

## **LEONI AG**

**Nuremberg**

ISIN DE 000 540888 4  
Securities Identification Number 540 888

**Virtual Annual General Meeting of LEONI AG on Thursday, 23 July 2020, 10:00 hours, (CEST), NürnbergMesse GmbH, Messezentrum (Trade Fair Centre), 90471 Nuremberg**

### **Explanations**

**pursuant to Section 121 (3) sentence 3, no. 1 of the German Stock Corporation Act (AktG) regarding the rights of shareholders pursuant to Sections 122 (2), 126 (1), 127 and 131 (1) AktG in conjunction with Article 2 Section 1 (2) sentence 1, no. 3 sentence 2 of the COVID-19 Act**

The invitation to the Annual General Meeting, which will take place as a virtual annual general meeting without the physical presence of shareholders or their proxies, already contains information in keeping with Sections 122 (2), 126 (1), 127 and 131 (1) of the German Stock Corporation Act as well as Article 2 Section 1 of the Act to Mitigate the Consequences of the COVID-19 Pandemic under civil, insolvency and criminal proceedings law, (Federal Law Gazette I 2020, pages 569, 570, hereinafter “COVID-19 Act”) of 27 March 2020. The information below serves to explain these provisions in more detail.

### **1) Motions to supplement the agenda pursuant to Section 122 (2) of the German Stock Corporation Act**

Holders of shares in the Company whose combined shareholding reaches a twentieth of the share capital or a pro-rated amount of Euro 500,000.00 (equating to 500,000 shares in the Company) can, pursuant to Section 122 (2) of the German Stock Corporation Act, request that items be put on the agenda for the Annual General Meeting and announced. According to Section 87 (4) of the German Stock Corporation Act (AktG), shareholders at the Annual General Meeting may, furthermore, request pursuant to Section 122 (2) sentence 1 AktG that the maximum compensation under Section 87a (1) sentence 2, no. 1 AktG be lowered.

The shareholders who have made the demand must prove that they have owned the shares for at least 90 days prior to the day of receipt of the motion and that they will hold the shares until the Board of Directors has decided on the motion, with the

stipulations under Section 70 of the German Stock Corporation Act being applied for calculation of the period of share ownership. The day on which the motion is received shall not be counted. Adjourning the meeting from a Sunday, Saturday or a holiday to a preceding or following working day shall not be an option. Sections 187 to 193 of the German Civil Code (BGB) are not to be applied accordingly. Each new item shall be accompanied by an explanation or a draft proposal.

The Board of Directors of LEONI AG must receive any motions to supplement the agenda in writing by Monday 22 June 2020, 24:00 hours (CEST) at the following address:

**Board of Directors of LEONI AG**  
**Marienstrasse 7**  
**90402 Nuremberg**

Any additions to the agenda, which must be announced, will – so far as they have not already been announced when the meeting was convened – be announced without delay in the Federal Gazette (Bundesanzeiger) after the motion is received. They will also be made available immediately after receipt via the Company's website at [www.leoni.com/en/agm2020/](http://www.leoni.com/en/agm2020/) and shareholders will be notified of them in accordance with Section 125 (1) sentence 3 of the German Stock Corporation Act (in the currently applicable version).

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

*Section 121 General Provisions [Extract from the version valid until 31 December 2019, which, pursuant to Section 26j (4) of the Introductory Act to the Stock Corporation Act, applies to annual general meetings convened up to and including 3 September 2020]*

*(4) The convocation shall be published in the company's journals. If the shareholders of the Company are known by name, then the Annual General Meeting may be convened by registered letter if the Articles of Association do not stipulate otherwise; the day of dispatch shall be considered the day of publication.*

*(7) In case of deadlines and dates that are calculated back from the date of the meeting, the day of the meeting itself shall not be included in the calculation. Adjourning the meeting from a Sunday, Saturday or a holiday to a preceding or following working day shall not be an option. Articles 187 to 193 of the German Civil Code (BGB) shall not be*

*applied accordingly. In the case of unlisted companies, the articles of association may provide for a different calculation of the deadline.*

