

**technotrans SE  
Sassenberg**

Annual General Meeting in the form of a virtual Annual General Meeting without  
the presence of shareholders and their proxies  
**on May 20, 2020**

**Explanatory notes pursuant to Section 121 (3) No. 3 of the German Stock Corporation Act (AktG) on the rights of shareholders pursuant to Sections 122 (2), 126 (1), 127 and 131 (1) of the German Stock Corporation Act (AktG) and pursuant to Art. 2 Section 1 of the German Act to Mitigate the Consequences of the COVID-19 Pandemic in Civil, Insolvency and Criminal Proceedings (COVID-19 Act)**

The information on shareholders' rights pursuant to Sections 122 (2), 126 (1), 127 and 131 (1) AktG already contained in the invitation to this year's - virtual - Annual General Meeting is further explained by the following information within the meaning of Section 121 sentence 3 (3) no. 3 AktG. It should be noted that - in contrast to the other framework conditions - due to the COVID-19 pandemic, the special provisions in Art. 2 § 1 COVID 19 Act<sup>1</sup>:

**1. Right to add items to the agenda (Section 122 (2) AktG)**

Shareholders whose shares together amount to the pro rata amount of € 345,384.00 of the share capital (this corresponds to 345,384 no-par value shares) may request that items be placed on the agenda and published. Each new item must be accompanied by a statement of grounds or a draft resolution. The request must be addressed in writing to the Management Board of the company and must be received by the company at the following address at least 30 days prior to the meeting, i.e. by the end of April 19, 2020 (12.00 pm):

**technotrans SE**  
- Investor Relations -  
Robert-Linnemann-Straße 17  
48336 Sassenberg

The applicants must prove that they have held the shares for at least 90 days prior to the date of receipt of the request and that they will hold the shares until a decision on the request is made. A corresponding confirmation from the depositary institution is sufficient for the proof.

These shareholder rights are based on the provisions of the German Stock Corporation Act (AktG), which are reproduced in extracts below:

**Section 122 of the German Stock Corporation Act - Convening at the request of a minority**

- (1) The General Annual Meeting shall be convened if shareholders whose combined shareholdings amount to at least one-twentieth of the share capital request such a meeting in writing, stating the purpose and reasons; such request shall be addressed to the Management Board. The articles of incorporation may provide that the right to demand an Annual General Meeting may be subject to another form and to the holding of a lower proportion of the share capital. The applicants

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<sup>1</sup> Please note in particular the regulations applicable this year in accordance with Art. 2 § 1 COVID-19 Act, which are listed under point 4.

must prove that they have held the shares for at least 90 days prior to the date of receipt of the request and that they will hold the shares until the Management Board decides on the request. § Section 121 (7) shall apply accordingly.

- (2) In the same way, shareholders whose shares together amount to one-twentieth of the share capital or the pro-rata amount of EUR 500,000 may request that items be placed on the agenda and published. Each new item must be accompanied by a statement of reasons or a draft resolution. The request within the meaning of sentence 1 must be received by the company at least 24 days, in the case of listed companies at least 30 days, prior to the meeting; the day of receipt shall not be counted.
- (3) If the request is not complied with, the court may authorise the shareholders who have made the request to convene the Annual General Meeting or to publish the item. At the same time, the court may appoint the chairman of the meeting. Reference must be made to the authorization in the notice convening the meeting or announcing the meeting. The decision may be appealed against. The applicants must prove that they hold the shares until the court's decision.
- (4) The Company shall bear the costs of the Annual General Meeting and, in the case of paragraph 3, also the court costs if the court has granted the request.

#### **Section 121 AktG - General (excerpt)**

- (7) The day of the meeting shall not be counted in the case of deadlines and dates that are calculated backwards from the meeting. A postponement from a Sunday, a Saturday or a public holiday to a preceding or subsequent working day shall not be considered. Sections 187 to 193 of the German Civil Code shall not be applied accordingly. In the case of non-listed companies, the articles of incorporation may stipulate a different calculation of the period.

