



**Virtual Annual General Meeting**  
**of VARTA AKTIENGESELLSCHAFT, Ellwangen**  
**on Thursday, June 17, 2021, 11.00 am (CEST) (= 9.00 UTC Universal Time Conversion)**

**Explanatory notes on the rights of shareholders**  
**in accordance with Section 122 (2), Section 126 (1), Section 127 and Section 131 (1) of the German**  
**Stock Corporation Act (AktG) in addition to Section 1 (2) sentence 1 No. 3 and No. 4, sentences 2**  
**and 3 of the COVID-19 Act**

The Executive Board has decided, with the consent of the Supervisory Board, to convene the Annual General Meeting in accordance with Section 1 (2) of the German Act on Measures in Company Law, Cooperative Law, Association Law, Foundation and Condominium Law to Combat the Effects of the COVID-19 Pandemic (COVID-19 Act), which entered into force on 28 March 2020, last amended with effect from 28 February 2021, as amended by the Act on the Further Shortening of the Residual Debt Relief Procedure and the Adjustment of Pandemic-Related Provisions in Company, Cooperative, Association and Foundation Law and in Tenancy and Leasehold Law of 22 December 2020 (COVID-19 Act), to be held as a virtual general meeting without the physical presence of the shareholders (hereinafter referred to as "Shareholders") or their proxies (with the exception of the proxies appointed by the company).

The decision of the Executive Board to hold the meeting as a virtual meeting also partly impacts on the shareholder rights explained below.

**1. Requests for additional agenda items (Section 122 (2) AktG)**

Pursuant to Section 122 (2) AktG, shareholders whose shares together reach at least 5% of the share capital or the pro rata amount of € 500,000.00 may demand 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 must be addressed to the Executive Board in writing and must, according to Section 122 (2) AktG, reach the Company at least 30 days before the Annual General Meeting (not including the day of the Annual General Meeting and the day of receipt), i.e., no later than May 17, 2021, 24:00 o'clock (CEST). Requests for additional items received later will not be taken into account.

Kindly address requests for additional items pursuant to Section 122 (2) AktG to the following address:

VARTA AG  
– Executive Board –  
Att: Ms Julia Weber  
VARTA-Platz 1  
73479 Ellwangen  
Germany



Pursuant to Section 122 (2), (1), sentence 3 AktG, the shareholders making the request for additions to the agenda 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 Executive Board decides on the request, whereby Section 70 AktG applies when calculating the period of share ownership. Section 121 (7) AktG shall apply accordingly to the calculation of the time limit.

Additional items to the agenda that require publication will be published – insofar as they have not already been announced with the convening notice – in the Federal Gazette immediately upon receipt of the request and forwarded to those media that can be assumed to disseminate the information throughout the European Union. They will also be made accessible and notified to shareholders via the Company's website at: <https://www.varta-ag.com/hauptversammlung/>.

The provisions of the German Stock Corporation Act underpinning these shareholder rights are as follows:

#### Section 122 AktG. Convening of a Meeting at the Request of a Minority (extract)

- (1) An Annual General Meeting shall be convened if shareholders whose holding in the aggregate amounts to one-twentieth of the share capital request such a meeting in writing, stating the purpose and the reasons for such a meeting; such a request shall be addressed to the Executive Board. The Articles of Association may provide that the right to request the convening of an Annual General Meeting may be subject to another form and to the holding of a lower proportion of the share capital. The applicants must prove that they have held the shares for at least 90 days prior to receipt of the request and that they will hold the shares until the Executive Board decides on the request. Section 121 (7) shall apply accordingly.
- (2) In the same manner, shareholders whose shares amount in the aggregate to one-twentieth of the share capital or the pro-rata value of € 500,000.00 may request that items be placed on the agenda and announced as such. 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.

#### Section 124 AktG. Publication of additions to the agenda; draft resolutions (extract)

- (1) If the minority has requested that items be placed on the agenda in accordance with Section 122 (2), such items shall be announced either at the time the meeting is convened or, failing that, immediately upon receipt of the request; Section 121 (4) shall apply accordingly; in addition, in the case of listed companies, Section 121 (4a) shall apply accordingly. Announcement and forwarding must be carried out in the same way as for convening the meeting.



## Section 121 AktG. General Provisions (extract)

- (4) Notice of the meeting shall be published in the Company's designated journals. If the shareholders are known to the Company by name, an Annual General Meeting may be called by registered letter, unless the Articles of Association determine otherwise; the day of posting the notice of the meeting shall be deemed to be the day of publication.
- (4a) In the case of listed companies which have not exclusively issued registered shares or which do not send the notice of meeting to the shareholders directly in accordance with paragraph 4 sentence 2, notice of the meeting shall be sent for publication, at the latest at the time of the announcement, to those media which can be assumed to disseminate the information throughout the European Union.
- (7) In the case of deadlines and dates that are calculated back from the meeting, the day of the meeting shall not be included in the calculation. A postponement from a Sunday, Saturday or public holiday to a preceding or following working day is not possible. Sections 187 to 193 of the German Civil Code (BGB) shall not be applied accordingly. In the case of non-listed companies, the Articles of Association may provide for a different calculation of the deadline.

