



Rules of Procedure for the Supervisory Board
of
Bilfinger SE

At its meeting on August 10, 2020, the Supervisory Board adopts
the following

RULES OF PROCEDURE

1. General provisions

- 1.1. The Supervisory Board executes its tasks in accordance with legal requirements, the Articles of Incorporation, The Bilfinger Code of Conduct, these Rules of Procedure and supplementary resolutions of the Supervisory Board. The Supervisory Board and its members also observe the Bilfinger compliance policies, as amended, insofar as these are reconcilable with the legal position, the rights and obligations as well as the particular activities of the Supervisory Board and its members and insofar as these are applicable to them and the Supervisory Board has not explicitly resolved the non-application of individual policies. Furthermore, the Supervisory Board is also guided by the recommendations and suggestions of the German Corporate Governance Code.
- 1.2. The members of the Supervisory Board have the same rights and obligations insofar as the law, Articles of Incorporation or these Rules of Procedure do not dictate otherwise. They are not bound by any orders or directions.

- 1.3. Unless stipulated otherwise in these Rules of Procedure, all documents for the members of the Supervisory Board are made available through an electronic meeting management system and the members of the Supervisory Board are informed that the documents are available there via e-mail sent to the last address known to the Company. The documents are only provided by other means in justified exceptional cases by the Chairman of the Supervisory Board or upon his instructions and on his behalf by the Corporate Office.

2. Tasks and responsibilities of the Supervisory Board

- 2.1 The task of the Supervisory Board is to monitor the Executive Board's conduct of the business. Within the scope of this task, the Supervisory Board advises and supports the Executive Board in the management of the Company and promotes the objectives of the Company. The Supervisory Board works closely and in a spirit of trust for the benefit of the Company and of the Group.
- 2.2 The Supervisory Board appoints the members of the Executive Board, removes them and is responsible for the closing, amendment and termination of the service contracts with the members of the Executive Board, including the definition and review of the remuneration system for the Executive Board and the total remuneration of the individual members of the Executive Board. In this regard, it ensures the long-term succession planning in the Executive Board.
- 2.3 The Supervisory Board has the Executive Board inform it on a regular basis and in a timely and comprehensive manner on all topics of relevance to the Company, in particular the corporate planning, the position of the Group, business development as well as compliance and risk management. The Supervisory Board defines the details of the Executive Board's information and reporting obligations in an information directive.
- 2.4 In order to fulfill its tasks, the Supervisory Board can, in accordance with its due discretion, consult auditors, legal and other external and internal advisors. The costs shall be borne by the Company.

3. Transactions requiring approval

The Executive Board requires the approval of the Supervisory Board for the transactions of the Company and companies affiliated with it listed in Section 15 Paragraph 1 of the Articles of Incorporation as well as specified and supplemented in the attached **Appendix**.

The Supervisory Board can – also in individual cases – determine that also other transactions may only be undertaken with its approval.

4. Declaration of compliance, efficiency review

4.1 The Supervisory Board deals with the declaration of compliance pursuant to Section 161 of the German Stock Corporation Act (*AktG*) and passes a corresponding resolution.

4.2 The Supervisory Board examines the efficiency of its activities at least every two years. In addition to the qualitative criteria defined by the Supervisory Board, the procedures in the Audit Committee and the flow of information between the committees and the plenum as well as the timely provision of information with sufficient content to the Supervisory Board by the Executive Board and the Company are objects of the efficiency review.

5. Committees

5.1 The Supervisory Board shall form a Presiding Committee, an Audit Committee, a Nomination Committee and, if necessary, other committees from among its own ranks, setting out their duties and powers in a Rules of Procedure document. To the extent permitted by law, the committees may also be authorized to make decisions that fall within the competence of the Supervisory Board.

5.2 The members of the committees of the Supervisory Board are appointed for the duration of their term of office, insofar as a shorter time in office has not been defined or the committee has been formed for a limited period of time. The Supervisory Board appoints one member of the respective committee as Chairman of the committee and each committee with more than three members appoints from among themselves a further member as his or her deputy, insofar as the law, the Articles of Incorporation, these or the Rules of Procedure of the respective committee has not regulated otherwise.

