches,

Wolfgang Schäfer failed to properly report his findings from 2015 and 2016 to his fellow members of the Executive Board and the Supervisory Board.

Wolfgang Schäfer, through his lawyers, rejected the allegation of a breach of his duty of care and disputed the claims asserted.

(5) José Avila

José Avila was appointed to the Executive Board of Continental with effect from January 1, 2010. He held this position until his resignation on September 30, 2018. In this role, he was responsible for the Powertrain division throughout his entire term of office.

In Continental's opinion, José Avila negligently violated his duties of care under stock corporation law by:

- failing to inform the full Executive Board of specific indications of legal violations at Continental in connection with the development and sale of VW vehicles with the EA 189 engine, which became known to him in the fall of 2015, and thereby bringing about a decision by the Executive Board to conduct an open-ended investigation; he subsequently failed to ensure that confirmed legal violations were remedied; rather, without a resolution by the full Executive Board on this matter, he allowed the Initial Legal Advisors to conduct an investigation that was results-driven and focused on defending against VW;
- failing to report properly or have reported by the full Executive Board to the Supervisory Board on the specific indications of legal violations at Continental in connection with the development and sale of the EA 189 or to bring about a resolution by the Executive Board to that effect, and not ensuring that the investigation conducted in this regard was reported properly;
- failing to inform the entire Executive Board of specific indications that he became aware of in early October 2015 that, in addition to the EA 189, other engine control units supplied by Continental also contained illegal software functions, and to obtain a resolution by the Executive Board to conduct an open-ended investigation; he subsequently also failed to ensure that confirmed legal violations were remedied;
- failing to report these indications or have them reported by the full Executive Board to the Supervisory Board in the proper manner or to obtain a resolution to that effect from the Executive Board; and

- failing to create a system that ensured legal compliance of the products of the Engine System business unit, as the member of the Executive Board responsible for the Powertrain division; in particular, failing to select, instruct and supervise employees who would ensure that these products complied with legal requirements.

José Avila also learned shortly after the publication of the VW NoV in conversations with Dr. Elmar Degenhart about the “*unreported cycle detection or defeat device*” in the VW EA 189 engine supplied by Continental. He also learned that VW had asked Continental for help in eliminating this “*unreported cycle detection or defeat device*” while complying with emission standards. He, too, had to assume that Continental employees must have been aware of the defeat device, which was confirmed in the course of the following weeks. José Avila even received indications that Continental employees had been involved in the development of the cycle detection system.

In early October 2015, José Avila received indications that other engine control units supplied by Continental (besides the one for the EA 189) also contained illegal software functions. However, he did not arrange for these indications to be properly investigated and for any misconduct to be remedied and punished.

José Avila did not share any of the above information with the full Executive Board or the Supervisory Board. Therefore, neither the Executive Board nor the Supervisory Board could initiate a legally required independent, open-ended and comprehensive investigation. Instead, José Avila, Dr. Elmar Degenhart and Wolfgang Schäfer instructed the Former CCO and the former Head of Corporate Compliance to initiate an investigation without the involvement of the full Executive Board. This investigation was clearly not conducted in an open-ended manner.

José Avila did not ensure that the internal investigation initiated in autumn was conducted in an open-ended manner. This was one of the reasons why it came to the unjustifiable conclusion that no evidence of misconduct by Continental executives was found and that Continental would not face any fines or confiscation. Misconduct was not remedied or punished, and Continental did not improve its CMS. Immediate improvement of the systems in 2015 could have prevented the distribution of several vehicles with illegal defeat devices from Continental.

Further breaches by José Avila of his duty of care go back even further. In his role as the member of the Executive Board responsible for the Powertrain division, he should have created a system that ensured legal compliance of the products of the Engine Systems business unit as soon as he took up his

position, but at the latest when the CMS was reorganized in January 2011. However, José Avila did not take such actions.

When the Executive Board wanted to comprehensively improve its compliance organization in 2010 at the suggestion of the Supervisory Board, José Avila did not question or review the statement that the specialist functions were responsible for compliance management. If José Avila had initiated an audit himself, he would have noticed that the Engine Systems business unit did not have a system in place to ensure compliance with legal requirements for its products. Based on the assumption that a functioning system was already in place, no improvements were made in this area, which led to the serious consequences described above.

