

# GRAMMER AG

## Annual General Meeting 2019

### Further information on shareholders' rights under sections 122 (2), 126 (1), 127 and 131 (1) AktG (German Stock Corporation Act)

#### 1. Request for additions to the agenda (section 122 (2) AktG)

Shareholders whose combined shares amount to at least one-twentieth of the Company's share capital, which equates to 630,357 shares as of the date on which the Annual General Meeting is convened, or a proportionate ownership of at least EUR 500,000 (195,313 shares as of the date on which the Annual General Meeting is convened) may request that items be placed on the agenda and published. Each new item must be accompanied by an explanation or a proposed motion. This request must be served on the Executive Board in writing. Requests for additions to the agenda must be received by the Company at least 30 days prior to the Annual General Meeting, i.e. by 24.00 hours on June 11, 2019 at the following address:

Executive Board of GRAMMER AG  
– Annual General Meeting –  
Georg-Grammer-Str. 2  
92224 Amberg, Germany

The persons requesting such addition must prove that they have held the minimum required number of shares for at least 90 days prior to the date of receipt of the request and that they have continued to hold them up to and including the day on which the Executive Board makes a decision on such request.

Immediately upon receipt of a request for publication of an addition to the agenda, the Company will publish it in the electronic Federal Gazette and forward the information to media sources that can be expected to disseminate it throughout the entire European Union. Such requests will also be made available and reported to shareholders at <https://www.grammer.com/en/investor-relations/annual-general-meeting/2019.html>

**The provisions in the German Stock Corporation Act (AktG) underlying these rights read as follows:**

#### **Section 122 of the German Stock Corporation Act (extract):**

##### ***Calling of a Meeting at the Request of a Minority***

*(1) The shareholders' meeting shall be called if shareholders, whose holding in aggregate equals or exceeds one-twentieth of the share capital, demand such meeting in writing, stating the purpose and the reasons of such meeting; such demand shall be addressed to the executive board. The articles may provide that the right to demand a shareholders' meeting shall require another form or the holding of a lower proportion of the share capital.*

*The persons requesting such addition must prove that they have held the minimum required number of shares for at least 90 days prior to the date of receipt of the request and that they have continued to hold them up to and including the day on which the Executive Board makes a decision on such request. Section 121 (7) shall apply accordingly.*

*(2) In the same manner, shareholders whose shares amount in aggregate to not less than one-twentieth of the share capital or represent an amount of the share capital corresponding to 500,000 euros, may demand that items are placed on the agenda and published. Each new item must be accompanied by an explanation or a proposed motion. Notice of such request in the sense of sentence 1 shall be served on the company at least 24 days or, in the case of listed companies, at least 30 days prior to the meeting, not including the day of receipt.*

## **2. Countermotions and voting proposals (section 126 (1), 127 AktG)**

In accordance with section 126 (1) AktG, every shareholder may submit resolution proposals on the items in the agenda. Countermotions must be backed up by reasons. Countermotions must be received no later than 14 days prior to the Annual General Meeting, i.e. by 24:00 hours on June 27, 2019:

GRAMMER AG  
– Annual General Meeting –  
Georg-Grammer-Str. 2  
92224 Amberg, Germany

Telefax: +49 9621 66-32000  
E-Mail: [hv@grammer.com](mailto:hv@grammer.com)

Countermotions and voting proposals sent to any other address will not be accepted.

Subject to section 126 (2) and (3) AktG, countermotions submitted by shareholders including the name of the shareholder and supporting information as well as any statements by the Executive Board will be made available at <https://www.grammer.com/en/investor-relations/annual-general-meeting/2019.html>

Pursuant to section 127 AktG, the same rules apply with respect to shareholder proposals for the election of members of the Supervisory Board or the statutory auditors. No grounds, however, must be given for such nominations. In addition to the reasons mentioned in section 126 (2) AktG, the Executive Board is not required to disclose any voting proposals that do not contain the name, current profession and place of residence of the candidate.

Countermotions and voting proposals are only deemed to have been submitted if they are announced during the Annual General Meeting. This is without prejudice to the right of all shareholders to submit countermotions and voting proposals concerning the various items of the agenda during the Annual General Meeting, notwithstanding their failure to submit them to the Company prior to the Annual General Meeting within the requisite period.