5.3 Apart from this, the rules for the Supervisory Board in these Rules of Procedure apply accordingly to the convening, form, adoption of resolutions and keeping of minutes for meetings and the adoption of resolutions outside of meetings, for the quorum and votes in a committee, including the right to a second vote in Section 11.6, insofar as the Rules of Procedure for the respective committee do not contain a different rule. The committee chairman and his deputy shall take the place of the Chairman of the Supervisory Board

and his deputy. At least three committee members must participate in a vote of a committee.

- 5.4 The respective committee chairmen report regularly to the Supervisory Board on the work of the committees.

6. Requirements for members of the Supervisory Board

- 6.1 The Supervisory Board shall be composed in such a way that the members overall have the knowledge, skills and professional experience necessary for the orderly performance of their tasks as members of the Supervisory Board and that they have the time necessary for the performance of the duties of their office. They must be, as a whole, familiar with the sectors in which the Group operates. At least one member must have expertise in the areas of accounting or auditing.
- 6.2 The Supervisory Board shall include what it considers an adequate number of independent members to allow for an independent advising and monitoring of the Executive Board. The Supervisory Board defines, at its own due discretion and taking into consideration the recommendations of the German Corporate Governance Code, the criteria for the review of the independence of members of the Supervisory Board and regularly reviews the independence of the members on this basis.
- 6.3 The Supervisory Board sets objectives for its composition and prepares a competence profile for the Supervisory Board, takes the objectives into consideration in the candidates it proposes to the Annual General Meeting and, at the same time, seeks to fulfill the competence profile. It reviews these objectives and the competence profile on a regular basis.
- 6.4 In addition, the Supervisory Board ensures, for its proposals for the election of new members of the Supervisory Board to the Annual General Meeting, that the respective candidates have the time necessary to fulfill their tasks.
- 6.5 Only those persons who are not yet 70 years of age should generally be proposed for election as members of the Supervisory Board. Exceptions are to be justified.
- 6.6 The members of the Supervisory Board shall on their own take on the necessary training and further education measures required for their work. They shall be supported by the Company appropriately.

6.7 Consulting as well as other service and works contracts of a member of the Supervisory Board or a company acting on his behalf with the Company or a Group company outside of his work as a member of the Supervisory Board require the prior approval of the Supervisory Board.

7. Duty of care and responsibility, confidentiality

7.1 The members of the Supervisory Board must act with the level of diligence that is necessary for a prudent and conscientious execution of their Supervisory Board duties, in particular the monitoring duties.

7.2 The members of the Supervisory Board must maintain strict confidentiality toward third parties with regard to all confidential information they become aware of in the course of their work, including work in the committees of the Supervisory Board, particularly information relating to confidential reports and confidential consultations in the Supervisory Board and in the committees, votes, minutes of meetings, company secrets, namely operating and business secrets as well as insider information (jointly ***Confidential Information***). The confidentiality obligation applies toward everyone with the exception of the other members of the Supervisory Board or insofar as permitted by law. The unauthorized transfer of Confidential Information – including in electronic form – represents at a minimum a violation of the confidentiality obligation. At the same time, members of the Supervisory Board are obligated to comply with the insider rules of the European Market Abuse Directive and its implementation regulations and associated national provisions. This obligation also applies after the end of their time in office. Insofar as a member of the Supervisory Board, in exceptional cases, has permissibly engaged a third party (e.g. employee, advisor) or has permissibly forwarded such Confidential Information to a third party, he or she must ensure that the confidentiality obligation applies equally to the relevant third party and that it is complied with.

7.3 Upon their departure from office, members of the Supervisory Board must immediately return to the Company all documentation including, letters, correspondence, records and any similar documentation related to the affairs of the Company and that is in their possession – also in the absence of a specific demand from the Company – and/or to permanently erase any such documentation in electronic form and to provide the Company access to the electronic meeting management system. Members of the Supervisory Board have no right to retain documents of this nature. At the request of the

Chairman of the Supervisory Board, the complete return and/or deletion of the documentation by the departing member of the Supervisory Board is to be confirmed in writing.