## Section 70 AktG. Calculation of the Period of Shareholding

If the exercise of rights arising from a share shall require that the shareholder has been the holder of such shares for a certain period of time, the right to demand transfer of title from a credit institution, a financial services institution or a company operating pursuant to 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 during which the share was owned by a predecessor in title shall be attributed to the shareholder, provided that they have acquired the share without consideration, from their fiduciary, as a successor in title by operation of law, in connection with the liquidation of a community of interest, or as a result of a transfer of assets pursuant to Section 13 of the Insurance Supervision Act or Section 14 of the Building Loan Association Act.

## **2. Countermotions and nominations for election (Sections 126 (1), 127 AktG)**

Shareholders may send the Company countermotions to a proposal by the Executive Board and/or Supervisory Board on a specific item on the agenda pursuant to Section 126 (1) AktG. They may also send proposals for the appointment of auditors pursuant to Section 127 AktG. Such proposals must be sent with the name of the shareholder to the following address only:

VARTA AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany  
Fax: +49 (0)89 889 690 655



Email: [varta@better-orange.de](mailto:varta@better-orange.de)

Countermotions from shareholders sent with justifying grounds at least 14 days before the day of the Annual General Meeting (not including the day of the Annual General Meeting and the day of receipt), i.e. no later than June 2, 2021, 24:00 h (CEST), to the above address, will be made accessible including the name of the shareholder, the justifying grounds and any comments by the management on the Internet (at: <https://www.varta-ag.com/hauptversammlung/>), provided that the other requirements for an obligation to publish pursuant to Section 126 AktG are met. Proposals by shareholders sent to any other address will not be considered. The Company may refrain from publishing a countermotion under the conditions specified in Section 126 (2) AktG, for example, if the countermotion would lead to a resolution of the Annual General Meeting that would be contrary to the law or the Articles of Association. The statement of the grounds for a countermotion need not be made available if it contains more than 5,000 characters in total.

The above explanations of Section 126 (1) AktG pursuant to Section 127 AktG shall apply mutatis mutandi to a shareholder's proposal for the appointment of Supervisory Board members and/or auditors. Moreover, the Executive Board does not need to make proposals for election from shareholders accessible, apart from in cases of Section 126 (2) AktG, if these do not include the details required by Section 124 (3) sentence 4 AktG (name, profession and residence of the proposed candidate). In addition, proposals for election of Supervisory Board members do not have to be published if the proposal does not contain information on the candidate's membership of other supervisory boards formed in accordance with the statutory requirements.

Countermotions and/or election proposals by shareholders submitted in due form and time in accordance with the above provisions pursuant to Sections 126, 127 AktG and made available by the Company shall be deemed to have been made at the meeting pursuant to Section 1 (2) sentence 3 of the COVID-19 Act, provided that the shareholder making the motion or submitting the election proposal is duly authorized and registered for the Annual General Meeting.

The provisions of the German Stock Corporation Act on which these shareholder rights are based are as follows:

#### 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 Section 125 (1) to (3) under the conditions specified therein if the shareholder has sent a countermotion to a proposal of the Executive Board and Supervisory Board on a specific item on the agenda, together with a statement of grounds, to the address specified for this purpose in the notice convening the meeting at least 14 days before the Annual General Meeting of the Company. The day of receipt shall not be counted. In the case of listed companies, the information must be made available on the company's website. Section 125 (3) applies accordingly.



- (2) A countermotion and the grounds for this need not be made accessible if
1. by providing such accessibility, the Executive Board would become criminally liable,
  2. the countermotion would result in a resolution of the Annual General Meeting which would be contrary to the law of the Articles of Association,
  3. the grounds contain statements which are manifestly false or misleading in material respects or which are libelous,
  4. a countermotion proposed by the shareholder based on the same facts has already been made available to an Annual General Meeting of the Company in accordance with Section 125,
  5. the same countermotion by the shareholder has been made available to at least two Annual General Meetings of the Company pursuant to Section 125 with substantially the same reasoning in the past five years and less than one-twentieth part of the represented share capital at the Annual General Meeting voted in favor of it,
  6. the shareholder indicates that they will not participate in or be represented at the Annual General Meeting; or
  7. the shareholder has not made or caused to be made a countermotion communicated by him at two Annual General Meetings in the past two years.

The statement of grounds need not be made available if it exceeds 5,000 characters.

- (3) If several shareholders make countermotions for resolution in respect of the same subject matter, the Executive Board may combine such countermotions and the respective statements of the grounds.

