

-Non-binding convenience translation of the original German language version-

Virtual Annual General Meeting

of VARTA AKTIENGESELLSCHAFT, Ellwangen

on Thursday, June 18, 2020, 11.00 am (CEST)

Explanatory notes on the rights of shareholders

in accordance with Section 122 (2), Section 126 (1), Section 127 and Section 131 (1) AktG in addition to Section 1 (2) sentence 1 No. 3 and No. 4, sentence 2 COVID-19 Act

The Executive Board has decided, with the consent of the Supervisory Board, to hold 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 March 28, 2020, as a virtual Annual 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 Annual General 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 proposed 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 18, 2020, 24:00 o'clock (CEST). Requests for additional items received later will not be taken into account

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

VARTA AG
– Executive Board –
for the attention of 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 (excerpt)

- (1) An Annual General Meeting shall be called 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 demand 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; proposals for resolutions (excerpt)

- (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 (excerpt)

- (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, the notice of 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 share 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 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 solely to the following address:

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

Countermotions from shareholders, which are sent with a possible justification 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 3, 2020, 24:00 o'clock (CEST), to the address given above, will be made accessible including the name of the

shareholder, the possible justification 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, because the countermotion would lead to a resolution of the Annual General Meeting that would be contrary to the law or the Articles of Association. In this respect, however, the Company will not make use of its right under Section 126 (2) sentence 1 No. 6 AktG. The statement of reasons 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 auditors. The Executive Board does not need to make proposals for election from shareholders accessible apart from in cases of Section 126 (2) AktG either if these do not include the details required by Section 124 (3) sentence 4 AktG (name, profession and residence of the proposed candidate).

Countermotions and/or proposals for election cannot be raised by shareholders or their proxies in the Annual General Meeting, since they do not attend the Annual General Meeting in person as postal voters and the proxies nominated by the Company are not provided to exercise the right to submit proposals. Countermotions and/or proposals for election transmitted in due form and time in accordance with the above provisions pursuant to Sections 126 and 127 AktG and made accessible by the Company shall nevertheless be dealt with in the virtual Annual General Meeting as though they had been raised in the Annual General Meeting if the shareholder transmitting the proposal was registered in due form and time for the Annual General Meeting and has provided evidence of share ownership.

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 counter-motion against 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. the Executive Board would by providing such accessibility become criminally liable,
 2. the countermotion would result in a resolution of the Annual General Meeting which would be illegal or would violate the articles,
 3. the grounds contain statements which are manifestly false or misleading in material respects or which are libellous,

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 favour of it,
6. the shareholder indicates that they will not participate in or 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 their behalf a countermotion communicated by them.

The statement of reasoning 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 reasoning.

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 a nomination need not be supported by a statement of reasoning. The Executive Board also need not make such nominations accessible if it fails 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.

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 are not entitled to request information orally from the Executive Board in the virtual Annual General Meeting in accordance with section 131 (1) and (4) AktG.

Shareholders, who have registered for the Annual General Meeting in due form and time and provided evidence of their shareholding, have, however, the opportunity to ask questions by means of electronic communication pursuant to Section 1 (2) sentence 1 no. 3 of the COVID-19 Act. There is no right to an answer associated herewith. The Executive Board shall decide which questions it will answer and how according to its professional judgment. Questions in foreign languages 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 possible questions must be submitted to the Company via the password protected Internet service at <https://www.varta-ag.com/hauptversammlung> no later than two days before the Annual General Meeting, i.e. by midnight on June 15, 2020 (CEST). The "Questions" button is provided for this purpose in the Internet service. Questions received later than this cut-off point will 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, the name of the person asking the question will not be disclosed when answering questions in the virtual Annual General Meeting for reasons of data protection legislation. The right to answer frequently asked questions in advance on the Company's website remains reserved.

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 (excerpt):

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 decides 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 two days before the meeting.

Section 1 (6) COVID-19 Act:

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

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 re: one or more resolutions by the Annual General Meeting, are granted the opportunity, waiving the requirement to appear at the Annual General Meeting, to object to a resolution by the Annual General Meeting for minuting by the notary by means of electronic communication. Such objections may be raised from the beginning of the Annual General Meeting until it is closed by the Chairman of the meeting solely via our 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 (excerpt):

- (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 deviation from Section 245 No. 1 AktG, waiving the requirement to appear at the Annual General Meeting.

Section 245 No. 1 AktG (excerpt):

The following are entitled to appeal

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

[...]

The Executive Board, May 2020