

Annual General Meeting of JOST Werke AG on July 1, 2020

Explanatory notes on shareholders' rights and additional information

I. Shareholders' rights

The convening Notice of the Annual General Meeting contains information on the shareholders' rights pursuant to sec. 122 para. 2, sec. 126 para. 1, sec. 127 and sec. 131 para. 1 of the German Stock Corporation Act (*Aktengesetz*, AktG) in part in conjunction with with the "Act Concerning Measures in Company, Cooperative, Association, Foundation and Home-Ownership Law to Combat the Effects of the COVID-19 Pandemic (*Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie*, PandemieG) (Federal Law Gazette [*Bundesgesetzblatt*, BGBl.] I 2020, p. 570), in particular regarding the timeframe during which these rights may be exercised. The following information serves as detailed explanation of these shareholders' rights.

1. Additions to the Agenda on the request of a minority pursuant to sec. 122 para. 2 AktG

Shareholders whose shares together account for one-twentieth of the capital stock or a proportionate interest of EUR 500,000.00 (corresponding to 500,000 no-par shares), may request items to be added to the agenda and announced. Each new item must be accompanied by the reasons for it or a proposal for a resolution. The request must be submitted to the Management Board in writing and must be received by the company in writing by the **end of May 31, 2020**.

Shareholders' proposals for additions to the agenda may be submitted to the company at the following address:

**JOST Werke AG
Vorstand
Siemensstraße 2,
63263 Neu-Isenburg
Germany**

According to sec. 122 para. 2 in conjunction with para. 1 sentence 3 AktG, applicants must provide evidence that they have held their 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 motion has been made. Attention is explicitly drawn to the fact that sec. 70 AktG provides certain options of apportionment in calculation of this period of shareholding.

Additions to the agenda that have to be announced will immediately after receipt of the request be published in the Federal Gazette (*Bundesanzeiger*) and disseminated throughout the European Union. They will also be made available and notified to the shareholders on the website <http://ir.jost-world.com/agm>.

The proposed resolution published in connection with a permissible addition to the agenda will be voted on during the Annual General Meeting.

Excerpts of the underlying provisions of the AktG pertaining to shareholders' rights:

Sec. 122 para. 1 and para. 2 AktG:

“(1) The shareholders’ meeting is to be convened, if shareholders whose holdings in aggregate amount to one-twentieth of the share capital, request such a convention in writing and by stating the objective and the reasons; the request is to be submitted to the management board. The articles of incorporation may provide that the right to require a shareholders’ meeting to be convened shall be dependent upon another form or the holding of a lower proportion of the capital stock. The applicants must provide evidence that they have been holders of the shares for at least 90 days preceding the date of receipt of the request and that they hold the shares until a decision on the motion by the management board has been made. Section 121 Paragraph 7 shall be applied accordingly.

(2) In the same way, shareholders whose aggregate holdings amount to one-twentieth of the share capital or a proportionate amount of EUR 500,000 may request items to be placed on the agenda and to be published. Each new item must be accompanied by a substantiation or a draft resolution. A request in the meaning of Sentence 1 must be received by the company no later than 24 days, in the case of stock exchange listed companies no later than 30 days prior to the meeting; the day of receipt shall not be counted. In gleicher Weise können Aktionäre, deren Anteile zusammen den zwanzigsten Teil des Grundkapitals oder den anteiligen Betrag von 500 000 Euro erreichen, verlangen, daß Gegenstände auf die Tagesordnung gesetzt und bekanntgemacht werden. Jedem neuen Gegenstand muss eine Begründung oder eine Beschlussvorlage beiliegen. Das Verlangen im Sinne des Satzes 1 muss der Gesellschaft mindestens 24 Tage, bei börsennotierten Gesellschaften mindestens 30 Tage vor der Versammlung zugehen; der Tag des Zugangs ist nicht mitzurechnen.”

