



## **GRAMMER AG**

### **Virtual Annual General Meeting 2022**

#### **Explanatory notes on shareholders' rights (pursuant to Section 122 (2) AktG, Section 126 (1), Section 127 AktG in conjunction with Section 1 (2) sentence 1 No. 3, sentence 2 COVID-19 Act**

The notice convening the Annual General Meeting contains information on the rights of shareholders pursuant to Sections 122 (2), 126 (1), 127 of the German Stock Corporation Act (Aktiengesetz – AktG) as well as Section 1 (1) to (3) of the German Act on Measures in Corporate, Cooperative, Association, Foundation and Condominium Law to Combat the Effects of the COVID 19 Pandemic of March 27, 2020 (Federal Law Gazette I No. 14 2020, p. 570) as amended by the Act on the Further Shortening of the Residual Debt Relief Proceedings and on the Adjustment of Pandemic-Related Provisions in Company, Cooperative, Association and Foundation Law as well as in Tenancy and Lease Law of December 22, 2020 (Federal Law Gazette I No. 67 2020, p. 3332), the validity of which was extended to August 31, 2022 by the Act on the Establishment of a Special Fund "Reconstruction Assistance 2021" and on the Temporary Suspension of the Obligation to File for Insolvency on Account of Heavy Rainfall and Floods in July 2021 and on the Amendment of Other Laws of 10 September 2021 (Federal Law Gazette I No. 63 2021, p. 4153) until August 31, 2022 (hereinafter "**COVID-19 Act**"), in particular on the periods available for exercising such rights. The following information serves to provide a more detailed explanation of such shareholder rights.

#### **1. Petition to supplement the Agenda (Section 122 (2) AktG)**

Shareholders whose shares collectively correspond to a twentieth of the capital stock, i.e. 761,897 shares at the time of convening the Annual General Meeting or reaching the pro-rata amount of EUR 500,000 (corresponding to 195,313 shares at the time of convocation), can call for items to be placed on the agenda and made known accordingly. Each new item must be accompanied by justification or a draft resolution. The petition is to be addressed to the Executive Board in writing. Motions to supplement the agenda must have been received by the Company no later than 30 days prior to the Meeting, i.e. by April 17, 2022 24:00h (MESZ), at the following address:

An den Vorstand der GRAMMER AG  
– Hauptversammlung –  
Grammer-Allee 2  
92289 Ursensollen

Petitioners are required to prove that they have held the shares for at least 90 days prior to the date of receipt of the petition and that they shall hold the shares until such time as a resolution has been adopted by the Executive Board on the application.

Supplementary notices to be announced regarding the agenda are promulgated without delay on receipt of such petitions in the German Government Gazette (*Bundesanzeiger*) and forwarded for publication to such media that can safely be assumed to disseminate such information throughout the European Union.

In addition, they are communicated to the shareholders and published on the Company's website at

<https://www.grammer.com/en/investor-relations/annual-general-meeting/2022.html>

**The provisions of AktG on which the underlying rights of the shareholders are based are worded as follows:**

***Section 122 AktG (excerpt):***

***Convening the Meeting at the request of a minority***

*(1) The Annual General Meeting is to be convened whenever shareholders whose shares collectively reach a twentieth of the capital stock call for convocation in writing, indicating the purpose and reasons therefor; the petition is to be addressed to the Executive Board. The Articles of Incorporation can tie the convocation of the Annual General Meeting to some other form and to possession of a smaller share of the capital stock. Petitioners are required to prove that they have held the shares for at least 90 days prior to the date of receipt of the petition and that they shall hold the shares until such time as a resolution has been adopted by the Executive Board on the application. Section 121 (7) is to be applied accordingly.*

*(2) In the same way, shareholders whose shares collectively reach a twentieth of the capital stock or the pro-rated amount of 500,000 euros can call for items to be placed on the agenda and published. Each new item must be accompanied by justification or a draft resolution. The petition as contemplated by sentence 1 must be received by the*

*Company no later than 24 days (listed companies: at least 30 days) prior to the Meeting; the day of receipt is not to be included.*

**Section 121 AktG (excerpt):**

**General**

*(7) For periods and deadlines counted backwards from the date of the Meeting, that particular day is not to be included. Postponement from a Sunday, Saturday or a public holiday to a prior or subsequent working day will not be taken into consideration. Sections 187 to 193 of the German Civil Code (Bürgerliches Gesetzbuch – BGB) are not to be applied by analogy. In the case of non-listed companies, the Articles of Incorporation may determine some other calculation of the period in question.*