#### **Section 70 AktG - Calculation of the period of share ownership**

If the exercise of rights arising from the share is dependent on the shareholder having been the holder of the share for a certain period of time, a claim for transfer of title against a credit institution, financial services institution or a company operating in accordance with Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act shall be deemed equivalent to ownership. The period of ownership of a predecessor in title shall be attributed to the shareholder if he/she received the share free of charge, from his/her fiduciary, as universal successor in title, in the event of a split-up of the shareholding.

## **2. Motions and nominations by shareholders (Sections 126 (1) and 127 AktG)**

Shareholders may send to the Company at least 14 days prior to the meeting, i.e. no later than the end of May 5, 2020, (12.00 pm), countermotions with reasons against proposals of the Board of Management and/or Supervisory Board on certain items of the agenda and election proposals for the election of Supervisory Board members and/or auditors. Counter motions with reasons and election proposals must be sent exclusively to the following address:

**technotrans SE**  
- Investor Relations -  
Robert-Linnemann-Straße 17  
48336 Sassenberg

Telefax-Nr.: +49 2583 301 - 1054

E-Mail: [hv2020@technotrans.de](mailto:hv2020@technotrans.de)

Subject to section 126 (2) and (3) AktG, countermotions, including the name of the shareholder, the grounds and any comments by the management, will be made available on the company's website at <http://www.technotrans.com/en/investor-relations/hauptversammlung.html>. This applies analogously to election proposals pursuant to Section 127 AktG pursuant to Section 126 AktG. However, nominations for election do not have to be accompanied by a statement of reasons. In addition, an election proposal does not need to be made accessible, except for the reasons stated in section 126 (2) and (3) AktG, even if an exception stated in section 127 sentence 3 AktG applies.

These shareholder rights are based on the provisions of the German Stock Corporation Act, which are reproduced in extracts below:

### **Section 126 AktG - Motions by shareholders**

- (1) Motions by shareholders, including the name of the shareholder, the grounds and any statement by the management, shall be made available to the entitled persons named in § 125 (1) to (3) under the conditions specified therein if the shareholder has sent a counter-motion against a proposal of the Management Board and Supervisory Board on a specific item on the agenda, together with the reasons for the counter-motion, to the address specified for this purpose in the notice of meeting at least 14 days before the meeting of the company. The day of receipt shall not be counted. In the case of companies listed on the stock exchange, access shall be provided via the company's website. § Section 125 (3) shall apply accordingly.
- (2) A counter-motion and its substantiation need not be made accessible,
  1. insofar as the Board of Management would render itself liable to prosecution by making such information available,
  2. if the counter-motion would lead to a resolution of the shareholders' meeting that is contrary to law or the articles of incorporation,
  3. if the statement of reasons contains statements which are manifestly false or misleading in material respects, or if it is defamatory,
  4. if a countermotion of the shareholder based on the same facts has already been made available to a shareholders' meeting of the company pursuant to section 125,
  5. if the same counter-motion of the shareholder with essentially identical substantiation has already been made accessible to at least two shareholders' meetings of the company pursuant to section 125 within the last five years and less than one-twentieth of the share capital represented voted in favour of it at the shareholders' meeting,
  6. if the shareholder indicates that he will not participate in the shareholders' meeting and will not be represented, or
  7. if the shareholder has not made or has not had a counter-motion communicated by him/her at two Annual General Meetings within the last two years.

The grounds need not be made accessible if they exceed 5,000 characters in total.

- (3) If several shareholders make counter-motions on the same subject matter of the resolution, the Board of Management may combine the counter-motions and their reasons.

### **127 AktG - Proposals for election by shareholders**

Section 126 shall apply mutatis mutandis to a shareholder's proposal for the election of Supervisory Board members or auditors. The nomination need not be substantiated. The Board of Management does not need to make the nomination accessible even if the nomination does not contain the information required under section 124 (3) sentence 4 and section 125 (1) sentence 5. The Board of Management shall provide the following information on a shareholder's proposal for the election of Supervisory Board members of listed companies to which the Co-Determination Act, the Coal and Steel Co-Determination Act or the Co-Determination Supplementary Act applies:

1. reference to the requirements of Section 96 paragraph 2,
2. indication of whether the overall performance pursuant to section 96(2) sentence 3 has been objected to and
3. indication of the minimum number of seats on the Supervisory Board that must be occupied by men and women in order to meet the minimum percentage requirement pursuant to section 96 (2) sentence 1.