#### *Section 122 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 Board of Directors. The articles of association 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 shareholders who have made the demand shall provide evidence to the effect that they have held the shares for at least 90 days prior to the receipt of the demand and that they will hold the shares until the Board of Directors decides upon the demand. 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 EUR 500,000, may demand that items are put on the agenda and published. Each new item shall be accompanied by an explanation or a draft proposal. The demand in the sense of sentence 1 shall be provided to the company at least 24 days, in case of listed companies at least 30 days, prior to the meeting; the day of receipt shall not be included in this calculation.*

*(3) If any such demand is not complied with, the court may authorise the shareholders who have made the demand to call a shareholders' meeting or publish such items. At the same time, the court may appoint the chairman of the meeting. The notice of the meeting or the publication shall refer to such authorisation. An appeal may be made against such decision. The shareholders who have made the demand shall provide evidence to the effect that they will hold the shares until the court has made a decision.*

*(4) The company shall bear the costs of the shareholders' meeting and, in the case of (3), also the court costs if the court has granted such motion.*

Section 87 Principles Governing Compensation of Members of the Board of Directors  
[extract]

*(4) Shareholders at the Annual General Meeting may request pursuant to Section 122 (2) sentence 1 that the maximum compensation under Section 87a (1) sentence 2, no. 1 be lowered.*

Section 124 Publication of Requests for Supplements; Proposals for Resolutions  
[extract]

*(1) If the minority has requested pursuant to Section 122 (2) that items be added to the agenda, these items shall be published either upon calling the meeting or immediately following receipt of the request. Section 121 (4) shall apply accordingly; moreover, Section 121 (4a) shall apply accordingly to listed companies. Publication and submission shall be made in the same way as applicable for calling the meeting.*

Section 124a Publication on the Company's website

*In the case of listed companies, the following shall be available on a company's website immediately after its annual general meeting is convened:*

- 1) the content of the convocation;*
- 2) an explanation if there is an item on the agenda that shall not be resolved upon;*
- 3) the documentation to be made available for the meeting;*
- 4) the total number of shares and the voting rights at the time the meeting is convened, including separate information on the total number for each class of shares;*
- 5) as the case may be, the forms to be used if the voting right is exercised by proxy or by postal vote unless such forms are provided to the shareholders directly.*

*A demand made by shareholders within the meaning of Section 122 (2) received by the company after the meeting has been convened shall be made available in the same way immediately after it was received by the company.*

Section 125 Communications to Shareholders and Members of the Supervisory Board  
[Extract from the version valid until 31 December 2019, which, pursuant to Section 26j  
(4) of the Introductory Act to the Stock Corporation Act, applies to annual general  
meetings convened up to and including 3 September 2020]

(1) *The Board of Directors shall, at least 21 days before the meeting, communicate to those banks and shareholders' associations that have exercised voting rights on behalf of shareholders in the preceding annual general meeting or that have requested such communication and the notice of the meeting. The date of notice shall not be taken into account. If the agenda is to be amended pursuant to Section 122 (2), such amended agenda shall be communicated in the case of listed companies. Such communication shall point out that voting rights may be exercised by a proxy or a shareholders' association. In case of listed companies, details on the membership of other supervisory boards to be established pursuant to statutory provisions must be added to any nomination for the election of supervisory board members; details on their membership on comparable domestic and foreign corporate governance bodies of economic entities should be added.*

(2) *The Board of Directors shall provide the same information to shareholders who make such request or are registered as shareholders in the company's share register at the beginning of the 14th day before the meeting. The Articles of Association may limit transmission to electronic communication.*

(5) *Financial services institutions and enterprises operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the Banking Act are to be treated as banks.*

### Section 70 Computation of the Period of Shareholding

*If the exercise of rights arising from a share requires that the shareholder has been the holder of such share for a certain period of time, the right to demand transfer of title from a bank, a financial services institution, or an enterprise operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (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 and Loan Associations Act.*

## **2) Countermotions and nominations pursuant to Sections 126 (1), 127 of the German Stock Corporation Act**

Furthermore, shareholders may submit countermotions against a proposal by the Board of Directors and/or Supervisory Board regarding a particular item on the agenda as well as nominations for the election of Supervisory Board members or auditors.

