

Detailed explanations of the rights of shareholders pursuant to Section 121(3) no. 3 of the German Stock Corporation Act (AktG) in conjunction with Section 1 of the COVID-19 Act

The invitation to the Annual General Meeting of IVU Traffic Technologies AG on 25 May 2022 contains information on the rights of shareholders pursuant to Section 122(2), Section 126(1), Section 127 and Section 131(1) AktG in conjunction with Section 1(2) sentence 1 no. 1 of the Act on Measures under Corporate, Cooperative, Association, Foundation and Condominium Law on Combating the Effects of the COVID-19 Pandemic of 27 March 2020 (German Federal Law Gazette (Bundesgesetzblatt – BGBl) I No. 14 2020, p. 570) as amended by the Act on the Further Shortening of the Residual Debt Exemption Procedure and the Amendment of Pandemic-Related Provisions under Corporate, Cooperative, Association and Foundation Law as well as Rental and Leasing Law of 22 December 2020 (BGBl I No. 67 2020, p. 3328) (COVID-19 Act). These rights are based on the following current legal provisions in particular.

1. Additions to the agenda

In accordance with Section 122(2) AktG, shareholders whose shares collectively account for one twentieth of the share capital or a share of EUR 500,000.00 may request that items be added to the agenda and announced. Any such request must be received by the company at the address specified in the notice convening the Annual General Meeting at least 30 days before the Annual General Meeting (whereby the date of the Annual General Meeting and the date of receipt shall not be included in calculating the period), i.e. no later than **Sunday, 24 April 2022, 24:00 hrs (CEST)**.

Pursuant to Section 122(2) in conjunction with (1) sentence 3 AktG, the shareholders concerned must provide evidence demonstrating that they have been holders of the necessary number of shares since at least 90 days before the date the company receives the request and that they have held the minimum number of shares until the decision on the request is made.

Section 122 AktG states the following:

“Section 122 Convening the general meeting at the request of a minority

- (1) The general meeting is to be convened whenever shareholders whose shares cumulatively account for at least one twentieth of the share capital request that the general meeting be convened in writing, citing the purpose and reasons for doing so; the request must be addressed to the executive board. The articles of association may tie the right to request that the general meeting be convened to a different form and to ownership of a smaller share of the share capital. The petitioners must provide evidence demonstrating that they have been holders of the of shares since at least 90 days before the date the request is received and that they have held the shares until the executive board’s decision on the request has been made. Section 121(7) shall apply accordingly.

- (2) In the same manner, shareholders whose shares collectively account for one twentieth of the share capital or a share of EUR 500 000 may request that items be added to the agenda and announced. Every new item must be accompanied by a justification or a draft resolution. The request in the sense of sentence 1 must be received by the company at least 24 days prior to the meeting, or 30 days prior to the meeting in the case of companies listed on the stock exchange; the date of receipt shall not be included in calculating the period.
- (3) In the event that the request is not complied with, the court may grant authority to the shareholders who submitted the request to convene the general meeting or to announce the agenda item. The court may concurrently determine the chair of the general meeting. The notice convening the general meeting or the announcement must refer to this authorisation. It is permissible to lodge complaints against the decision. The petitioners must provide evidence that they have held the shares until the time of the court's decision.
- (4) The company shall bear the costs of the general meeting as well as, in the case described under (3), the court costs if the court has complied with the petition."

Section 121(7) AktG states the following:

"In cases of periods and deadlines which are counted back from the general meeting, the date of the general meeting shall not be included in the calculation. Rescheduling the general meeting from a Sunday, a Saturday or a public holiday to a preceding or subsequent business day is not an option. Sections 187 to 193 of the German Civil Code (Bürgerliches Gesetzbuch – BGB) shall have no corresponding application. In cases of companies not listed on the stock exchange, the articles of association may specify a different calculation of the period."