### **Section 124 AktG - Publication of requests for supplements; proposals for resolutions (excerpt)**

(3) (Sentence 4) The proposal for the election of Supervisory Board members or auditors shall state their names, profession and place of residence.

### **Section 125 AktG - Notifications to shareholders and Supervisory Board members<sup>2</sup>**

- (1) At least 21 days prior to the meeting, the Board of Directors shall notify the credit institutions and associations of shareholders who have exercised voting rights for shareholders at the last Annual General Meeting or who have requested such notification of the convening of the Annual General Meeting. The day of the notification is not counted. If the agenda is to be amended pursuant to § 122 (2), the amended agenda must be notified in the case of listed companies. The notification must indicate the possibilities of exercising voting rights by a proxy, including by an association of shareholders. In the case of listed companies, a proposal for the election of supervisory board members shall be accompanied by information on their membership in other supervisory boards to be formed by law; information on their membership in comparable domestic and foreign supervisory bodies of commercial enterprises shall be enclosed.
- (2) The Board of Management shall make the same notification to shareholders who so request or who are entered as shareholders in the company's share register at the beginning of the 14th day before the meeting. The articles of incorporation may limit the transmission to electronic communication.
- (3) Each member of the supervisory board may request that the management board send him the same notifications.

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<sup>2</sup> In the version prior to January 1, 2020, which is still applicable to the Annual General Meeting 2020 pursuant to Section 26j (4) of the EC Act. The version that came into force on January 1, 2020 will only apply to General Annual Meetings convened after September 3, 2020.

- (4) Each member of the supervisory board and each shareholder shall, upon request, be informed of the resolutions adopted at the Annual General Meeting.
- (5) Financial services institutions and companies operating in accordance with Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act shall be treated in the same way as credit institutions.

### **3. Shareholders' right to information (Section 131 (1) AktG)**

In principle, each shareholder is to be provided with information by the Board of Management on the company's affairs at the Annual General Meeting on request, insofar as this information is necessary for a proper assessment of the item on the agenda. The obligation to provide information also extends to the legal and business relations of technotrans SE with its affiliated companies, and to the situation of the group and the companies included in the Consolidated Financial Statements of technotrans SE.

These shareholder rights are based on the provisions of German Stock Corporation Act and the articles of incorporation of technotrans SE, which are reproduced in extracts below:

#### **Section 131 AktG - Right of shareholders to information**

- (1) Upon request, each shareholder shall be provided with information at the Annual General Meeting by the Board of Management on the company's affairs to the extent that such information is necessary for a proper evaluation of the agenda item. The obligation to provide information also extends to the legal and business relations of the company with an affiliated company. If a company makes use of the simplifications pursuant to § 266 (1) sentence 3, § 276 or § 288 of the German Commercial Code, each shareholder may request that the annual financial statements be presented to him at the Annual General Meeting on the annual financial statements in the form that he would have had without these simplifications. The duty of the Board of Management of a parent company (§ 290 (1), (2) of the German Commercial Code) to provide information at the shareholders' meeting at which the consolidated financial statements and the Group management report are presented also extends to the situation of the Group and the companies included in the Consolidated Financial Statements.
- (2) The information must comply with the principles of conscientious and faithful reporting. The articles of incorporation or the rules of procedure pursuant to § 129 may authorize the chairman of the meeting to set reasonable time limits on the shareholder's right to speak and ask questions, and to decide on further details.
- (3) The Board of Management may refuse to provide information,
  - 1. insofar as the provision of the information is, according to reasonable commercial judgement, likely to cause not inconsiderable damage to the company or an affiliated company;
  - 2. insofar as it relates to tax valuations or the amount of individual taxes;
  - 3. on the difference between the value at which items are shown in the annual balance sheet and a higher value of such items, unless the shareholders' meeting is to approve the annual financial statements;
  - 4. on the accounting and valuation methods, to the extent that disclosure of these methods in the notes suffices to provide a true and fair view of the net assets, financial position and results of operations of the company within the meaning of Section 264 (2) of the German Commercial Code; this

shall not apply if the shareholders' meeting is to approve the annual financial statements; 5. to the extent that the Board of Management would render itself liable to prosecution by providing such information;

5. insofar as, in the case of a credit institution or financial services institution, information on the accounting and valuation methods applied and the off-setting made in the annual financial statements, management report, consolidated financial statements or consolidated management report does not need to be provided;
6. insofar as the information is continuously accessible on the company's website for at least seven days prior to the beginning and during the shareholders' meeting.