José Avila's misconduct was one contributing factor why the public prosecutor's office conducted a total of several searches at the Company in 2020 and 2021 and imposed heavy fines on Continental.

José Avila, through his lawyers, rejected the allegation of a breach of his duty of care and disputed the claims asserted.

(6) Dr. Elmar Degenhart

Dr. Elmar Degenhart was appointed to the Executive Board and Chairman of the Executive Board of Continental with effect from August 12, 2009. He held this position until his resignation on November 30, 2020. During this period, his areas of responsibility included "Corporate Communications" (from 2020: "Group Communications and Public Affairs") and "Group Quality and Environment" (from 2020: "Group Total Quality Management"). From 2011, he was also responsible for "Continental Business Systems" (until 2020) and "Central Automotive Functions" (until March 31, 2019).

In Continental's opinion, Dr. Elmar Degenhart negligently violated his duties of care under stock corporation law by:

- failing to inform the full Executive Board of specific indications of legal violations at Continental in connection with the development and sale of VW vehicles with the EA 189 engine, which he became aware of in the fall of 2015, and thereby bringing about a decision by the Executive Board to conduct an open-ended investigation; he subsequently failed to ensure that confirmed legal violations were remedied; rather, without a resolution by the full Executive Board on this matter, he allowed the Initial Legal Advisors to conduct an investigation that was results-driven and focused on defending against VW;
- failing to report properly or have the full Executive Board report to the Supervisory Board on the specific indications of legal violations at

Continental in connection with the development and sale of the EA 189 or to bring about a resolution by the Executive Board to that effect, and did not ensure that the investigation conducted in this regard was reported properly;

- failing to inform the entire Executive Board of specific indications that he became aware of in early October 2015 that, in addition to the EA 189, other engine control units supplied by Continental also contained illegal software functions, and to obtain a resolution by the Executive Board to conduct an open-ended investigation; he subsequently also failed to ensure that confirmed legal violations were remedied; and
- failing to report these indications to the Supervisory Board in the proper manner or to obtain a resolution to that effect from the Executive Board.

As described above, shortly after the publication of the VW NoV, Dr. Elmar Degenhart personally learned from a phone call from a VW executive that the VW EA 189 engine supplied by Continental also contained an “*unreported cycle detection or defeat device*” and that VW needed help in eliminating it. Dr. Elmar Degenhart also had to assume that Continental employees must have been aware of the defeat device, which was confirmed in the course of the following weeks. Dr. Elmar Degenhart also received indications that Continental employees had been involved in the development of the cycle detection system. As early as October 2015, Continental employees explained to Dr. Elmar Degenhart in a presentation the exact functioning of the Continental-specific defeat device, about which no information was publicly available at that time.

At the beginning of October 2015, Dr. Elmar Degenhart received indications that other engine control units supplied by Continental (besides the one for the EA 189) also contained illegal software functions. However, he did not ensure that these indications were properly investigated and that any misconduct was remedied and punished.

Dr. Elmar Degenhart did not share any of the above information with the full Executive Board or the Supervisory Board. Therefore, neither the Executive Board nor the Supervisory Board could initiate the legally required independent, open-ended and comprehensive investigation. Instead, Dr. Elmar Degenhart, Wolfgang Schäfer and José Avila instructed the Former CCO and the former Head of Corporate Compliance to initiate an investigation without the involvement of the full Executive Board. This investigation was clearly not conducted in an open-ended manner.

Dr. Elmar Degenhart did not ensure that the internal investigation initiated in autumn 2015 was conducted in an open-ended manner. This was one of the reasons why it came to the unjustifiable conclusion that no evidence of misconduct by Continental executives was found and that Continental was not facing any fines or confiscation. Misconduct was not remedied or punished, and Continental did not improve its CMS. The persons involved in the investigation gave the entire Executive Board and the Supervisory Board the false impression that misconduct by employees was and would be investigated open-ended.

Dr. Elmar Degenhart's misconduct was one contributing factor why the public prosecutor's office conducted a total of several searches of the Company in 2020 and 2021 and imposed heavy fines on Continental.