Section 126 (1) of the German Stock Corporation Act stipulates that shareholder motions including the name of the shareholder, the explanation and any statement by the management must be made available to the authorised persons specified in Section 125 (1 – 3) of the German Stock Corporation Act (in the currently applicable version), who may for example be shareholders requesting this, under the conditions therein if the shareholder has, at least 14 days prior to the Company's Annual General Meeting, submitted a countermotion against a proposal by the Board of Directors and/or Supervisory Board regarding a particular item on the agenda with the reason to the address below. The day of receipt and the day of the Annual General Meeting shall not be counted. The deadline for receipt therefore is 8 July 2020, 24:00 hours (CEST). A countermotion need not be made accessible if one of the exclusions stated in Section 126 (2) of the German Stock Corporation Act applies. The explanation does not need to be made accessible even if it comprises a total of more than 5,000 characters.

Election nominations by shareholders pursuant to Section 127 of the German Stock Corporation Act do not require explanation. Election nominations will be made accessible only if they include the name, the practised profession and the domicile of the nominated person and, in the case of an election of Supervisory Board members,

details of the candidate's membership on other statutory supervisory boards (cf. Section 127 sentence 3 in conjunction with Section 124 (3) sentence 4 and Section 125 (1) sentence 5 of the German Stock Corporation Act (in the currently applicable version)). According to Section 127 sentence 1 in conjunction with Section 126 (2) of the German Stock Corporation Act, there are other reasons for which election nominations do not need to be published on the website. Otherwise, the conditions and requirements for making motions accessible shall apply accordingly.

Countermotions or election nominations cannot be submitted during the virtual Annual General Meeting. During the virtual Annual General Meeting, countermotions and nominations duly submitted on time will be iterated and treated in such a way by the Company's proxies as though they had been verbally put during the Annual General Meeting.

Any motions (along with their explanation) or election nominations by shareholders pursuant to Sections 126 (1) and 127 of the German Stock Corporation Act must be addressed exclusively to:

**LEONI AG**  
**Corporate Investor Relations**  
**Marienstrasse 7**  
**90402 Nuremberg**

or by fax: **+49 911 2023-10134**  
or by email to **hv2020@leoni.com**

Motions and election nominations by shareholders that are to be made accessible (including the name of the shareholder and – in the case of motions – the reason) will be published on the website [www.leoni.com/en/agm2020/](http://www.leoni.com/en/agm2020/) after they are received. Any statements by the administration will also be published on the above website.

The provisions of the German Stock Corporation Act underlying these shareholder rights that also stipulate the conditions under which countermotions and nominations need not be made available are as follows:

*Section 124 Publication of Requests for Supplements; Proposals for Resolutions*  
*[extract]*

*(3) With respect to each item on the agenda that is to be decided by the Annual General Meeting pursuant to Section 120a (1) sentence 1, the Board of Directors 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 case of companies that are capital-market oriented within the meaning of Section 264d of the Commercial Code, CRR credit institutions within the meaning of Section 1 (3d) sentence 1 of the Banking Act, except for the institutions specified in Section 2 (1) nos. 1 and 2 of the Banking Act, or insurance undertakings within the meaning of Article 2 (1) of Council Directive 91/674/EEC, the Supervisory Board's proposal regarding the election of the auditor is to be based on the recommendation of the audit committee. Sentence 1 shall not apply if the Annual General 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. [...]*

*Section 125 Communications to Shareholders and Members of the Supervisory Board [in the version valid until 31 December 2019, which applies to annual general meetings convened up and including 3 September 2020]*

*(1) The Board of Directors shall, at least 21 days before the meeting, communicate to those banks and shareholders' associations that have exercised voting rights on behalf of shareholders in the preceding annual general meeting or that have requested such communication and the notice of the meeting. The date of notice shall not be taken into account. If the agenda is to be amended pursuant to Section 122 (2), such amended agenda shall be communicated in the case of listed companies. Such communication shall point out that voting right may be exercised by a proxy or a shareholders' association. In case of listed companies, details on the membership in other supervisory boards to be established pursuant to statutory provisions must be added to any nomination for the election of supervisory board members; details on their membership in comparable domestic and foreign corporate governance bodies of economic entities should be added.*

*(2) The Board of Directors shall provide the same information to shareholders who make such request or are registered as shareholders in the company's share register at the beginning of the 14th day before the meeting. The Articles of Association may limit transmission to electronic communication.*