The information may not be refused for other reasons.

- (4) If information has been provided to a shareholder outside of the shareholders' meeting because of his capacity as a shareholder, it shall be provided to any other shareholder upon request in the shareholders' meeting, even if it is not necessary for the proper assessment of the item on the agenda. The Board of Management may not refuse to provide the information pursuant to paragraph 3 sentence 1 nos. 1 to 4. Sentences 1 and 2 shall not apply if a subsidiary (§ 290 (1) and (2) of the German Commercial Code), a joint venture (§ 310 (1) of the German Commercial Code) or an associated company (§ 311 (1) of the German Commercial Code) provides the information to a parent company (§ 290 (1) and (2) of the German Commercial Code) for the purpose of including the company in the consolidated financial statements of the parent company and the information is required for this purpose.
- (5) If a shareholder is refused information, he may request that his question and the reason for which the information was refused be recorded in the minutes of the meeting.

#### **Section 19 Paragraph 3 of the Articles of incorporation of technotrans SE - Chairmanship of the General Annual Meeting**

- (3) The chairman of the meeting determines the order of speakers and may, to the extent permitted by law, decide on the combination of resolutions that are related to the subject matter of the meeting into one voting item and set reasonable limits on speaking time, question time or the total speaking and question time for the entire course of the Annual General Meeting, for individual items on the agenda and for individual speakers at the beginning or during the course of the Annual General Meeting. In addition, he may order the end of the debate if this is necessary for the proper conduct of the Annual General Meeting. In exercising the householder's rights, he may avail himself of the assistance of auxiliary persons.

#### **4. Special arrangements for inviting and holding a virtual general meeting due to the COVID 19 pandemic <sup>3</sup>**

Due to the COVID 19 pandemic, it is currently not possible to hold general meetings in their usual form. Against this background, the legislator has passed a law that contains, among other things, regulations on the invitation and holding of general meetings for stock corporations and European Companies (SE).

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<sup>3</sup> The following provisions may supersede both statutory rights of shareholders and rights which are generally granted under stock corporation law. In particular, the regulations regulate a modified framework for so-called virtual general meetings without the physical presence of shareholders or their proxies.



The Board of Management, with the consent of the Supervisory Board, makes use of the possibilities offered by this law. Thus, in 2020, the company's Annual General Meeting will be held as a virtual general meeting without the presence of shareholders and their proxies. The above notes and regulations will be amended by the following provisions. This concerns, among other things, participation in the Annual General Meeting and the right to information and the right to ask questions described in Section 3 above. Due to the manner in which the Annual General Meeting is conducted, shareholders must submit their questions to the Company at least two days before the Annual General Meeting. The management will then answer these questions in the exercise of its dutiful, free discretion in the virtual General Meeting.

The following rules form the basis for the changed form of the Annual General Meeting:

**Act on mitigating the consequences of the COVID-19 pandemic in civil, insolvency and criminal procedure law**

**Article 2**

**Act on measures in company, cooperative, association, foundation and home ownership law to combat the effects of the COVID 19 pandemic**

**Section 1**

**Stock corporations; partnerships limited by shares (KGaA); European companies (SE); mutual insurance companies**

- (1) Decisions regarding the participation of shareholders in the general meeting by means of electronic communication in accordance with the second sentence of section 118(1) of the German Stock Corporation Act (AktG) (electronic participation), voting by means of electronic communication in accordance with section 118(2) of the German Stock Corporation Act (postal vote), the participation of members of the supervisory board by means of video and audio transmission in accordance with the second sentence of section 118(3) of the German Stock Corporation Act and the authorisation of video and audio transmission in accordance with section 118(4) of the German Stock Corporation Act may be made by the management board of the company even without authorisation by the articles of incorporation or rules of procedure.
- (2) The management board can decide that the meeting is held without the physical presence of the shareholders or their representatives as a virtual general meeting, provided
  1. the entire meeting is transmitted via audio and video,
  2. shareholders can vote via electronic communication (postal vote or electronic participation) and grant power of attorney,
  3. shareholders are granted the opportunity to ask questions electronically,
  4. shareholders who have exercised their voting rights in accordance with no. 2, in deviation from section 245 no. 1 of the German Stock Corporation Act and waiving the requirement to appear at the general meeting, are given the opportunity to object to a resolution of the general meeting.