Sec. 121 para. 7 AktG:

“(7) For deadlines and periods calculated backwards from the date of the meeting, the day of the meeting shall not be included in the calculation. Adjourning the meeting from a Sunday, Saturday or public holiday to a preceding or following business day shall not be possible. Sections 187 to 193 of the German Civil Code (BGB) shall not be applied accordingly. In case of nonlisted companies, the articles of incorporation may define a different calculation of the deadline.”

Sec. 70 AktG:

“If the exercise of rights stemming from the share depends on the shareholder being the bearer of the share for a specified period of time, then the right to demand transfer of title from a credit institution, a financial services institute, or an enterprise operating under Section 53 Paragraph 1 Sentence 1 or Section 53b Paragraph 1 Sentence 1 or Paragraph 7 of the Banking Act shall be deemed equivalent to ownership. The period during which the share was owned by a predecessor shall be attributed to the shareholder, provided that he has acquired the share without consideration from his fiduciary, as a successor in legal interest 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 Associations Act.”

2. Motions and proposals for elections pursuant to sec. 126 para. 1 and sec. 127 AktG

Since pursuant to sec. 1 para. 2 PandemieG, the Annual General Meeting is being held as a virtual meeting without the physical presence of the shareholders or their proxy holders, the rights to make motions “at” the meeting do not apply. The exercise of voting rights by means of postal vote does not constitute participation at the Annual General Meeting in the legal sense.

Accordingly, shareholders and their proxy holders are not able to make any counter-motions to the Company with regard to the proposals of the Management Board and/or Supervisory Board concerning specific agenda items or make nominations for the appointment of the statutory auditor or the election of Supervisory Board members.

If shareholders or their proxy holders nevertheless give notice of counter-motions and/or nominations, such counter-motions and/or nominations will be published by the Company in accordance with sec. 126 para. 1 AktG, even where they cannot be voted on during the Annual General Meeting for lack of eligibility to make the motion at the Annual General Meeting, if they are sent not later than **24:00 h (CEST) on June 16, 2020** (receipt by the Company) to the address set forth below, accompanied by proof of shareholder status. Counter-motions and nominations sent to a different address will not be considered.

JOST Werke AG
Investor Relations
Siemensstraße 2,
63263 Neu-Isenburg
Deutschland
Fax: +49 (0) 6102 295 661
E-Mail: ir@jost-world.com

Counter-motions and nominations that the Company is obliged to make available will be published without delay at <http://ir.jost-world.com/agm> if they are received at the foregoing address not later than by the **end of June 16, 2020** accompanied by proof of shareholder status. Any comments by management will also be published at the aforementioned link.

Excerpts of the underlying provisions of the AktG pertaining to shareholders' rights:

Sec. 126 AktG:

“(1) Motions from shareholders, including their name, the reasons, and any comments by the management, shall be made accessible to those entitled as specified in Section 125 Paragraphs 1 to 3 under the conditions stated therein if, at least 14 days before the meeting of the company, the shareholders have submitted a counter motion to a proposal of the management board and supervisory board regarding a specific item on the agenda, with substantiation, to the address stated in the invitation for this purpose. The day of receipt shall not be counted. For listed companies, publication shall be on the company website. Section 125 Paragraph 3 applies accordingly.

(2) A counter-motion and its substantiation do not need to be disclosed,

- 1. if the management board would render itself liable to prosecution by its disclosure,*
- 2. if the counter-motion would result in a resolution by the shareholders' meeting which is either unlawful or in breach of the articles of association,*

3. *the substantiation includes statements which are obviously false or misleading in material respects or are libellous,*
4. *if a counter-motion by the shareholder based on the same facts has already been disclosed with respect to a shareholders' meeting of the company pursuant to Section 125,*
5. *if the same counter-motion of such shareholder on essentially identical grounds has already been made accessible pursuant to Section 125 to not less than 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 counter-motion,*
6. *if the shareholder indicates, that he will neither attend nor be represented at the shareholders' meeting, or*
7. *if the shareholder, at two shareholders' meetings within the last two years, did not present, or did not have presented, a counter-motion submitted by him.*

The counter-motion's substantiation need not be published if it exceeds 5,000 characters.