- 7.4 In the execution of a legitimate interest, a departed member of the Supervisory Board is authorized to view documents returned to the Company at a later point in time. In the case of legal disputes between the Company and a departed member of the Supervisory Board as well as other actions taken against such a person in connection with his or her former role within the Supervisory Board, the departed member of the Supervisory Board, within the context of the statutory retention requirements and within the scope necessary for a legal defense, shall be granted access to the files and the relevant business documentation as well as to the electronic meeting management system or his documents at the time – insofar as this is technically possible – including personal notes and transcripts in this system. This does not apply to files and business documentation or to Confidential Information and company secrets, namely operational or business secrets which arose subsequent to the departure of the member of the Supervisory Board. He or she may, following previous submission to the Chairman of the Supervisory Board, make copies of documents that were created prior to his or her departure in the office of the Supervisory Board that are necessary for his or her legal defense. The departed member of the Supervisory Board pledges to only use the knowledge from the business and operational matters he gained through the inspection of files and/or systems granted to him, in particular business and operational secrets, to the extent that is necessary for his legal defense and to otherwise maintain confidentiality regarding the information that has been accessed in such a manner.

8. Conflicts of interest

- 8.1 All members of the Supervisory Board are bound by the Company's best interests. No member of the Supervisory Board may pursue personal interests in his/her decisions or use business opportunities intended for the Company and the Group for himself/herself.
- 8.2 Members of the Supervisory Board are required to immediately disclose any potential or actual conflicts of interest to the Chairman of the Supervisory Board who will then inform the other members of the Supervisory Board. This applies in particular for conflicts of interest that could arise as a result of a consulting or directorship function with competitors, customers, suppliers, creditors, business partners or other third parties. The Chairman of the Supervisory Board shall inform the Supervisory Board regarding his or

her own conflicts of interest. In its report, the Supervisory Board shall inform the Annual General Meeting of any conflicts of interest which have occurred together with their treatment.

- 8.3 If, in the execution of the mandate, unavoidable conflicts of interest should arise, the member of the Supervisory Board, acting to protect the interests of the Company, shall abstain from consultations and voting that relate to topics that form the basis of his conflict and, in the case of a significant non-temporary conflict of interest, shall resign from office.

9. Constituent meeting, Chairman of the Supervisory Board and deputy

- 9.1 Following the Annual General Meeting at which all new Supervisory Board members to be appointed at the Annual General Meeting have been elected, a meeting of the Supervisory Board takes place for which no special invitation is required. In this meeting, under the chairmanship of its eldest shareholder representative, the Supervisory Board shall elect a Chairman of the Supervisory Board and a deputy from among themselves for the duration of its time in office. The Chairman of the Supervisory Board must be a representative of the shareholders, his or her deputy must be a representative of the employees. For the election of the Chairman of the Supervisory Board, the chair of the meeting, the oldest member from among the shareholder representatives, has a second vote pursuant to Section 11.6. The Supervisory Board member who, pursuant to Section 18 Paragraph 2 of the Articles of Incorporation, is to chair the Annual General Meeting in case the Chairman of the Supervisory Board is prevented from doing so, is the Chairman of the Audit Committee who is a shareholder representative.
- 9.2 Should the Chairman of the Supervisory Board, Deputy Chairman, or the Supervisory Board member appointed to chair the Annual General Meeting in the absence of the Chairman of the Supervisory Board pursuant to Section 18 Paragraph 2 of the Articles of Incorporation, resign from the Supervisory Board before the end of his or her term, the Supervisory Board shall immediately conduct a new election for this function.
- 9.3 The Chairman of the Supervisory Board coordinates work within the Supervisory Board and chairs its meetings and attends to the affairs of the Supervisory Board externally. The Chairman of the Supervisory Board is authorized to issue the declarations of intent necessary for the execution of the resolutions of the Supervisory Board and to accept declarations of intent on behalf of the Supervisory Board.

- 9.4 The Chairman of the Supervisory Board plays a leading role in the cooperation between the Supervisory Board and the Executive Board. First and foremost, he consults regularly with the Chairman of the Executive Board on the fundamental topics facing the Company and the Group.
- 9.5 The Deputy Chairman only has the rights and obligations of the Chairman of the Supervisory Board when the latter is prevented and when the law, Articles of Incorporation or these Rules of Procedure do not stipulate otherwise. The second vote allocated to the Chairman of the Supervisory Board pursuant to the Co-Determination Act and Section 11.6 is not available to the Deputy – not even when he holds the rights and obligations of the Chairman of the Supervisory Board.
- 9.6 If the Chairman of the Supervisory Board and the Deputy Chairman are prevented from exercising their obligations, these obligations shall be assumed by the oldest member of the Supervisory Board for the duration of the period they are prevented.