Dr. Elmar Degenhart, through his lawyers, rejected the allegation of a breach of his duty of care and disputed the claims asserted.

e) Continental's claims for damages against other members of the Executive Board

Continental is of the opinion that Andreas Wolf also violated his duty of care. However, the Supervisory Board initially postponed taking legal action and asserting the resulting claims for damages against the Former Executive Board Members who contributed to causing these damages.

The Supervisory Board's investigation revealed a negligent breach by Andreas Wolf of his duty of care in connection with the Diesel Issue. Andreas Wolf learned no later than March 3, 2021, that (i) Continental had provided software for the EA 189 that was designed to enable a defeat device, (ii) Continental had been involved in the programming of this software, and (iii) Continental must have had access to all calibration data for this software. This information was not known to most of the other members of the Executive Board or to the Supervisory Board at that time. Nevertheless, Andreas Wolf did not pass this information on to the full Executive Board and the Supervisory Board. Andreas Wolf thus prevented the full Executive Board and the Supervisory Board from making an informed assessment of the investigations by the Hanover public prosecutor's office, correctly assessing the consequences for the Company and responding accordingly.

In September 2024, the Supervisory Board postponed its decision on whether to pursue claims against Andreas Wolf for the following reasons: The damage resulting from Andreas Wolf's breach of his duty of care was difficult to assess due to complex causality issues, but in any case was minor. Continental was able to claim the full amount of the potential damage from other members of the Executive Board who were jointly and severally liable. Any claims against

Andreas Wolf would become time-barred in 2030 at the earliest. These claims will also be settled when the Liability and Coverage Settlement takes effect.

Apart from that, Continental has not identified any breaches of duty of care by other former or active members of Continental's Executive Board in connection with the Diesel Issue on the basis of the investigation.

f) Other claims for damages by Continental

Continental is furthermore of the opinion to be entitled to a claim for damages against the Former CCO in connection with the Diesel Issue. On November 15, 2024, the Executive Board resolved to include these claims in any negotiations with the D&O Insurers.

In addition, Continental is pursuing claims for damages against the Initial Legal Advisors in connection with their legal advice on the Diesel Issue. The Initial Legal Advisors reject the claims.

Continental is not entitled to any claims for damages against former or current members of Continental's Supervisory Board in connection with the Diesel Issue. There are no indications that members of the Supervisory Board acted in any way contrary to their duties in connection with the Diesel Issue.

g) Half of the settlement amount to be shared with Schaeffler AG

On September 26, 2024, Continental reached a settlement with Vitesco to settle Vitesco's potential compensation obligations to Continental in connection with the Diesel Issue. The background to this was the spin-off of the Powertrain business area, which also included the Engine Systems business unit, and the group separation agreement concluded between Continental and Vitesco in this context. Based on the settlement, Vitesco paid Continental EUR 125 million. In return, Continental undertook in this settlement to share with Vitesco any proceeds from the assertion of claims against third parties in connection with the Diesel Issue on a 50/50 basis after deduction of reasonable costs by Continental. The legal successor to Vitesco Technologies Group AG, Schaeffler AG ("**Schaeffler**"). The settlement amount of around EUR 43.7 million is therefore to be shared with Schaeffler on a 50/50 basis after deduction of reasonable costs.

h) D&O Insurance program

Continental maintains D&O Insurance. This provides insurance coverage for certain former and current executives, such as members of the Executive Board and division heads of Continental ("**Insured Persons**"), in the event that they are sued for damages by third parties or are subject to official proceedings in connection with a breach of duty of care committed in the course

of their duties. The 2020 insurance program is relevant for the liability and coverage comparison. It consists of a basic contract supplemented by various excess insurance contracts (collectively, the “**Continental D&O 2020**”).

Continental D&O 2020 amounts to a total sum insured of EUR 400 million. It consists of the primary policy for primary coverage with a sum insured of EUR 25 million and four subsequent excess insurance policies with a sum insured of a further EUR 375 million in total.

In November 2020, Continental reported the facts known at the time to the D&O Insurers as a precautionary measure. The insurers contractually excluded any further coverage for the Diesel Issue for all insurance periods from January 1, 2021 (in the contracts, “provision of illegal defeat devices for vehicle engines”).