Section 70 AktG states:

"Section 70 AktG Calculation of the period of share ownership

Where the exercise of rights derived from the share is dependent on the shareholder having held the share for a specific period of time, a claim to transfer of title against a bank, financial services institution or an enterprise pursuing activities in accordance with Section 53(1) sentence 1 or Section 53b(1) sentence 1 or (7) of the German Banking Act (Gesetz über das Kreditwesen – KWG) shall be equivalent to ownership of the share. The period of ownership of a predecessor in title shall be attributed to the shareholder if the shareholder acquired the share without monetary consideration, from the shareholder's trustee, as a universal successor, in the context of a distribution of assets among a community or as part of a portfolio transfer pursuant to Section 13 of the German Insurance Supervisory Act (Versicherungsaufsichtsgesetz – VAG) or Section 14 of the German Act on Savings and Loan Associations (Gesetz über Bausparkassen – BauSparkG)."

2. Countermotions

Pursuant to Section 126(1) AktG, any shareholder may submit a countermotion against a proposal by the Executive Board and Supervisory Board on a specific agenda item. In accordance with the more detailed provisions under Section 126(1 and 2) AktG, a countermotion must be made accessible on the website if it is received by the company at the address specified in the notice convening the Annual General Meeting at least 14 days before the Annual General Meeting

(whereby the date of the Annual General Meeting and the date of receipt shall not be included in calculating the period), i.e. no later than **Tuesday, 10 May 2022, 24:00 hrs (CEST)**.

Countermotions received within the period specified above from shareholders who have provided evidence of their share ownership in due time shall be considered to have been raised during the virtual Annual General Meeting. In accordance with the COVID-19 Act, countermotions which are received by the deadline in accordance with the company provisions specified above will be handled during the virtual Annual General Meeting as if they had been raised during the virtual Annual General Meeting and will be put to vote.

Section 126 AktG states:

“Section 126 Motions by shareholders

- (1) Motions by shareholders, including the name of the shareholder, the justification for the motion and any statements by the management on its position are to be made accessible to the beneficiaries specified under Section 125(1 to 3) subject to the prerequisites specified therein in the event that the shareholder has submitted a countermotion against a proposal by the executive board and supervisory board on a specific agenda item and a corresponding justification to the address shared for this purpose in the notice convening the meeting at least 14 days prior to the meeting. The date of receipt shall not be included in the calculation of this period. In the case of companies listed on the stock exchange, the countermotion must be made accessible on the company's website. Section 125(3) applies accordingly.

- (2) A countermotion and its justification do not need to be made accessible
 1. in the event that making such proposal accessible would cause the executive board to become liable to punishment under law;
 2. if the countermotion would result in the adoption of a general meeting resolution that is in violation of the law or the articles of association;
 3. if the justification contains manifestly false or misleading statements on aspects of material significance or contains insults;
 4. if a countermotion made by the shareholder on the basis of the same facts and circumstances has already been made accessible to a general meeting of the company in accordance with Section 125;
 5. if the same countermotion by the shareholder with an essentially identical justification has already been made accessible to at least two general meetings of the company in accordance with Section 125 within the last five years and received votes from less than one twentieth of the share capital represented at the general meeting;
 6. if the shareholder indicates that they will not participate in the general meeting and will not be represented there by a proxy; or
 7. if the shareholder has informed the company of a countermotion and failed to raise it or have it raised by a proxy at two general meetings within the last two years.

The justification is not required to be made accessible if it amounts to more than 5,000 characters in total.

- (3) In the event that multiple shareholders raise counter motions on the same item proposed for the adoption of a resolution, the executive board may combine the counter motions and their justifications.”

Section 1(2) sentence 3 of the COVID-19 Act states the following:

“Motions or nominations by shareholders which must be made accessible pursuant to Section 126 or 127 AktG will be considered to have been raised at the general meeting if the shareholder submitting the motion or nomination has been properly legitimised and registered for the general meeting.”

3. Nominations

In accordance with the more detailed provisions under Section 127 AktG, each shareholder may also nominate candidates for the election of Supervisory Board members or statutory auditors. A nomination must be made accessible on the website pursuant to the more detailed provisions under Sections 127 and 126(1 and 2) AktG if it is received by the company at the address specified in the notice convening the Annual General Meeting at least 14 days before the Annual General Meeting (whereby the date of the Annual General Meeting and the date of receipt shall not be included in calculating the period), i.e. no later than **Tuesday, 10 May 2022, 24:00 hrs (CEST)**.