10. Meetings

- 10.1 At least two meetings of the Supervisory Board are to take place each calendar half-year.
- 10.2 The meetings of the Supervisory Board are convened by the Chairman of the Supervisory Board in written form under consideration of a fourteen-day period of notice by means of invitation to all members of the Supervisory Board sent to the last known e-mail address known to the Company or, in exceptional cases, to the postal address. In urgent cases, the Chairman of the Supervisory Board can reduce the period of notice and meetings may be convened by telephone or other means of telecommunication.
- 10.3 The Supervisory Board is also convened if requested by a member of the Supervisory Board or by the Executive Board with an explanation of the reasons. When such a request for an immediate meeting is made, the meeting must take place within two weeks after it is convened. If any such request made by two or more members of the Supervisory Board or by the Executive Board should not be complied with, such members may themselves call a meeting of the Supervisory Board upon stating these facts.
- 10.4 The notice convening the meeting is to include the location and the time as well as the individual agenda items. Documents for the meeting should generally be made available

to the members of the Supervisory Board in German seven days prior to the meeting. The provision of meeting documentation is carried out pursuant to Section 1.3.

- 10.5 The invitation to a meeting, the meeting documentation and the resolutions outside of a meeting should, wherever possible, include English translations of the relevant documents for non-German speaking members of the Supervisory Board and, at the request of the Chairman of the Supervisory Board, also translations into other languages or such translations shall be forwarded subsequently as soon as possible. Equally, the proceedings of the Supervisory Board are to be simultaneously translated for non-German-speaking members of the Supervisory Board in the language required if the non-German-speaking member of the Supervisory Board expresses this wish to the Chairman of the Supervisory Board with sufficient prior notice, but at least three days prior to the meeting.
- 10.6 Meetings of the Supervisory Board are generally to be held in person. If individual members of the Supervisory Board cannot be physically present at the meeting for a justifiable reason, participation by means of video conference (e.g. by Skype), telephone or comparable means of telecommunication is to be made possible. If determined by the Chairman of the Supervisory Board, meetings can also take place entirely in the form of a conference by video, by telephone or by comparable means of telecommunication.
- 10.7 The Chairman of the Supervisory Board shall chair the meetings of the Supervisory Board. If the Chairman of the Supervisory Board and his or her deputy are prevented from attending, the oldest member of the Supervisory Board shall chair the meeting. The chair of the meeting determines the order in which the agenda items are to be dealt with as well as the form and the order of the votes. The chair of the meeting appoints the keeper of the minutes, who does not need to be a member of the Supervisory Board or the Executive Board.
- 10.8 The Chairman of the Supervisory Board can, at his or her discretion, cancel or postpone a convened meeting. This does not apply to a convening of a meeting pursuant to Section 10.3.
- 10.9 The Chairman of the Supervisory Board decides, at his or her own discretion or upon a resolution of the Supervisory Board, on the consultation of experts and people able to provide information to provide advice on individual items on the agenda. The appointed auditor is consulted for advice on the annual financial statements. All members of the Executive Board take part in meetings of the Supervisory Board unless the Chairman of

the Supervisory Board decides otherwise or unless the Supervisory Board has not ruled otherwise. In addition, the Supervisory Board shall meet on a regular basis even without the Executive Board.

10.10 In line with the resolution of the Executive Board, the heads of the corporate department Corporate Internal Audit & Controls, the General Counsel as well as the Chief Compliance Officer of the Company (so-called *risk functions*) report and provide information directly to the Supervisory Board, whereby the scope in terms of time and content is determined by the Supervisory Board. This comprises the confidential exchange and questions to the Chairman of the Supervisory Board, the receipt of audit assignments for audit activities that relate to the Executive Board and the Supervisory Board, as well as the acceptance and execution of other assignments. The same applies in exceptional cases for the employees reporting directly to the risk functions in cases where the relevant risk function could report to or approach the Supervisory Board directly, but the involvement of the risk function due to any potential conflict of interest or the focus of the topic on that person (e.g. for an internal investigation) is not possible. The Executive Board should generally be informed by the Chairman of the Supervisory Board with regard to any such reporting or provision of information.

11. Adoption of resolutions

11.1 Unless mandatory law provides otherwise, the Supervisory Board shall have a quorum if all members have been invited pursuant to Section 10.2 and at least half of the members, of which the Supervisory Board must consist, participate in the adoption of resolutions. A member also participates in a resolution when he or she abstains from voting or when a vote is submitted pursuant to Section 11.3 or 11.4.