There is disagreement between Continental and the D&O Insurers about the scope of coverage. Continental is of the opinion that the facts in question are covered in their entirety by Continental D&O 2020. The D&O Insurers took the position vis-à-vis Continental, Wolfgang Schäfer, José Avila and Dr. Elmar Degenhart that claims for damages in connection with the incorrect disclosure of misconduct (so-called “**Crisis Management**”) were not covered by the reports submitted. In any case, the D&O Insurers also argue, these breaches of duty of care were not insured due to the specific matter exclusion. The corresponding claims are part of the Liability and Coverage Settlement.

i) Expenses

Until the resolution of the Supervisory Board in September 2024 on the pursuit of claims, Continental had identified reimbursable damages of at least EUR 296 million in connection with the Diesel Issue. The amount includes, among other things, costs for internal investigations and defense as well as fines. Until end of 2025, Continental has incurred costs in connection with the Diesel Issue in the overall amount of approximately EUR 300 million.

2.2.2 Key content of the settlement agreements

(1) Liability and Coverage Settlement

Continental has concluded the Liability and Coverage Settlement with the Former Executive Board Members, the Former CCO and the D&O Insurers, which is attached as an appendix to agenda item 9.

The main obligations and legal effects of this Liability and Coverage Settlement are:

- Pursuant to Section 1 of the Liability and Coverage Settlement, the D&O Insurers undertake to pay Continental a settlement amount of EUR 43,719,770.00.
- The parties agree to settle and discharge all claims for damages against all Insured Persons in connection with the Diesel Issue. This therefore also applies in favor of Andreas Wolf and all other Insured Persons who are not themselves involved in the Liability and Coverage Settlement. This also applies to any previously unknown claims for damages.
- In the Liability and Coverage Settlement, Continental and the D&O Insurers have also stated their opinion that there is no longer any coverage under Continental D&O 2020 for directors' and officers' liability claims in connection with the Diesel Issue that arose less than three years ago and therefore cannot yet be waived under the statutory provisions.
- The parties agree to settle and discharge all (coverage) claims against the D&O Insurers in connection with the Diesel Issue.
- The Former Executive Board Members and the Former CCO are not obliged to make any personal contribution.
- For the D&O Insurers, the Former Executive Board Members and the Former CCO, the Diesel Issue at Continental will be definitively settled with the payment by the D&O Insurers. Corresponding indemnification provisions are therefore provided for the event that Continental, for example, makes claims against third parties – such as the Initial Legal Advisors – in connection with the Diesel Issue, and these third parties in turn make claims against the Former Executive Board Members, the Former CCO or other Insured Persons.
 - If third parties assert recourse claims against the Former Executive Board Members or the Former CCO, Continental will indemnify them against these recourse claims and assume any defense costs.
 - If Insured Persons make claims against the D&O Insurers in connection with the Diesel Issue, Continental will indemnify the D&O Insurers against these coverage claims and bear any defense costs.
- Payment by the D&O Insurers is due one month after the Annual Shareholders' Meeting approves the Liability and Coverage Settlement.