The management board decides at its due and free discretion as to which questions it answers and how; it may also require that questions are to be submitted electronically no later than two days before the meeting.

- (3) By way of derogation from the first sentence of section 123(1) and the second sentence of section 123(5) of the German Stock Corporation Act, the management board may decide to convene the general meeting no later than the twenty-first day before the date of the meeting. By way of derogation from the second sentence of section 123(4) of the German Stock Corporation Act, in the case of listed companies, the evidence of share ownership must relate to the beginning of the twelfth day prior to the meeting and, in the case of bearer shares in the company, must be received at the address specified for this purpose in the invitation convening the meeting by no later than the fourth day prior to the general meeting, unless the management board specifies a shorter period for the receipt of the evidence by the company in the invitation convening the general meeting; any provisions of the articles of incorporation to the contrary are irrelevant. If the meeting is convened with a shorter period of notice pursuant to the first sentence, the notice pursuant to the first sentence of section 125(1) of the German Stock Corporation Act must be given at the latest twelve days before the meeting and the notice pursuant to section 125(2) of the German Stock Corporation Act must be given to those entered in the share register at the beginning of the twelfth day before the general meeting. Contrary to section 122(2) of the German Stock Corporation Act, re-requests for additions to the agenda must be received by the company at least fourteen days prior to the meeting in the aforementioned case.
- (4) By way of derogation from section 59(1) of the German Stock Corporation Act, the management board can decide without authorisation by the articles of incorporation to pay an interim dividend from the net income to shareholders in accordance with section 59(2) of the German Stock Corporation Act. The first sentence applies accordingly for any advance payment on the compensation payment (section 304 of the German Stock Corporation Act) to outside.
- (5) The management board can decide by way of derogation from the second sentence of section 175(1) of the German Stock Corporation Act that the general meeting takes place within the financial year.
- (6) The decisions of the management board in accordance with paragraphs (1) to (5) require the consent of the supervisory board. By way of derogation from section 108(4) of the German Stock Corporation Act, the supervisory board may, notwithstanding the provisions of the articles of incorporation or the rules of procedure, adopt the resolution on consent in writing, by telephone or in a comparable manner without the physical presence of the members.
- (7) Irrespective of the provision in section 243(3) no. 1 of the German Stock Corporation Act, an action for avoidance of a resolution adopted by the general meeting may also not be based on breaches of the third to fifth sentence of section 118(1), the second sentence of section 118(2) or section 118(4) of the German Stock Corporation Act, the breach of the formal requirements placed on notifications in accordance with section 125 of the German Stock Corporation Act and not on any breach of paragraph (2), unless the company can be proven to have acted intentionally.
- (8) The above paragraphs shall apply accordingly to companies which have the legal form of a partnership limited by shares (KGaA). In the case of a European company under Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (OJ L 294, 10.11.2001, page 1), as last amended by Regulation (EU) No 517/2013 (OJ L 158, 10.6.2013, p. 1), paragraphs (1) to (7), with the exception of paragraph (5), shall apply accordingly. In a company in accordance with section 20 of the SE Implementation Act of 22 December 2004 (Federal law Gazette I page 3675), which was last amended by Article 9 of the Act



of 12 December 2019 (Federal Law Gazette I page 2637), (company with a one-tier system), the decisions in accordance with paragraphs (1) to (4) shall be taken by the administrative board; paragraph (6) shall not apply to such a company.

(9) Paragraphs (1) and (2), the first and third sentences of paragraph (3) and paragraphs (4) to (7) shall apply accordingly to mutual insurance companies within the meaning of section 171 of the German Insurance Super-vision Act (VAG).

(1)