*(3) Each member of the Supervisory Board may request that the Board of Directors send the same communication to him or her.*



*(4) Each shareholder and each member of the Supervisory Board may request that the Board of Directors advise him or her in writing of the resolutions adopted at the Annual General Meeting.*

*(5) Financial services institutions and enterprises operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the Banking Act are to be treated as banks.*

#### *Section 126 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 Section 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 Board of Directors and Supervisory Board as to an item on the agenda. The date of receipt shall not be taken into account. In case of listed companies, access shall be provided via the Company's website. Section 125 (3) shall apply accordingly.*

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

- 1) the Board of Directors would by reason of such communication become criminally liable;*
- 2) the countermotion would result in a resolution of the Annual General Meeting that would be illegal or would violate the Articles of Association;*
- 3) the explanation contains statements that are manifestly false or misleading in material respects or that are libellous;*
- 4) a countermotion of such shareholder based on the same facts has already been communicated with respect to an Annual General Meeting of the Company pursuant to Section 125;*
- 5) the same countermotion of such shareholder on essentially identical grounds has already been communicated pursuant to Section 125 to at least two Annual General Meetings of the Company within the past five years and at such Annual General Meetings less than one-twentieth of the share capital represented has voted in favour of such countermotion;*
- 6) the shareholder indicates that he or she will neither attend nor be represented at the Annual General Meeting; or*

- 7) *within the past two years at two Annual General Meetings the shareholder has failed to make or cause to be made on his behalf a countermotion communicated by him or her.*

*The explanation does not need to be made accessible if it comprises a total of more than 5,000 characters.*

*(3) If several shareholders submit countermotions for resolution in respect to the same subject matter, the Board of Directors may combine such countermotions and the respective statements of explanation.*

#### *Section 127 Nominations by Shareholders*

*Section 126 shall apply accordingly 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 an explanation. The Board of Directors also need not communicate such nomination if it fails to contain the particulars required by Section 124 (3) sentence 4 and Section 125 (1) sentence 5. The Board of Directors shall supplement the proposal of a shareholder for the election of supervisory board members of listed companies that are subject to the Co-determination Act, the Coal and Steel Co-determination Act or the Supplemental Co-determination Act by adding the following information:*

- 1) *reference to the requirements pursuant to Section 96 (2);*
- 2) *an indication of whether an objection against overall compliance pursuant to Section 96 (2) sentence 3 was raised; and*
- 3) *information about the number of seats on the Supervisory Board that must be held by women and men, respectively, for the minimum participation requirement pursuant to Section 96 (2) sentence 1 to be met.*

#### *Section 96 Composition of the Supervisory Board [extract]*

*(2) In case of listed companies that are subject to the Co-determination Act, the Coal and Steel Co-determination Act or the Supplemental Co-determination Act, the Supervisory Board shall be composed of at least 30 per cent of women and at least 30 per cent of men. The minimum proportion shall be complied with by the Supervisory Board in its entirety. If the shareholders' or employee representatives vis-à-vis the Chairman of the Supervisory Board raise an objection against such overall compliance on the basis of a majority resolution passed prior to the election, the minimum*

*proportion for the respective election shall be complied with separately by the shareholders and employees, respectively. In all cases, numbers shall be mathematically rounded up or down to a whole number of persons. If a higher percentage of women on either side decreases subsequently and if an objection to overall compliance is then raised from such side, the other side's appointments shall not become ineffective as a result thereof. An election of the members of the Supervisory Board by the Annual General Meeting and an appointment to the Supervisory Board in breach of the minimum proportion requirement shall be null and void. If an election is declared null and void for other reasons, any elections meanwhile conducted shall insofar not constitute a breach of the minimum proportion requirement. The election of the employees' Supervisory Board members shall be subject to the laws on co-determination mentioned in sentence 1.*

### **3) Right to ask questions pursuant to Article 2 Section 1 (2) sentence 1, no. 3 of the Covid-19 Act**

Although shareholders need not be given any right to request information at the Annual General Meeting in line with Section 131 (1) of the German Stock Corporation Act, they must, under the COVID-19 Act, be given opportunity to ask questions by means of electronic communication (Section 1 (2) sentence 1, no. 3 of the Covid-19 Act). This does entail any right to a reply.

