

**Explanations on Shareholders' rights pursuant to § 122 para 2, § 126 para 1, § 127, § 131 para 1 of the German Stock Corporation Act**

**1. Requests to supplement the agenda at the request of a minority pursuant to section 122 para. (2) of the German Stock Corporation Act**

Shareholders whose shares account for a twentieth of the share capital (this corresponds to 1.115.540 shares at the time of convening) or the proportional amount of € 500,000 (this equates to 500,000 shares) may request that items are included on the Agenda and announced accordingly. Every new item must be accompanied by an explanation or proposed resolution.

Any requests for supplements to the Agenda must be received by the Company at least 30 days prior to the meeting, i.e. by April 14, 2018, 24:00 (CEST). The request must be made in writing (Section 126 of the German Civil Code (BGB)) to the Company's Executive Management Board. The address is as follows:

Medigene AG  
Executive Management Board  
Lochhamer Straße 11  
82152 Planegg/Martinsried  
Germany

Anyone making such a request must provide proof that they have held a sufficient number of shares for the duration of the statutory minimum holding period of at least 90 days prior to the day before receipt of the request and that they will hold the shares until the Executive Management Board has taken a decision regarding the request; Section 70 of the German Stock Corporation Act (AktG) shall apply for the calculation of the time of share ownership. The date of receipt of the request will not be counted. Postponement from a Sunday, Saturday or public holiday to an earlier or later working day shall not be taken into consideration. Sections 187 through 193 of the German Civil Code (BGB) shall not apply accordingly.

Unless announced at the time of the notification of the Annual General Meeting, supplements to the agenda shall be published immediately in the Federal Gazette upon receipt of the corresponding motion and be furnished to communication media for publication where the information is expected to be disseminated throughout the European Union. The supplements to the agenda will also be published on the Internet at [www.medigene.com/investors-media/annual-general-meeting/2018](http://www.medigene.com/investors-media/annual-general-meeting/2018) and communicated to the shareholders.

The relevant sections of the German Stock Corporation Act upon which those shareholder rights are based are as follows:

*Section 122 of the German Stock Corporation Act: Convening a meeting upon the request of a minority*

- (1) A general meeting shall be convened if shareholders whose aggregate holding is not less than one-twentieth of the share capital require such meeting in writing, stating the purpose and grounds; such request shall be addressed to the executive management board. The articles of association may provide that the right to request a general meeting is to depend on another form and on holding a lower proportion of the share capital. The applicants have to prove that they have been shareholders for at least 90 days prior to the day of the receipt of the demand and that they will continue to hold the shares until the decision of the managing board regarding their request is made. Section 121 para. 7 shall apply correspondingly.

- (2) In the same way shareholders, whose shares amount in aggregate to not less than one-twentieth of the share capital or represent a proportional amount of not less than € 500,000, may request to have items placed on the agenda and published. Every request for a new agenda item must be accompanied by an explanation of the reasons therefor or a proposed resolution. The request in accordance with sentence 1 must be received by the company at least 24 days, in case of public companies at least 30 days prior to the general meeting; whereby the day of the receipt is not counted.
- (3) If any such request is not complied with, the court may authorise the shareholders who made the request to convene a general 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 the decision of the court. The applicants have to prove that they will continue to hold the shares until the decision of the court is made.
- (4) The company shall bear the costs of the general meeting and, in the case of paragraph (3), also the court costs if the court grants the application.

*Section 124 of the German Stock Corporation Act: Publication of requests for supplements; proposals for resolutions (excerpt)*

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

*Section 121 of the German Stock Corporation Act: General provisions (excerpt)*

- (4) The convening of the general meeting shall be published in the company's journals. If the shareholders of the Company are known by name, the shareholders' meeting may be convened by registered letter, unless the articles of association provide otherwise; the day of dispatch shall be considered the day of publication.
- (4a) In case of public companies which have not exclusively issued registered shares or which do not send the convention directly to the shareholders pursuant to para. 4 sentence 2, the notice shall, at the latest on the date of announcement, be furnished to such suitable media as may be expected to disseminate the information throughout the European Union.
- (7) In case of deadlines and dates which 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. Sections 187 to 193 of the German Civil Code (Bürgerliches Gesetzbuch) shall not be applied analogously. In case of unlisted companies, the articles may provide for a different calculation of the deadline.

*Section 70 of the German Stock Corporation Act: Computation of the period of shareholding*

If the exercise of rights arising from a share shall require the shareholder to have been the holder of the share for a certain period of time, the right to claim transfer from a bank, a financial services institution or an enterprise active according to section 53 para 1 sentence 1 or section 53b para 1 sentence 1 or para 7 of the 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, if he acquired the share without consideration from his fiduciary, as universal successor, upon severance of co-ownership, or as a result of a transfer of assets pursuant to section 13 of the Insurance Supervision Act or section 14 of the Building Savings Bank Act.