(3)If more than one shareholder submits a counter-motion to the same items of the resolution, the management board may consolidate the counter-motions and their substantiations."

Sec. 127 sentence 1 to 3 AktG:

"Section 126 shall apply analogously to a proposal by a shareholder for the election of members of the supervisory board or external auditors. Such election proposal need not be substantiated. The management board need not disclose such election proposal if it fails to contain the information prescribed by Section 124 Paragraph 3 Sentence 4 and Section 125 Paragraph 1 Sentence 5."

Sec. 124 para. 3 sentence 4 AktG:

"A proposal for the election of members of the supervisory board or auditors must specify their names, profession and place of residence."

3. Opportunities for shareholders to ask questions according to sec. 131 para. 1 AktG in conjunction with sec. 1 para. 2 sentence 1 No. 3, sentence 2 PandemieG

In the case of an Annual General Meeting that pursuant to sec. 1 para. 2 PandemieG takes place without the physical presence of the shareholders and their proxy holders, properly registered shareholders or their proxy holders may pose questions to the Management Board about the Company's affairs, including the legal and business relationships with affiliated enterprises, as well as about the position of the Group and the companies included in the consolidated financial statements, via the Company's password-protected Annual General Meeting portal at <http://ir.jost-world.com/agm>, to the extent that answering them is necessary for a proper evaluation of the agenda items.

In light of the difficult conditions caused by the COVID-19 pandemic, and in order to ensure that they can be answered, questions must be submitted in German and in conformity with sec. 1 para. 2 sentence 2 PandemieG not later than two days prior to the Annual General Meeting, i.e. not later than **24:00 h (CEST) on June 28, 2020**, by means of electronic communication via the Company's password-protected Annual General Meeting portal at <http://ir.jost-world.com/agm>.

Pursuant to sec. 1 para. 2 sentence 2 PandemieG, the Management Board will decide in its reasonably exercised discretion which questions it chooses to answer and how it chooses to do so. Any answers will either be provided in connection with the answering of submitted questions during the Annual General Meeting or be published in advance on the Company's website at <http://ir.jost-world.com/agm>.

In addition, the general rights in sec. 131 para. 3 AktG to refuse to provide information are applicable. The Management Board may refuse to answer questions where, for instance, providing information is, in accordance with sound business judgment, capable of causing more than insignificant harm to the Company or an affiliated enterprise (e.g. no disclosure of business secrets) or where providing information would expose it to criminal liability.

Excerpt of the underlying provisions of the AktG and the PandemieG pertaining to shareholders' rights:

Sec. 131 AktG:

“(1) Each shareholder shall, upon request, be provided with information at a shareholders' meeting by the management 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. The duty to provide information shall also extend to the company's legal and business relations with an affiliated company. If a company makes use of the facilitations pursuant to Section 266 Paragraph 1 Sentence 3, Section 276 or Section 288 of the Commercial Code, each shareholder may demand the annual financial statements to 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 management board of a parent company (Section 290 Paragraphs 1 and 2 of the Commercial Code) to provide information at the shareholders' meeting presented with the consolidated financial statements and the consolidated management report also encompasses the situation of the group and the companies included in the consolidated financial statements.

(2)The information shall comply with the principles of diligent and faithful accounting. The articles of association or the by-laws pursuant to Section 129 may authorize the chairperson of the meeting to reasonably limit a shareholder's time to speak and ask questions and resolve details in this respect.