**Section 70 AktG:**

**Shareholding period calculation**

*If the exercise of rights derived from shares depends on the shareholder having held the shares during a certain period of time, then ownership is equivalent to a claim for transfer thereof against a credit institution, financial service providing institution or an enterprise trading pursuant to Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act. The period of ownership of a predecessor-in-title is assigned to the shareholder if the latter acquired the share non-gratuitously, from his or her trustee, as a universal successor-in-title, on dissolution of a community or transfer of a portfolio pursuant to Section 13 of the [German] Insurance Supervision Act or Section 14 of the Building Societies Act (Gesetz über Bausparkassen).*

**2. Countermotions and/or election proposals (Sections 126 (1), 127 AktG)**

Each shareholder is entitled to send countermotions and election proposals to the Company prior to the Annual General Meeting pursuant to Sections 126 (1), 127 AktG. The Company will publish countermotions and election proposals on the Company's website provided the statutory requirements for this have been met.

Should any countermotions or election proposals be made accessible in advance by the Company pursuant to Sections 126, 127 AktG, they must be sent no later than 14 days prior to the Meeting, i.e. by May 3, 2022, 24:00h, to the following address:

GRAMMER AG  
– Hauptversammlung –  
Grammer-Allee 2  
92289 Ursensollen

E-Mail: hv@grammer.com

Any countermotions and election proposals otherwise addressed will not be taken into consideration.

Furthermore, under certain further preconditions detailed in Sections 126 and 127 AktG, the Company may dispense with the need to make information accessible, either wholly or in part, or it may consolidate or summarize countermotions, election proposals and the reasons for these. Justification is not necessary at any rate in the case of an election proposal. A proposal for election to the Supervisory Board must contain the name, profession exercised and the residential address of the person nominated as well as his or her membership of other supervisory boards required to be set up by law. Information is to be made accessible, including the name of the shareholder, justification to be made accessible, mandatory disclosures pursuant to Section 127 (4) AktG and a possible statement from Management on the Company's website at

<https://www.grammer.com/investor-relations/hauptversammlung/2022.html>.

During the virtual Annual General Meeting, under the COVID-19 Act shareholders may not file any countermotions or election proposals. A counter-motion or election proposal to be made accessible pursuant to sections 126, 127 AktG shall be deemed to have been submitted within the scope of the virtual General Meeting if the shareholder making the motion or election proposal is duly authorised and registered for the General Meeting.

***The provisions of AktG on which these shareholders' rights are based are worded as follows:***

***Section 126 AktG***

***Motions by shareholders***

*(1) Motions by shareholders, including the name of the shareholder, the reasons and a possible statement from Management are to be made accessible to the authorized persons specified in Section 125 (1) to (3) under the relevant prerequisites if the shareholder sent a countermotion to a proposal tabled by the Executive Board or*

*Supervisory Board on a certain item of the agenda at least 14 days prior to the Meeting of the Company along with the relevant reasons to the address stipulated to this end in the notice convening the Meeting. The day of receipt is not to be included in this regard. For listed companies, the relevant information must be made accessible via the Company's website. Section 125 (3) applies accordingly.*

*(2) A countermotion and reasons therefor do not need to be made accessible*

- 1. if the Executive Board would incur criminal liability in making the information accessible,*
  - 2. if the countermotion would lead to a resolution being adopted at the Annual General Meeting that would be unlawful or contrary to the Articles of Incorporation,*
  - 3. if the reasons obviously contain incorrect or misleading information with regard to material items or if they contain any insults,*
  - 4. if a countermotion by the shareholder based on the same facts and circumstances regarding an Annual General Meeting of the Company has already been made accessible as contemplated by Section 125,*
  - 5. if the same countermotion filed by the shareholder has already been made accessible according to Section 125 for more or less the same reasons prior to at least 2 General Meetings in the past five years and less than a twentieth of the capital stock represented voted for it,*
  - 6. if the shareholder indicates that he or she will not attend the Annual General Meeting, not even by proxy, or*
  - 7. if the shareholder failed to file a countermotion communicated at two Annual General Meetings in the last two years or failed to have such countermotion filed.*
- The reasons do not need to be made accessible if they amount to a total of more than 5,000 characters.*

*(3) If multiple shareholders file counter-motions on the same item of the resolution to be adopted, then the Executive Board may consolidate or summarize the counter-motions and the reasons to substantiate them.*

