

GRAMMER AG
Annual General Meeting 2023

Explanatory notes on shareholders' rights

(pursuant to Section 122 (2) AktG, Section 126 (1), Section 127 AktG, Section 131 (1) AktG)

The notice convening the Annual General Meeting contains information on the rights of shareholders pursuant to Sections 122 (2), 126 (1), 127, 131 (1) of the German Stock Corporation Act (Aktiengesetz – "**AktG**"), 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 500,000.00 (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 09, 2023 24:00h (CEST), 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/investor-relations/hauptversammlung/2023.html>

bekannt gemacht und den Aktionären mitgeteilt.

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 Annual General Meeting, i.e. by April 25, 2023, 24:00h (CEST), 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 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. 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/2023.html>

Counter motions and election proposals are only deemed to have been made if they are submitted during the general meeting. The right of each shareholder to submit counter-motions and election proposals on the various agenda items during the general meeting, even without prior and timely submission to the company, shall remain unaffected.

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 counter motion 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 counter motion 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 counter motion 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 counter motion 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 counter motion 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 countermotions on the same item of the resolution to be adopted, then the Executive Board may consolidate or summarize the countermotions 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.

3. Right to receive information (§131 Abs. 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 of AktG on which these shareholders' rights are based are worded as follows:

Section 131 AktG (excerpt):

(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.

This version of the explanatory notes on shareholders' rights prepared for the convenience of English-speaking readers is a translation of the German original. For purposes of interpretation, the German text shall be authoritative and final.