**The provisions in the German Stock Corporation Act (AktG) underlying these rights read as follows:**

**Section 126 of the German Stock Corporation Act:**

**Motions by Shareholders**

*(1) Motions by shareholders together with the shareholder's name, the grounds and any position taken by the management shall be made available to the persons entitled pursuant to sections 125 (1)–(3) under the conditions stated therein if at least 14 days before the meeting the shareholder sends to the address indicated in the notice convening the meeting a motion counter to a proposal of the executive board and supervisory board as to an item on the agenda. The date of receipt shall not be taken into account. In the case of listed companies, access shall be provided via the company's website. Section 125 (3) shall apply with the necessary modifications.*

*(2) A countermotion and the grounds for this need are not be made available, if:*

- 1. the executive board would by reason of such communication become criminally liable;*
  - 2. the countermotion would result in a resolution of the shareholders' meeting which would be illegal or would violate the articles;*
  - 3. the grounds contain statements which are manifestly false or misleading in material respects or which are libelous;*
  - 4. a countermotion of such shareholder based on the same facts has already been communicated with respect to a shareholders' meeting of the company pursuant to section 125;*
  - 5. the same counter-motion of such shareholder on essentially identical grounds has already been communicated pursuant to section 125 to at least two shareholders' meetings of the company within the past five years and at such shareholders' meetings less than one-twentieth of the share capital represented has voted in favour of such countermotion;*
  - 6. the shareholder indicates that he will neither attend nor be represented at the shareholders' meeting; or*
  - 7. within the past two years at two shareholders' meeting the shareholder has failed to make or cause to be made on his behalf a countermotion communicated by him.*
- The statement of the grounds need not be communicated if it exceeds 5,000 characters.*

*(3) If several shareholders make countermotions for resolution in respect to the same subject matter, the executive board may combine such counter-motions and the respective statements of the grounds.*

**Section 127 of the German Stock Corporation Act:**

**Nominations by Shareholders**

*Section 126 shall apply with the necessary modifications to a nomination by a shareholder for the election of a member of the supervisory board or external auditors. Such nomination need not be supported by a statement of the grounds for this. The executive board also need not communicate such nomination if it fails to contain the particulars required by sections 124 (3) sentence 4 and 125 (1) sentence 5. The executive board shall add the following information to a nomination by a shareholder for the election of the members of a supervisory board of a listed company to which the Co-determination Act or the Coal and Steel Co-determination Act applies:*

- 1. Reference to the requirements of section 96 (2),*
- 2. indication whether full fulfillment under section 96 (2) sentence 3 is waived, and*

3. indication as to the minimum number of seats that men and women, respectively, must hold to ensure compliance with the minimum proportion requirements under section 96 (2) sentence 1.

**Section 124 (3) of the German Stock Corporation Act (extract):**

**Publication of Requests for Supplements;  
Proposals for resolutions**

*(3) With respect to each item on the agenda that is to be decided by the shareholders' meeting, the executive board and the supervisory board, but in the case of the election of members of the supervisory board and auditors, only the supervisory board shall in the publication make a proposal for the respective resolutions. In the case of companies within the sense of section 264d of the Commercial Code, CRR credit institutions in the sense of section 1 (3d) sentence 1 of the Banking Act with the exception of the institutions referred to in section 2 (1) number 1 and 2 of the Banking Act or insurance undertakings in the sense of article 2 (1) of Directive 91/674/EEG, the proposal of the supervisory board concerning the selection of the external auditor shall be based on the recommendation of the audit committee. Sentence 1 shall not apply if the shareholders' meeting is bound by nominations for the election of members of the supervisory board pursuant to section 6 of the Coal and Steel Co-determination Act, or if the subject matter of the resolution has been put on the agenda upon request by a minority. The proposal for the election of members of the supervisory board or auditors shall state their name, profession and place of residence. If the supervisory board is to comprise representatives of employees, any resolution of the supervisory board regarding proposals for the election of members of the supervisory board shall require only the majority of the votes of the representatives of the shareholders in the supervisory board; section 8 of the Coal and Steel Co-determination Act shall remain unaffected.*

**3. Right to receive information (section 131 (1) AktG)**

At the Annual General Meeting, any shareholder or shareholder representative may request from the Executive Board information on the activities of the Company, its legal and commercial relationships with affiliated companies and the situation of the group and the consolidated companies provided that such information is necessary for a proper assessment of an item of the agenda and no statutory right to withhold the information applies. All requests for information must be submitted orally at the Annual General Meeting when the floor is open for discussion. The Executive Board may refuse the request under the conditions set forth in section 131 (3) AktG.