## 2. **Countermotions pursuant to section 126 para 1 of the German Stock Corporation Act and nominations by shareholder to section 127 of the German Stock Corporation Act**

In addition, every shareholder has the right to put forward motions at the Annual General Meeting regarding the items of the Agenda and Articles of Association and make nominations without this requiring notification, publication or other specific action prior to the Annual General Meeting.

The Company will make requests and nominations of shareholders, including the name of the shareholder, reason and any statements by the administration available at

[www.medigene.com/investors-media/annual-general-meeting/2018](http://www.medigene.com/investors-media/annual-general-meeting/2018)

provided that they have been received by the Company at least 14 days prior to the meeting, i.e. by April 30, 2018, 24:00 (CEST) at the address, fax number or email address indicated below:

Medigene AG  
Investor Relations  
Frau Julia Hofmann  
Lochhamer Straße 11  
82152 Planegg/Martinsried  
Germany

Fax: +49 (0)89 2000332920

Email: [gegenantraege.hv2018@medigene.com](mailto:gegenantraege.hv2018@medigene.com)

The Company may refrain from publishing a counter-motion and the explanation for it if one of the reasons specified in Section 126 (2) Nos. 1 to 7 of the German Stock Corporation Act (AktG) applies. The explanation for a counter-motion does not need to be made accessible if it exceeds more than 5,000 characters in total.

In addition to the cases specified in Section 126 (2) of the German Stock Corporation Act (AktG), the Executive Management Board does not need to make nominations by shareholders accessible if the name, occupation and place of residence of the Supervisory Board members or auditors nominated are not provided, or the details regarding membership of the Supervisory Board members nominated on other statutory supervisory boards in accordance with Section 125 (1) Sentence 5 of the German Stock Corporation Act (AktG) are missing.

The relevant sections of the German Stock Corporation Act upon which those shareholder rights are based and which also set forth under which preconditions counter-proposals and election proposals do not need to be made available are as follows:

### *Section 126 of the German Stock Corporation Act: Propositions by shareholders*

- (1) Information on shareholders propositions, including the respective shareholder's name, as well as the underlying reasons for the proposition and statements, if any, by the Management need only be given to the beneficiaries pursuant to section 125 para. 1 through 3, if the shareholder submits to the company at the address specified his counter-motion stating the reasons for it to a proposal of the executive management board and the supervisory board concerning a specific agenda item at the latest 14 days prior to the general meeting. The day of the receipt is not counted. Public companies have to publish the propositions on their webpage. Section 125 para. 3 applies accordingly.
- (2) Information on a counter-motion and the reasons therefore need not be given, if:
  1. the executive management board would by reason of giving such information become criminally liable;
  2. the counter-motion would result in a resolution of the general meeting which would be unlawful or in breach of the articles;
  3. the grounds contain statements which are manifestly false or misleading in material respects or which are defamatory;

4. a counter-motion of such shareholder based on the same facts has already been communicated to a general meeting of the company pursuant to section 125;
5. the same counter-motion of such shareholder on essentially identical grounds has already been communicated pursuant to section 125 to at least two general meetings of the company within the past five years and at such general meetings less than one-twentieth of the share capital represented voted in favour of such counter-motion;
6. the shareholder indicates that he will neither attend nor be represented at the general meeting; or
7. within the past two years at two general meetings the shareholder failed to move or cause to be moved on his behalf a counter-motion communicated by him.

The statement of grounds need not be communicated if it exceeds 5,000 figures.

- (3) If several shareholders make counter-motions in respect of the same resolution, the management board may combine such counter-motions and their statements of grounds.

*Section 127 sentences 1 to 3 of the German Stock Corporation Act: Nominations by shareholders*

Section 126 shall apply analogously to nomination by a shareholder for election of supervisory board members or auditors. Such nomination need not be supported by statement of grounds. Nor need the executive management board give notice of such nomination if it fails to contain the particulars required by section 124 para. 3 sentence 4 and section 125 para. 1 sentence 5.

*Section 137 of the German Stock Corporation Act: Voting on nomination made by shareholders*

If a shareholder has made a nomination for the election of members of the supervisory board pursuant to section 127 and proposes at the general meeting the election of the person nominated by him, such proposal shall be resolved upon prior to consideration of the proposal of the supervisory board if a minority of shareholders whose aggregate holding is at least one-tenth of the share capital represented at the meeting so requests.

*Section 124 para 3 of the German Stock Corporation Act: Publication for requests for supplements; proposals for resolutions (excerpt)*

- (3) ...The nomination for the election of supervisory board members or auditors shall state their name, profession and domicile. ...