- If criminal proceedings against Dr. Karl-Thomas Neumann result in court proceedings, further defense costs will be incurred. Continental shall bear these costs for Dr. Karl-Thomas Neumann but not for other defendants. In the event of a conviction, Continental may reclaim the costs from Dr. Karl-Thomas Neumann.
- The effectiveness of the Liability and Coverage Settlement is subject to the condition precedent that Continental's Annual Shareholders' Meeting approves it and that no minority whose shares together amount to one-tenth of Continental's share capital objects to the resolution being recorded in the minutes. This reflects the legal requirements set out in Section 93 (4) sentence 3 of the German Stock Corporation Act (*AktG*). The Liability and Coverage Settlement contains provisions for the event that an action for defectiveness of a resolution is brought against the approval resolution of the Annual Shareholders' Meeting. The mere filing of such an action for defectiveness of a resolution does not prevent the Liability and Coverage Settlement from taking effect. If an action for defectiveness of a resolution is successful, the Liability and Coverage Settlement will retroactively cease to be effective. However, provisions are included to ensure that Continental can continue to pursue its claims in this scenario, i.e., Former Executive Board Members cannot invoke the statute of limitations.
- The Liability and Coverage Settlement contains a clause that, although phrased in general terms, can have a legal effect only for the Former CCO. According to this clause, Continental waives its right to enforce claims against the private assets of the defendants if the Annual Shareholders' Meeting does not approve the Liability and Coverage Settlement or if the approval resolution is successfully challenged. Such a waiver would be effective vis-à-vis the Former Executive Board Members only if the Annual Shareholders' Meeting actually approves it. Such effectiveness would no longer exist if nullity or ineffectiveness were established. This means that the waiver can be effective only vis-à-vis the Former CCO.
- The Former Executive Board Members and the Former CCO waive their right to raise the defense of limitation. This waiver will also continue to apply if the Annual Shareholders' Meeting does not approve the Liability and Coverage Settlement or if a minority whose shares together amount to one-tenth of the share capital raises an objection for the record or if individual shareholders challenge the Annual Shareholders' Meeting's resolution approving the Liability and Coverage Settlement. The waiver therefore ensures that Continental can

still assert its claims in court if the Liability and Coverage Settlement does not take effect or if its effectiveness is retroactively revoked.

- The parties to the Liability and Coverage Settlement shall each bear their own costs incurred in connection with the conclusion of the overall settlement.

(2) Annex (settlement with Wolfgang Schäfer)

At the start of Skadden's investigation in June 2021, Wolfgang Schäfer was still a serving member of the Executive Board. On November 18, 2021, Continental entered into an agreement with Wolfgang Schäfer whereby he and Continental terminated his employment relationship in connection with the Diesel Issue as of January 31, 2022 ("**Termination Agreement**"). In the Termination Agreement, Continental and Wolfgang Schäfer agreed that he is entitled to (i) a severance payment of approximately EUR 6.7 million, unless there was extraordinary cause for termination at the time the Termination Agreement was concluded, and (ii) outstanding remuneration and bonuses of approximately EUR 2.0 million, which Continental can offset against claims for damages after completion of the investigation and preliminary proceedings. The amount of the compensation payment was based on a severance payment frequently used in practice for the remaining term of the employment contract, capped at a maximum of two years.

Continental assumes that the claim for compensation has not arisen, based on the results of its internal investigation and the legal assessment of its advisors.

A preliminary investigation initiated by the Hanover public prosecutor's office against Wolfgang Schäfer in 2021 was closed in mid-December 2024 due to lack of suspicion of a crime pursuant to Section 170 (2) of the German Code of Criminal Procedure (StPO). From that point on, Continental was able to offset Wolfgang Schäfer's outstanding remuneration against its own claims against him in accordance with the Termination Agreement. However, Wolfgang Schäfer demanded payment of his remuneration and at least part of the compensation payment, plus interest in each case.

During the negotiations, Wolfgang Schäfer made his participation in the Liability and Coverage Settlement contingent upon Continental reaching an agreement with him in advance regarding his claims for payment plus interest. After intensive negotiations, Wolfgang Schäfer agreed on September 12, 2025, to participate in the Liability and Coverage Settlement if Continental agreed with him in an Annex to the Liability and Coverage Settlement on the following terms:

- Continental would pay Wolfgang Schäfer his remuneration earned up to the date of his resignation in the amount of approximately EUR 2.0 million plus the respective statutory default interest.
- Continental will pay Wolfgang Schäfer an additional EUR 2.8 million plus the respective statutory default interest to settle the disputed compensation payment of approximately EUR 6.7 million.
- Continental will reimburse Wolfgang Schäfer for the reasonable and necessary costs of his criminal defense in accordance with the Supervisory Board resolution adopted on September 30, 2021.
- Wolfgang Schäfer's pension entitlements against Continental remain unchanged.
- This settlement will become effective only once the Annual Shareholders' Meeting has approved the overall settlement and no minority whose shares together amount to one-tenth of the share capital has lodged an objection for the record.
- Continental waives its right to raise the statute of limitations defense with regard to the aforementioned claims by Wolfgang Schäfer. The waiver of the statute of limitations is valid for 15.5 months longer than the waiver of the statute of limitations granted by Wolfgang Schäfer in the overall settlement.
- If individual shareholders subsequently take successful legal action against the overall settlement, Continental and Wolfgang Schäfer will conclude a new settlement. This settlement will be as close as possible to the content of the previous settlement, but will take into account the circumstances that led to the success of the respective shareholders' legal action.