In accordance with article 24 (3) of the Articles of Association, the chairman of the Annual General Meeting may set reasonable time limits for shareholders to exercise their right to ask questions and address the meeting. In particular, he may define the time constraints for

conducting the meeting, opening the floor for discussion of any items of agenda and exercising the rights to address the assembly or ask questions on any items of the agenda or the rights of individual shareholders to address the assembly and ask questions.

**The provisions in the German Stock Corporation Act (AktG) underlying these rights read as follows:**

**Section 131 of the German Stock Corporation Act:**

***Right of the Party Concerned to Receive Information***

*(1) Each shareholder shall upon request be provided with information at the shareholders' meeting by the executive board regarding the company's affairs, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda. This duty to provide information also includes details of the Company's legal and business relations with an affiliated company. If a company makes use of the simplified procedure pursuant to section 266 (1) sentence 3, section 276 or section 288 of the Commercial Code, each shareholder may request that the annual financial statements be presented to him at the shareholders' meeting on such annual financial statements in the form which would have been used if such provisions on simplified procedure were not applied. The duty of the executive board of the parent enterprise (section 290 (1) and (2) of the Commercial Code) to inform in the shareholders' meeting that considers the consolidated financial statement and consolidated management report shall extend to the outlook of the group and the enterprises included in the consolidated financial statement.*

*(2) The information provided shall comply with the principles of conscientious and accurate accounting. The articles or the rules of procedure pursuant to section 129 may authorize the chairperson of the meeting to limit the number of questions and speaking time of shareholders as appropriate and to lay down general rules thereon.*

*(3) The executive board may refuse to provide information:*

- 1. to the extent that providing such information is, in the light of sound business judgment, likely to cause material damage to the company or an affiliated enterprise;*
  - 2. to the extent that such information relates to tax valuations or the amount of certain taxes;*
  - 3. with regard to the difference between the value at which items are shown in the annual balance sheet and the higher market value of such items, unless the shareholders' meeting is to approve the annual financial statements;*
  - 4. with regard to the methods of accounting and valuation, if disclosure of such methods in the notes suffices to provide a clear view of the actual condition of the company's assets, financial position and results of operations within the meaning of section 264 (2) of the Commercial Code; the foregoing shall not apply if the shareholders' meeting is to approve the annual financial statements;*
  - 5. if provision thereof would render the executive board criminally liable;*
  - 6. if in the case of a credit institution or financial services institution information about the applied accounting and valuation methods or calculations made in the annual financial statements, the management report, the consolidated annual financial statement or the group's management report may be dispensed with;*
  - 7. if the information is continuously available on the company's website seven or more days prior to the shareholders' meeting as well as during the meeting.*
- The provision of information may not be denied for other reasons.*

*(4) If information has been provided outside a shareholders' meeting to a shareholder by reason of his status as a shareholder, such information shall upon request be provided to any other shareholder at the shareholders' meeting, even if such information is not necessary to permit a proper evaluation of an item on the agenda. The management board may not refuse to*

*provide such information on the grounds of (3) sentence 1 Nos. 1 to 4. Sentences 1 and 2 shall not apply if a subsidiary (section 290 (1), (2) of the Commercial Code), a joint venture (section 310 (1) of the Commercial Code) or an associate (section 311 (1) of the Commercial Code) provides the information to a parent company (section 290 (1), (2) of the Commercial Code) for the purpose of inclusion in the consolidated annual financial statement of the parent company and the information is required for this purpose.*

*(5) A shareholder who has been denied information may request that his question and the reason for which the information was denied be recorded in the minutes of the meeting.*

**Article 24 of GRAMMER AG's Articles of Association (extract):**

*(3) The chairman of the meeting shall preside over the Annual General Meeting, determine the order of the items of the agenda to be deliberated on as well as the manner and sequence of voting. He may limit the time in which shareholders are permitted to exercise their right to ask questions and make statements to a reasonable degree. In particular, he may define the time constraints for conducting the meeting, opening the floor for discussion of any items of agenda and exercising the rights to address the assembly or asking questions on any items of the agenda.*