

By-Laws for the Audit Committee of the Supervisory Board of Continental Aktiengesellschaft

[Non-binding Convenience Translation]

Section 1 – Basic Principles

In accordance with Section 8 of the By-Laws of the Supervisory Board, the Supervisory Board has an Audit Committee. The Audit Committee performs its activities in accordance with the legal provisions, the Company's Articles of Incorporation, the By-Laws of the Supervisory Board, these By-Laws and the Corporate Governance Principles of Continental AG.

Section 2 – Meeting Participants

- (1) Unless the Audit Committee decides otherwise in the individual case, the auditor shall attend the Audit Committee meetings at which the Audit Committee discusses the documents specified in Section 3 (1) lit. (a) or an interim report that has been reviewed by the auditor as well as on invitation by the Chairperson of the Audit Committee.
- (2) The Executive Board or individual members of the Executive Board also regularly participate in the Audit Committee's discussions. In consultation with the Executive Board, other internal or – following a resolution by the Audit Committee – external experts may also participate.
- (3) If necessary, the Audit Committee meets without the Executive Board.

Section 3 – Tasks

- (1) The Audit Committee has the following tasks:
 - a) conducting a preliminary review of the annual financial statements, the management report and the proposal for the appropriation of the Company's net income, as well as the consolidated financial statements and the consolidated management report, in cooperation with the auditor;
 - b) conducting a preliminary review of any separate consolidated non-financial report in cooperation with the external auditor retained, if any;
 - c) reporting to the Supervisory Board on the results of the preliminary reviews pursuant to letters a) and b) as a basis for the Supervisory Board's discussion and resolution in accordance with Section 171 (1) of the German Stock Corporation Act (AktG);

- d) making a proposal regarding the part of the Supervisory Board report relating to the audit of the financial statements to the Annual Shareholders' Meeting in accordance with Section 171 (2) AktG;
 - e) monitoring the accounting process and the effectiveness of the internal control system, the risk management system, the internal audit system, the audit of the financial statements and compliance;
 - f) reviewing the Company's draft interim reports;
 - g) preparing the Supervisory Board's proposal to the Annual Shareholders' Meeting regarding the appointment of the auditor, particularly obtaining a statement from the proposed auditor stating:
 - whether and which business, financial, personal or other relationships exist between the auditor, its corporate bodies or audit managers on the one hand and the Company and the members of its corporate bodies on the other hand that could compromise the auditor's independence;
 - to what extent other services were performed for the Company during the past year or are contracted for the following year, especially in the consulting area;
 - h) retaining the auditor appointed by the Annual Shareholders' Meeting, including negotiating and deciding on financial and other conditions and, if necessary, determining particular focal points for the audit and incorporating these in the audit assignment;
 - i) retaining an external review of the consolidated non-financial declaration or of the separate consolidated non-financial report;
 - j) monitoring the independence of the auditor and approving the non-audit services performed by the auditor in accordance with the legal regulations;
 - k) discussing and deciding on measures to be taken due to reasons for possible disqualification or bias of the auditor that arise during the audit.
- (2) Within the scope of its responsibilities, the Audit Committee may define principles for the performance of its tasks, particularly for the selection of the auditor and for cooperation with the auditor.

Section 4 – Meetings

- (1) Audit Committee meetings are convened by the Chairperson of the committee, giving notice of at least one week before the meeting date and stating the items to be discussed.
- (2) Each member of the Audit Committee may call for a meeting to be convened. The Chairperson of the Audit Committee may decide that a meeting is to be held only by telephone or using other telecommunications media.

Section 5 – Resolutions

- (1) At least three of its members participating in adopting a resolution constitute a quorum of the Audit Committee.
- (2) Resolutions of the Audit Committee require a majority of the votes cast, unless applicable law or the Company's Articles of Incorporation stipulate a different majority. In the event of a tie, the matter may be submitted to the full Supervisory Board for a decision at the request of the Chairperson or another member of the committee.

Section 6 – Entry into Force

These Rules of Procedure shall enter into force on April 28, 2017.