*Section 125 para 1 sentence 5 of the German Stock Corporation Act: Communications to shareholders and Members of the Supervisory Board (excerpt)*

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 controlling bodies of enterprises shall be added.

### 3. Right to obtain information pursuant to § 131 para 1 AktG

In accordance with Section 131 (1) of the German Stock Corporation Act (AktG), the Executive Management Board must provide every shareholder, on request, with information during the Annual General Meeting about Company matters where this is necessary for forming an appropriate opinion on the relevant item of the Agenda. Shareholders' right to information also encompasses the Company's legal and business relations with affiliated companies.

The Executive Management Board may refrain from answering specific questions for the reasons mentioned in Section 131 (3) of the German Stock Corporation Act (AktG).

The relevant sections of the German Stock Corporation Act upon which those shareholder rights are based and which also set forth under which preconditions the Executive Management Board can refuse to answer are as follows:

#### *Section 131 of the German Stock Corporation Act: Shareholders right to information*

- (1) Each shareholder shall upon request be provided with information at a general meeting by the executive 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 any connected enterprise. If a company makes use of the simplified procedure pursuant to section 266 para. 1 sentence 3, section 276 or section 288 of the German Commercial Code, each shareholder may request that the annual financial statements be presented to him at the general meeting dealing with the annual financial statements in the form which would have been used if use of such provisions had not been applied. The disclosure obligation of the executive management board of the parent company (section 290 para. 1 sentence 2 of the German Commercial Code) in the general meeting, to which the consolidated financial statements and the consolidated management report is presented, also extends to the situation of the consolidated group of companies and of the enterprises included in the consolidated financial statements.
- (2) The information provided shall comply with the principles of conscientious and accurate accounting. The articles of association or the by-laws according to section 129 can authorize the chairperson to set appropriate time limits in regards to shareholders' right to ask questions and speak and to make other determinations in this matter.
- (3) The executive management board may refuse to provide information:
  1. to the extent that providing such information is, according to sound business judgement, likely to cause not insignificant damage to the company or a connected enterprise;
  2. to the extent that such information relates to tax valuations or the amount of individual taxes;
  3. on the difference between the value at which items are shown in the annual balance sheet and the higher value of such items, unless the general meeting is to determine the annual financial statements;
  4. on methods of arriving at balances and valuation, if disclosure of such methods in the notes suffices to provide a factually accurate picture of the condition of the company's assets, financial position and profitability within the meaning of section 264 para. 2 of the German Commercial Code; this shall not apply if the general meeting is to determine the annual financial statements;
  5. insofar as provision of the information would render the executive management board criminally liable;
  6. insofar as, in the case of a bank or a financial services institution, information on methods adopted of arriving at balances, valuation and does not require to be given in

the annual financial statements, management report, consolidated financial statements or consolidated management report;

7. insofar as such information is available on the webpage of the company at least for a period of seven days prior to the general meeting and throughout the general meeting.

Provision of information may not be refused for other reasons.

- (4) If information has been provided to a shareholder, by reason of his status as a shareholder, outside the general meeting, such information shall upon request be provided to any other shareholder at the general meeting, even if such information is not necessary to permit a proper evaluation of an item on the agenda. The executive management board may not refuse to provide such information on the grounds of paragraph (3) sentence 1 nos. 1 to 4. Sentences 1 and 2 shall not apply if a subsidiary enterprise (section 290 paragraphs (1) and (2) of the German Commercial Code) an enterprise with common management (section 310 paragraph (1) of the German Commercial Code) or an associated enterprise (section 311 paragraph (1) of the German Commercial Code) discloses the information to a parent enterprise (section 290 paragraphs (1) and (2) of the German Commercial Code) for the purposes of inclusion of the information in the consolidated financial statements of the parent enterprise and the information is necessary for that 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.

Moreover, Article 17 (3) of the Articles of Association states that the person chairing the meeting is authorized to appropriately restrict the time shareholders are permitted to speak and ask questions from the start of the Annual General Meeting and thereafter, in particular for the purpose of appropriately limiting the time frame of the course of the meeting, discussion on items of the Agenda and specific contributions in the form of comments and/or questions.

The relevant section of the Company's Articles of Association is as follows:

*Article 17 para 3 of the Articles of Association of Medigene AG:*

- (3) The person chairing the meeting is authorized to appropriately restrict the time shareholders are permitted to speak and ask questions from the start of the Annual General Meeting and thereafter, in particular for the purpose of appropriately limiting the time frame of the course of the meeting, discussion on items on the Agenda and specific contributions in the form of comments and/or questions.

Planegg/Martinsried, March 2018

The Executive Management Board