2.2.3 Legal framework of the proposal to the Annual Shareholders' Meeting

The Liability and Coverage Settlement including its Annex (settlement with Wolfgang Schäfer) submitted for approval here requires the approval of the Annual Shareholders' Meeting in accordance with Section 93 (4) sentence 3 *AktG*. According to this provision, Continental may waive claims for compensation against members of its Executive Board or settle such claims only if three years have passed since the claim arose, the Annual Shareholders' Meeting approves the settlement, and no minority whose shares together amount to one-tenth of the share capital raises an objection for the record. The Liability and Coverage Settlement contains elements of a settlement and a waiver and is therefore subject to this provision.

The Annual Shareholders' Meeting can vote on the Liability and Coverage Settlement because the minimum period of three years has expired. The period begins when the claim arises. A claim arises as soon as the breach of duty of care has been committed and damage is specifically apparent. The period begins as soon as the claim can be asserted by means of an action for performance or declaratory relief, regardless of whether the damage has been fully realized. In all of the cases examined, this point in time was more than three years ago. The Annual Shareholders' Meeting can therefore vote on the Liability and Coverage Settlement.

2.2.4 Key reasons for the settlement

The Supervisory Board and Executive Board of Continental are convinced that the conclusion of the Liability and Coverage Settlement, including the Annex, put to the vote under agenda item 9 is in the interests of Continental, as the advantages of a settlement outweigh the possible disadvantages. This is based on the following considerations:

- The responsibilities of Continental's board members in connection with the Diesel Issue have been thoroughly and carefully examined. Following the completion of this comprehensive investigation, the review is now to be concluded so that Continental can draw a line under the Diesel Issue as far as possible. Once the settlement takes effect, legal peace will be restored. This applies not only to the Former Executive Board Members and the Former CCO, but also to other Insured Persons.
- Continental can thus use the internal time and financial resources that are freed up for future issues that are urgently needed in view of the epochal geopolitical and macroeconomic upheavals and technical innovations. In this environment, the transformation measures and the realignment of the various divisions through the separation of Vitesco and Aumovio, which has already taken place, and the planned sale of the ContiTech business had and continue to have the highest priority. The focus of Continental's management and workforce is on concentrating the divisions on "pure play" in technologically demanding segments, securing market share and exploiting growth opportunities. The settlement amount to be paid by the D&O Insurers can be used for these transformation measures.
- The Supervisory Board and Executive Board consider the outcome of the negotiations and, in particular, the amount of the payments to be made by the D&O Insurers to be economically very reasonable in the interests of the Company. This also applies when taking into account that Continental must pass on half of the settlement amount to Schaeffler after deducting reasonable costs and pay a mid-single-digit million amount to Wolfgang Schäfer. Although the settlement amount is significantly lower than the amount Continental claimed as damages from the Former Executive Board Members, it is

questionable whether Continental could achieve a better financial outcome by suing the Former Executive Board Members. In the run-up to the settlement, Continental thoroughly examined the litigation risks of a possible lawsuit. According to this analysis, scenarios are conceivable in which Continental would be unable to enforce any or only a very small claim for damages. Added to this are the considerable costs associated with enforcing claims for damages in such a complex case in court and, if necessary, through several instances.