11.2 Resolutions of the Supervisory Board shall generally and preferably be adopted at meetings. Resolutions can also be adopted outside of meetings in written form, by e-mail or other means of telecommunication if the Chairman of the Supervisory Board determines so for an individual case. Resolutions shall be made outside of a meeting only as an exception when it is not possible to make a resolution in a meeting or when, for particular reasons, it is not opportune.

11.3 Absent members can participate in the adoption of resolutions in a meeting by submitting their vote in text format (*Voting message*) directly to the Chairman of the Supervisory Board or by allowing their vote to be submitted by another member of the Supervisory

Board. If the member of the Supervisory Board who cannot participate in the adoption of a resolution informs the Chairman of the Supervisory Board accordingly before the resolution is adopted and if no Supervisory Board resolution stipulates otherwise, the member of the Supervisory Board in question can also submit his/her vote within 24 hours after the resolution is adopted directly to the Chairman of the Supervisory Board.

- 11.4 A resolution concerning an item that is not included in the agenda for the meeting at least one week prior to the meeting or for which corresponding meeting documents are not available at least three days prior to the meeting in accordance with Section 10.4 may only be adopted if none of the members of the Supervisory Board object. In such a case, absent members of the Supervisory Board must be given the opportunity to object to the resolution within a certain period to be determined by the Chairman, but at least one week, or to make their vote retroactively; the objection and retroactive vote must be in writing. In consideration of the retroactive vote, the resolution shall only take effect when none of the absent members of the Supervisory Board have objected within the defined period.
- 11.5 The adoption of resolutions outside of a meeting should generally take place in text format by e-mail. The adoption of the resolution is initiated by the Chairman of the Supervisory Board by sending it to all members of the Supervisory Board at the last known e-mail address known to the Company or, in exceptional cases, to the postal address. The information required for the adoption of a resolution, in particular a potential motion and a specific resolution proposal as well as the deadline for voting, is to be made available to the members of the Supervisory Board at the time of the initiation. The resolution shall take effect after expiry of the deadline by declaration without delay on the part of the Chairman of the Supervisory Board taking into account the votes submitted.
- 11.6 The Supervisory Board's resolutions are passed by a majority of the votes cast, unless the law or the Articles of Incorporation require another majority. This also applies to elections. Abstentions do not count as submitted votes. In the event of a tie, the vote is to be held anew if any member of the Supervisory Board so requests; the resolution shall otherwise be considered rejected. If a renewed vote on the same item again results in a tie, the Chairman of the Supervisory Board shall have two votes. The second vote can also be issued pursuant to Section 11.3. The chair of the meeting determines the voting procedure. If votes are cast in written form, by e-mail or by other means of telecommunication outside of a meeting, the provisions of this paragraph shall apply *mutatis mutandis*.

11.7 The allocation of competence for the area of "labor and social issues" by the Supervisory Board to a member of the Executive Board who will then hold the title of "Labor Director" shall not, in an initial voting at the Supervisory Board, be against the votes of the employee representatives.

12. Minutes of meetings

12.1 Minutes are to be prepared on the meetings, discussions and resolutions of the Supervisory Board. The minutes of the meetings are to indicate the place and date of the meeting, the participants, the items on the agenda, the key contents of the discussions and resolutions of the Supervisory Board and/or the relevant information for the adoption of resolutions outside of a meeting. The minutes of the meeting are to be drawn up promptly after the meeting and/or after the expiration of the deadline if an order has been given to submit votes subsequently or a resolution is adopted outside of a meeting. A resolution adopted outside of a meeting and the results of the voting should also be mentioned in the minutes of the next meeting of the Supervisory Board.

12.2 All meeting documents made available to the members of the Supervisory Board by way of the electronic meeting management system in accordance with Section 10.4 form automatically an integral part of the corresponding minutes of the meeting even without separate reference to their contents. The minutes of the meeting are to be signed by the person chairing the meeting and made available to the members of the Supervisory Board – with the remark "released, not approved version" – without delay by way of the electronic meeting management system and the members of the Supervisory Board are to be informed by e-mail that the minutes are available.