#### Section 127 sentences 1 to 3 AktG. Nominations by Shareholders

Section 126 AktG shall apply 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 grounds. Moreover, the Executive Board need not make such nominations accessible if they fail to contain the particulars required by Section 124 (3) sentence 4 and Section 125 (1) sentence 5.

#### Section 124 AktG. Publication of additions to the agenda; proposals for resolutions (excerpt)

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



Section 125 (1) sentence 5 AktG:

"In the case of listed companies, a proposal for the election of Supervisory Board members shall be accompanied by details of their membership of other statutory supervisory boards; details of their membership of comparable domestic and foreign supervisory boards of business enterprises shall be included."

Section 1 (2) sentence 3 COVID-19 Act:

"Motions or election proposals by shareholders which are to be made available pursuant to section 126 or section 127 AktG shall be deemed to have been made at the meeting if the shareholder making the motion or submitting the election proposal is duly authorized and registered for the Annual General Meeting."

**3. Right of the shareholder to information in accordance with Section 131 (1) AktG and opportunity to ask questions in accordance with Section 1 (2) sentence 1 No. 3, sentence 2 COVID-19 Act**

Shareholders and their proxies shall not be entitled to request information orally from the Executive Board at the virtual Annual General Meeting in accordance with section 131 (1) and (4) or Section 293g (3) AktG.

Shareholders who have registered for the Annual General Meeting in due form and time and provided evidence of their shareholding shall, however, have the opportunity to ask questions by means of electronic communication pursuant to Section 1 (2) sentence 1 no. 3 of the COVID-19 Act. The Executive Board shall decide which questions it will answer and how according to its professional judgment. Questions in languages other than German will not be taken into consideration.

The Executive Board has decided, with the approval of the Supervisory Board, pursuant to Section 1 (2) sentence 2 of the COVID-19 Act, that questions must be submitted to the Company via the password protected Internet service at <https://www.varta-ag.com/hauptversammlung> no later than one day before the Annual General Meeting, i.e., by midnight on June 15, 2021 (CEST). A "Questions" button is provided for this purpose in the Internet service. Questions received later than this deadline shall not be taken into account.

Questions will be answered within the audiovisual transmission of the virtual Annual General Meeting. In the case of natural persons, for reasons of data protection legislation, the name of the person asking the question will not be disclosed when answering questions at the virtual Annual General Meeting. The Company reserves the right to answer frequently asked questions in advance on the Company website.

The provisions of the German Stock Corporation Act on which these shareholder rights are based are as follows:

Section 1 (2) sentence 1 No. 3, sentence 2 COVID-19 Act (extract):

The Executive Board may decide that the meeting is held as a virtual Annual General Meeting without the physical presence of shareholders or their proxies, provided that



[...]

3. the shareholders are given the opportunity to ask questions by way of electronic communication,

[...]

The Executive Board shall decide which questions it answers and how to answer them, at its own dutiful and free discretion; it may also stipulate that questions must be submitted by way of electronic communication at least one day before the meeting.

#### Section 1 (6) COVID-19 Act:

The decisions of the Executive Board pursuant to paragraphs 1 to 5 require the approval of the Supervisory Board. In derogation of the provisions of Section 108 (4) AktG, the Supervisory Board may pass the resolution on approval in writing, by telephone or in a comparable manner without the physical presence of the members, notwithstanding the provisions in the Articles of Association or the Rules of Procedure.

#### **IV. Opportunity to object electronically to a resolution by the Annual General Meeting in accordance with Section 1 (2) sentence 1 no. 4 of the COVID-19 Act**

Shareholders who have exercised their voting rights on one or more resolutions of the Annual General Meeting shall be given the opportunity to declare their objection to a resolution of the Annual General Meeting for the record taken by the notary by means of electronic communication, waiving the requirement of appearing at the Annual General Meeting. Corresponding declarations are possible from the beginning of the Annual General Meeting until its closure by the Chairman of the meeting exclusively via the Company's password-protected internet service at <https://www.varta-ag.com/hauptversammlung/>.

The provisions of the German Stock Corporation Act on which these shareholder rights are based are as follows:

#### Section 1 (2) No. 4 COVID-19 Act (extract):

- (2) The Executive Board may decide that the meeting is held as a virtual Annual General Meeting without the physical presence of the shareholders or their proxies, provided that

[...]

4. the shareholders who have exercised their voting rights in accordance with No. 2 are given the opportunity to object to a resolution of the Annual General Meeting, in derogation of Section 245 No. 1 AktG, waiving the requirement to appear at the Annual General Meeting.



**VARTA**

Section 245 No. 1 AktG (extract):

The following shall be entitled to appeal

1. every shareholder who appeared at the Annual General Meeting if they had already purchased shares before the announcement of the agenda was made and had objected to the resolution in the minutes;

[...]

The Executive Board, May 2021