Nominations received within the period specified above from shareholders who have provided evidence of their share ownership in due time shall be considered to have been raised during the virtual Annual General Meeting. In accordance with the COVID-19 Act, nominations which are received by the deadline in accordance with the company provisions specified above will be handled during the virtual Annual General Meeting as if they had been raised during the virtual Annual General Meeting and will be put to vote.

Section 127 AktG states:

“Section 127 Nominations by shareholders

Section 126 applies analogously to shareholders’ proposals of candidates for the election of supervisory board members or statutory auditors. Justifications do not need to be provided for nominations. The executive board is also not required to make nominations accessible if the proposal does not contain the information pursuant to Section 124(3) sentence 4 and Section 125(1) sentence 5. The executive board must supplement shareholders’ nominations of candidates for supervisory boards of companies listed on the stock exchange which are subject to the German Employee Co-Determination Act (Mitbestimmungsgesetz – MitbestG), the German Act on Employee Co-Determination in the Mining, Iron and Steel Industries (Montan-Mitbestimmungsgesetz – MontanMitbestG) or the German Amending Act on Employee Co-Determination in the Mining, Iron and Steel Industries (Montan-Mitbestimmungsergänzungsgesetz – MontanMitbestGErgG) with the following information:

1. reference to the requirements of Section 96(2);
2. specification of whether an objection has been raised against the fulfilment of the ratio by the supervisory board as a whole pursuant to Section 96(2) sentence 3; and

3. specification of the minimum number of seats on the supervisory board that must respectively be filled by women and men in order to fulfil the requirement as to the minimum ratio pursuant to Section 96(2) sentence 1.”

Section 1(2) sentence 3 of the COVID-19 Act states the following:

“Motions or nominations by shareholders which must be made accessible pursuant to Section 126 or 127 AktG will be considered to have been raised at the general meeting if the shareholder submitting the motion or nomination has been properly legitimised and registered for the general meeting.”

4. Right to ask questions

Shareholders shall be granted a right to ask questions via electronic communications in accordance with Section 1(2) sentence 1 no. 3 and sentence 2 of the COVID-19 Act. The Executive Board may also stipulate that questions must be submitted via electronic communication at least one day before the Annual General Meeting. The Executive Board of IVU Traffic Technologies AG has made use of this option with the consent of the Supervisory Board.

Questions from shareholders who have provided evidence of their share ownership in due time must be submitted by **Monday, 23 May 2022, 24:00 hrs (CEST)** via the AGM portal which is accessible at the URL <https://www.ivu.de/investoren/hauptversammlung/>. Questions cannot be submitted after the deadline specified above. Questions cannot be raised during the virtual Annual General Meeting.

In accordance with Section 1(1 and 2) of the COVID-19 Act, the Executive Board decides how it will answer questions at its own due discretion. The management may combine identical questions in the interest of the shareholders. Only questions submitted in German will be taken into consideration.

Section 131 AktG states:

“Section 131 Shareholder’s right to request information

- (1) The executive board must provide any shareholder with information on matters pertaining to the company upon request at the general meeting, insofar as this is necessary in order to properly assess the agenda item in question. The obligation to provide information also extends to the legal and commercial relations between the company and affiliated enterprises. In the event that a company makes use of the eased requirements pursuant to Section 266(1) sentence 3, Section 276 or Section 288 of the German Commercial Code (Handelsgesetzbuch – HGB), every shareholder may, at the general meeting concerning the annual financial statements, request to be provided with a copy of the annual financial statements in the form they would have taken without the eased requirements. The obligation of the executive board of a parent company to provide information (Section 290(1 and 2) HGB) at the general meeting to which the consolidated financial statements and group management report are submitted also extends to the situation of the corporate group and the companies included in the consolidated financial statements.

(2) The information provided must correspond to the principles of conscientious and faithful accounting. The articles of association or the rules of procedure pursuant to Section 129 may grant authority to the chair of the meeting to impose reasonable time limits on shareholders' right to ask questions and to speak and to make further determinations concerning the details in this regard.