12.3 The minutes of the meeting shall be considered approved if no member of the Supervisory Board who participated in the meeting (including by submitting his/her vote in advance or subsequently) objects in text format to the person chairing the meeting within two weeks after having been notified that the minutes were available. In the event of an objection, the minutes of the meeting and the objection are to be addressed in the next regular meeting and the minutes are to be approved by resolution of the Supervisory Board during the meeting. Purely editorial changes or amendments are not considered objections, but can be made by the keeper of the minutes in agreement with the person chairing the meeting. The approved minutes of the meeting signed by the person who chaired the meeting are to be made available in the electronic meeting management

system promptly after they have been approved in place of the version with the remark referred to in Section 12.2.

12.4 In particularly urgent cases, the minutes of an adopted resolution can be drawn up verbatim directly in the meeting and immediately signed by the Chairman of the Supervisory Board. If the minutes are recorded in this manner, an objection is only possible during the meeting.

13. Publication

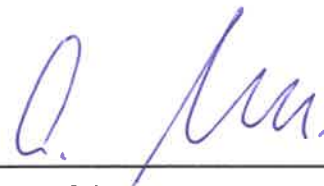
These Rules of Procedure are made available on the company's website.

14. Entry into force

These Rules of Procedure take effect upon resolution by the Supervisory Board and replace the Rules of Procedure from December 13, 2018.

Mannheim, August 10, 2020

The Supervisory Board

A handwritten signature in blue ink, appearing to be 'Q. Ma.', is written over a horizontal line.

Chairman of the Supervisory Board

Appendix to the Rules of Procedure for the Supervisory Board from August 10, 2020

Catalogue of transactions requiring prior approval of the Supervisory Board

Insofar as it is not already legally stipulated, the Executive Board requires the approval of the Supervisory Board for and prior to entering into the following transactions substantiating and supplementing the transactions requiring approval pursuant to Section 15 Paragraph 1 of the Articles of Incorporation of Bilfinger SE:

1. The fundamental determination and basic changes to the corporate strategy as well as the Group organization, particularly insofar as these transactions (i) are associated with the transfer of assets that are presented in the balance sheet of the Company or the Group with a value of more than EUR 250 million, or (ii) insofar as they lead to a reduction in the direct influence of Bilfinger SE to a downstream Group level that has a carrying value of at least EUR 250 million, or (iii) that are of otherwise significant importance for the Group;
2. Assumption of new or the surrender of existing business segments and core industries, including their fundamental change and limitation, insofar as a Group external revenue in the amount of at least 10% of the Group revenue generated in the last completed financial year prior to the measure is affected or revenue in the relevant amount in the financial year of the implementation or if external revenue in one of the three subsequent financial years after the corporate planning is anticipated or if the measure is otherwise of significant importance for the Group;
3. Acceptance of a liability for third-party obligations and takeover of a guarantee of over EUR 25 million each, insofar as this does not relate to the liabilities of affiliated companies;
4. Emission of bonds and similar financial instruments
5. Acquisition and disposal of companies, parts of companies (also in the course of the transfer of individual assets – asset deal) and shares in companies, when the enterprise value or the equity value, the costs of acquisition or the proceeds for a disposal in the cases mentioned above exceed EUR 45 million; this does not apply for Group internal acquisition and disposal measures;

6. Founding of a new company, the founding costs for which exceed EUR 45 million (including capital injections or reserves);
7. Capital measures, especially by means of capital increase and capital reduction, at an existing company which in an individual case exceeds EUR 45 million and does not relate to a mere reallocation of balance sheet items in the balance sheet of the company;
8. Introduction and not insignificant changes to employee share programs of Bilfinger SE or Group-wide.

To calculate the thresholds mentioned under numbers 1 to 8, individual measures related in terms of content are to be combined.

Members of the Executive Board, in the shareholder meetings of associated companies or in their role as members of the executive management or in their supervisory function of associated companies, may only undertake transactions described in Section 15 Paragraph 1 of the Articles of Incorporation and in the cases described above (insofar as these do not relate explicitly to Bilfinger SE only) for these companies or may only issue their approval for such transactions if the Supervisory Board has issued its prior approval. The Executive Board must ensure, in particular through the issuing of appropriate Rules of Procedure, that the applicable approval requirements are guaranteed across the Group through according requirements to subordinate management levels.

Cases in which mandatory law is opposed to the approval requirement are exempted from this approval requirement.

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