- Continental conducted the negotiations for the Liability and Coverage Settlement vigorously over several rounds. Continental communicated to the D&O Insurers at an early stage that the Company would file lawsuits in mid-September 2025 without an agreement or waiver of the statute of limitations. In the final weeks before the settlement was reached, the D&O Insurers made significant concessions and, on the other hand, credibly explained that they could not make any further concessions to Continental. At that point, the claims for damages against the Former Executive Board Members were in danger of becoming time-barred. Further negotiations without filing a lawsuit after mid-September 2025 were not possible because the Former Executive Board Members had not waived the statute of limitations. Based on the statements made by the D&O Insurers, this would not have been expedient either. If contentious proceedings had been initiated to suspend the statute of limitations, the offer made by the D&O Insurers would have become invalid.
- The settlement agreement concluded in September 2025 also offered the greatest possible cost advantage for Continental. As a result of the negotiations with the D&O Insurers, Continental had not incurred any unusually high costs for legal enforcement up to that point. These costs are also deducted before the settlement amount is divided equally between Continental and Vitesco.
- Litigating the claims would have entailed considerable additional costs. Continental would have been burdened with substantial legal costs, the bearing of which would have depended largely on the uncertain outcome of the court proceedings and which, in any case, would have had to be paid in advance by Continental or the D&O Insurers. The assumption of costs by the D&O Insurers would have used up part of the insurance sum.
- Former Executive Board Members and D&O Insurers raised factual and legal objections in the negotiations to defend against the claims for compensation. Continental countered these objections in the negotiations with very good arguments. However, some legal issues have not yet been decided by the highest court.

- A binding clarification of the existence of claims for damages and any inflow of funds to Continental would also be expected only in a few years thereafter, possibly following several lengthy proceedings. This is because if the D&O Insurers did not pay after successful liability proceedings, coverage proceedings would still have to be brought against the D&O Insurers. Experience shows that liability and subsequent coverage proceedings can take more than ten years. Upon conclusion of the Liability and Coverage Settlement, Continental can refrain from taking any legal action of its own and avoid a compensation claim by Wolfgang Schäfer and the associated costs. The D&O Insurers will pay the settlement amount to Continental no later than one month after the Annual Shareholders' Meeting has approved it and no minority whose shares together amount to one-tenth of the share capital has lodged an objection for the record.
- In relation to the damage incurred, the settlement amount is at the upper end of what D&O Insurers have reimbursed in other publicly known cases of directors' and officers' liability. The agreement with the D&O Insurers can also be considered a success overall. Negotiations with D&O Insurers often take several years and are therefore associated with considerable costs and a significant investment of time. D&O Insurers often make an acceptable settlement offer only once the Company concerned has initiated legal proceedings and obtained an initial notice of claim or even a positive first-instance judgment. Representatives of the first and second excess layers also expressly considered this in the negotiations.
- Contributions from the Former Executive Board Members are not agreed upon in the Liability and Coverage Settlement. From Continental's perspective, there was also no need for a personal financial contribution from the former board members because (i) they are accused only of organizational negligence and omission, but not of active or intentional conduct, (ii) personal contributions could have been enforced only through legal action (i.e., a lengthy and costly process) because the Former Executive Board Members strongly dispute all allegations, and (iii) Continental was able to achieve a good outcome in the negotiations even without any contributions by the Former Executive Board Members. In this respect, the negotiations on the Liability and Coverage Settlement were simpler, faster, and also cheaper. By concluding his settlement, Wolfgang Schäfer also waives a part of the claims he asserted.
- The pursuit of claims against the Initial Legal Advisors is still pending. A successful pursuit of claims would further reduce the total damage.
- The waiver of possible liability claims against the other Insured Persons does not entail any economic disadvantages for the Company, as according to the

Company's legal advisors, Continental has no additional valuable claims for damages against other Insured Persons.

- Further reputational damage due to negative reporting on the Diesel Issue is largely ruled out. In the course of Continental's restructuring measures, protecting its public reputation was and remains a particular concern for the Company.

2.2.5 Summary recommendation

On this basis, the Supervisory Board and Executive Board are convinced that the settlement agreement put to the vote under agenda item 9 is far preferable to judicial enforcement of claims for compensation or coverage in the interests of the Company. In the opinion of the Supervisory Board and the Executive Board, the Company's interest in concluding the legal proceedings relating to the Diesel Issue with regard to the civil law liabilities of the board members quickly, legally securely and definitively through the settlement agreement clearly outweighs any other considerations. The Supervisory Board and the Executive Board therefore propose that the Annual Shareholders' Meeting approve the liability and indemnification settlement.

****End of the excerpt from the Invitation to the Annual Shareholders' Meeting****