(3) The executive board may refuse to provide information

1. in the event that providing the information, when adjudged in accordance with prudent business judgement, is suited to cause greater than insignificant disadvantage to the company or an affiliated enterprise;
2. in the event that it pertains to carrying values for tax purposes or the amounts of individual taxes;
3. regarding the difference between the value at which items have been reported in the annual balance sheet and any higher value of such items, unless the general meeting approves and establishes the annual financial statements;
4. regarding accounting and valuation methods, insofar as specifying these methods in the notes is sufficient in order to accurately represent the company's assets, financial position and earnings situation within the meaning of Section 264(2) HGB; this shall not apply if the general meeting approves and establishes the annual financial statements;
5. in the event that providing the information would cause the executive board to become liable to punishment under law;
6. in the event that, in the case of a bank or financial services institution, no information is required to be provided in regard to the accounting and valuation methods applied or to the netting performed in the annual financial statements, management report, consolidated financial statements or group management report;
7. in the event that the information has been continuously accessible on the company's website for a period of at least seven days prior to the general meeting, as well as during it.

Refusal to provide information for any other reasons is not permitted.

(4) In the event that a shareholder has been provided with information because of their status as a shareholder in a context outside of the general meeting, this information must be provided to every other shareholder at the general meeting upon request even if it is not necessary in order to properly assess the agenda item in question. The executive board may not refuse to provide the information pursuant to (3) sentence 1 nos. 1 to 4. Sentences 1 and 2 do not apply in the event that a subsidiary company (Section 290(1 and 2) HGB), a joint venture (Section 310(1) HGB) or an associated enterprise (Section 311(1) HGB) is providing the information to a parent company (Section 290(1 and 2) HGB) for the purpose of including the company in the parent company's consolidated financial statements and the information is required for this purpose.

(5) In the event that a shareholder's request for information is refused, the shareholder may request that the question and the reason for the refusal to provide information be recorded in the minutes of the meeting in regard to the negotiation."

5. Declaring objections to be recorded in the minutes

Shareholders who have exercised their voting rights may electronically declare objections to resolutions of the Annual General Meeting to be recorded in the notary's minutes via the AGM portal until the Annual General Meeting ends. This can be carried out via the “Widerspruch einlegen” (“Raise Objection”) button in the AGM portal.

The provisions of the COVID-19 Act on which the aforementioned shareholder rights are based are set out in the following excerpts:

Section 1(1 and 2) of the COVID-19 Act states:

“Section 1 Stock corporations (AG); partnerships limited by shares (KGaA); Societates Europaeae (SE); mutual insurance associations

- (1) The executive board of the company may make decisions on the participation of shareholders in the general meeting by means of electronic communication pursuant to Section 118(1) sentence 2 AktG (electronic participation), voting by means of electronic communication pursuant to Section 118(2) AktG (voting by absentee ballot), the participation of members of the supervisory board by means of video and audio broadcast pursuant to Section 118(3) sentence 2 AktG and the approval of video and audio broadcast pursuant to Section 118(4) AktG even without authorisation from the articles of association or any rules of procedure.
- (2) The executive board may decide that the general meeting will be held as a virtual general meeting without the physical attendance of shareholders or their proxies if
 1. video and audio broadcast is carried out for the entire general meeting;
 2. it is possible for shareholders to exercise their voting rights (absentee ballot or electronic participation) and issue proxy authorisation via electronic communication;
 3. the shareholders are granted the right to ask questions by means of electronic communication;
 4. the shareholders who have exercised their voting rights pursuant to no. 2 are granted the option to raise objections to general meeting resolutions, in deviation from Section 245 no. 1 AktG and subject to a waiver of the requirement of appearance at the general meeting in person.

The executive board decides how it will answer questions at its own due discretion; it may also stipulate that questions must be submitted via electronic communication at least one day before the meeting. Motions or nominations by shareholders which must be made accessible pursuant to Section 126 or 127 AktG will be considered to have been raised at the general meeting if the shareholder submitting the motion or nomination has been properly legitimized and registered for the general meeting.”