(3)The management board may refuse to give information

- 1. to the extent that providing such information is, according to sound business judgement, likely to entail significant detrimental effects for the company or an affiliated company;*
- 2. to the extent it relates to valuations for tax purposes or the amount of individual taxes;*
- 3. about the difference between the value of items reported in the annual balance sheet and a higher value of these items, unless the shareholders' meeting approves the annual financial statement;*
- 4. about the accounting and valuation methods, to the extent the information on these methods contained in the notes is sufficient to convey a true and fair view of the company's net assets, financial position and results of operations in the meaning of Section 264 Paragraph 2 of the Commercial Code; this shall not apply, if the shareholders' meeting approves the annual financial statements;*
- 5. if the management board would commit a criminal offence by disclosing such information*

6. *insofar as information concerning the applied accounting and valuation methods as well as offsetting applied in the annual financial statements, management report, group financial statements or group management report does not need to be provided to a bank or financial services institution;*
7. *if the information has been continuously accessible on the company's website for at least seven days prior to the commencement of and during the shareholders' meeting.*

Information may not be refused for other reasons.

(4) Should information have been provided outside the shareholders' meeting to a shareholder due to his capacity as a shareholder, such information must be provided to any other shareholder upon demand at the shareholders' meeting, even if the information is not required for a proper assessment of the agenda item. The management board may not refuse to provide the information under Paragraph 3 Sentence 1 Nos. 1 to 4. Sentences 1 and 2 shall not apply if a subsidiary (Section 290 Paragraphs 1, 2 of the Commercial Code), a joint venture (Section 310 Paragraph 1 of the Commercial Code) or an associated company (Section 311 Paragraph 1 of the Commercial Code) discloses information to a parent company (Section 290 Paragraphs 1, 2 of the Commercial Code) for the purpose of inclusion of the company in the consolidated financial statements of the parent company and the information is required for such purpose.

(5) A shareholder who has been denied information may demand his question and the grounds on which the information was denied to be recorded in the minutes of the meeting."

Sec. 1 para. 2 sentence 1 No. 3, sentence 2 PandemieG:

„(2) The Executive Board may decide that the meeting will be held as a virtual general meeting without the physical presence of the shareholders or their proxy holders if

[...]

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

[...].

The Executive Board shall decide, at its sole reasonable discretion, which questions to answer and how to answer them; it may also stipulate that questions must be submitted by electronic communication at least two days before the meeting."

II. Notes and disclosures pursuant to sec. 124a sentence 1 No. 2 AktG

1. Notes on agenda item 1 pursuant to sec. 124a sentence 1 no. 2 AktG

Agenda item 1 of the invitation to the Annual General Meeting on July 1, 2020 concerns the statutory accounting requirements for the financial year ended on December 31, 2019. The annual financial statements for the fiscal year 2019 as of March 13, 2020 prepared by the Management Board have already been approved by the Supervisory Board on March 19, 2020 and have thus been adopted. At the same time the Supervisory Board has approved the group financial statements. Pursuant to sec. 173 AktG a resolution by the Annual General Meeting is therefore not required. Pursuant to sec. 176 para. 1 sentence 1 AktG, the other documents referred to in agenda item 1 are merely to be made available to the Annual General Meeting without the need for a resolution, apart from the resolution on the use of distributable profit, which is carried out under agenda item 2.

2. Information on the total number of shares and voting rights pursuant to sec. 124a sentence 1 No. 4 AktG

The stock capital of the company on the date of issue of the notice convening the Annual General Meeting amounts to EUR 14,900,000.00 and is divided into 14,900,000 no-par value bearer shares with each share granting one vote. The company holds no own shares on the date of issue of the notice convening the Annual General Meeting. The total number of shares bearing participation and voting rights at the time of convening the Annual General Meeting therefore amounts to 14,900,000.

III. Data protection

Please refer to the invitation to the Annual General Meeting on July 1, 2020, for information on the processing of personal data and your rights under the EU General Data Protection Regulation (GDPR).

Neu-Isenburg, May 2020

JOST Werke AG
The Management Board