**Section 127 AktG:**

**Election proposals by shareholders**

*Section 126 applies mutatis mutandis to proposals by a shareholder for the election of Supervisory Board members or auditors of financial statements. The election proposal does not need to be justified. The Executive Board does not need to make the election proposal accessible even if it does not contain the disclosures listed in Section 124 (3) sentence 4 and Section 125 (1) sentence 5. The Executive Board must provide the proposal by a shareholder for the election of Supervisory Board members of listed companies to which the Co-determination Act, the Co-determination Act for the Coal & Steel Industry or the Supplementary Co-determination Act is applicable with the following content:*

- 1. reference to the requirements of Section 96 (2),*
- 2. indication whether an objection was raised to overall performance under Section 96 (2) sentence 3, and*
- 3. an indication of how many seats on the Supervisory Board need to be filled by women and men, respectively, in order to fulfill the minimum representation quota under Section 96 (2) sentence 1.*

**Section 124 (3) sentence 4 AktG (excerpt)**

***Announcement of supplementary petitions; proposals for resolutions to be adopted;***  
*The proposal for election of Supervisory Board members or auditors must contain their names, exercised profession and place of residence.*

**Section 125 (1) sentence 5 AktG:**

***Notifications for shareholders and to Supervisory Board members***

*For listed companies, when submitting a proposal for election of Supervisory Board members information must be submitted on their membership of other supervisory boards required to be set up by law; information on their membership of similar domestic and foreign control bodies of business enterprises are to be attached.*

**The provisions of the COVID-19 Act on which these shareholders' rights are based are worded as follows:**

***Section 1 Stock Corporations; Partnerships Limited by Shares; European Companies (SE); Mutual Insurance Companies (excerpt)***

*(2) The executive board may decide that the meeting shall be held as a virtual general meeting without the physical presence of the shareholders or their proxies, provided that*

- 1. there is a video and audio transmission of the entire meeting*
- 2. the voting rights of the shareholders are exercised by means of electronic communication (postal voting or electronic participation) as well as the granting of a proxy is possible,*
- 3. the shareholders are granted the right to ask questions by means of electronic communication,*
- 4. the shareholders who have exercised their voting right according to number 2 are, in deviation from section 245 number 1 of the Stock Corporation Act, waiving the requirement to appear at the general meeting, shall be given the opportunity to object to a resolution of the general meeting.*

*The executive board shall decide in its dutiful discretion how to answer questions; it may also specify that questions are to be submitted by electronic communication no later than one day before the meeting. Motions or election proposals by shareholders which are to be made available pursuant to section 126 or section 127 of the Stock Corporation Act shall be deemed to have been made at the meeting if the shareholder making the motion or submitting the election proposal is duly authorised and registered for the general meeting.*

**3. Right to raise questions by way of electronic communication (Section 1 (2), sentence 1, No. 3, sentence 2 of the COVID-19 Act)**

Each shareholder who has registered for attendance at the virtual Annual General Meeting is given the right pursuant to Section 1 (2) sentence 1 No. 3 COVID-19 Act to raise questions by way of electronic communication. The Executive Board has determined that questions must be submitted by electronic communication no later than one day prior to the Annual General Meeting.

Accordingly, questions are to be submitted no later than May 16, 2022 24.00h (MESZ), via the GRAMMER Shareholder Portal, which is accessible on the Company's website at:

<https://www.grammer.com/en/investor-relations/annual-general-meeting/2022.html>

The Executive Board will duly decide at its free discretion how to answer questions, Section 1 (2) sentence 2 of the COVID-19 Act.

Pursuant to Section 1 (2) of the COVID 19 Act, shareholders will be able to participate in the virtual General Meeting via electronic connection this year. However, beyond the described right to ask questions, they are not granted a comprehensive right to information and to speak via video and audio transmission.

**The provisions of the COVID-19 Act on which these shareholders' rights are based are worded as follows:**

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*(2) The executive board may decide that the meeting shall be held as a virtual general meeting without the physical presence of the shareholders or their proxies, provided that*

- 1. there is a video and audio transmission of the entire meeting*
- 2. the voting rights of the shareholders are exercised by means of electronic communication (postal voting or electronic participation) as well as the granting of a proxy is possible,*
- 3. the shareholders are granted the right to ask questions by means of electronic communication,*
- 4. the shareholders who have exercised their voting right according to number 2 are, in deviation from section 245 number 1 of the Stock Corporation Act, waiving the requirement to appear at the general meeting, shall be given the opportunity to object to a resolution of the general meeting.*

*The executive board shall decide in its dutiful discretion how to answer questions; it may also specify that questions are to be submitted by electronic communication no later than one day before the meeting.*

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