With the Supervisory Board's approval, the Board of Directors of LEONI AG decided that questions from shareholders registered for the Annual General Meeting must be submitted to the Company via the personal AGM online service (at [www.leoni.com/de/hv2020/](http://www.leoni.com/de/hv2020/) or directly at [netvote.leoni.com](http://netvote.leoni.com)).

Questions must refer to Company matters including its legal and business relationships with associated companies or the Group's situation and the subsidiaries included on the consolidated financial statements, and must be necessary for due assessment of an item on agenda.

The Company must receive shareholder questions by latest Monday, 20 July 2020, 24:00 hours (CEST) via the personal AGM online service and in German. Any other form of submission is precluded. Questions cannot be asked during the Annual General Meeting.

The Board of Directors will decide in due exercise of its discretion which questions to answer and in which way. In so doing, the Board may, in particular, summarise

questions and select useful questions in the interests of the other shareholders. The Board of Directors may, furthermore, give preference to shareholder associations and institutional investors with significant shareholdings. Questions in foreign languages will not be considered. The Board of Directors reserves the right to answer questions arising repeatedly in general form and in advance on the Company's website.

The provisions underlying these shareholder rights are as follows:

Section 131 Right of Shareholders to Information

*(1) Each shareholder shall upon request be provided with information at the Annual General Meeting by the Board of Directors 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 any associated company. If a company makes use of the simplified procedure pursuant to Section 266 (1) sentence 3, Section 276 or 288 of the Commercial Code, each shareholder may request that the annual financial statements be presented to him or her at the Annual General Meeting on such annual financial statements in the form that would have been used if such simplifications were not applied. A parent company's (Section 290 (1) and (2) of the Commercial Code) Board of Directors' duty to inform at the Annual General Meeting that considers the consolidated financial statements and consolidated management report shall extend to the outlook of the group and the companies included in the consolidated financial statements.*

*(2) Such information must conform to the principles of true and fair accounting. The Articles of Association or the rules of procedure pursuant to Section 129 may authorise 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 Board of Directors may refuse to provide information:*

- 1) to the extent that providing such information is, according to sound business judgement, likely to cause material damage to the Company or an associated company;*
- 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 statement of financial position and the higher market value of such items, unless the Annual General Meeting is to approve the annual financial statements;*
- 4) *with regard to the methods of classification 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 profitability within the meaning of Section 264 (2) of the Commercial Code; the foregoing shall not apply if the Annual General Meeting is to approve the annual financial statements;*
- 5) *if provision thereof would render the Board of Directors criminally liable;*
- 6) *if in the case of a bank or financial services institution information about the applied balance sheet and valuation methods or calculations made in the annual financial statements, the management report, the consolidated annual financial statements or the Group management report need not be given;*
- 7) *if the information is continuously available on the Company's website seven or more days prior to the Annual General 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 an annual general 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 annual general meeting, even if such information is not necessary to permit a proper evaluation of an item on the agenda. The Board of Directors 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 cooperative enterprise (Section 310 (1) of the Commercial Code) or an affiliate (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 statements 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 2 Act on measures under company, cooperative association, club, foundation and residential property law on combating the effects of the COVID-19 pandemic  
[extract]

Section 1 Stock corporations; limited joint-stock partnerships; European companies (SE); mutual insurance companies

*(2) The Board of Directors has decided that the meeting be held without the physical presence of shareholders or their proxies as a virtual Annual General Meeting provided:*

- 1. video and audio of the entire meeting is broadcast;*
- 2. shareholders can exercise their voting rights by means of electronic communication (postal voting or electronic participation) as well as grant power of proxy;*
- 3. shareholders are provided the means to submit questions electronically;*
- 4. shareholders who have exercised their voting right under Number 2 are, by derogation from Section 245 Number 1 of the German Stock Corporation Act waiving physical appearance at the Annual General Meeting, given the option of objecting to a resolution of the Annual General Meeting.*

*The Board of Directors shall decide in due exercise of its discretion which questions to answer and in which way; it can also specify that any questions must be submitted by means of electronic communication at the latest two days prior to the meeting.*

Nuremberg, June 2020

**LEONI AG**  
**The Board of Directors**