



Convenience translation - the German version is decisive

Annual General Meeting MTU Aero Engines AG May 11, 2023

Explanatory Notes pursuant to Sec. 121 (3) sentence 3 no. 3 of the German Stock Corporation Act regarding the Rights of Shareholders as set forth in Sec. 122 (2), 126 (1), 127, 130a, 131 (1) und 245 German Stock Corporation Act

I. Introduction

On the basis of Sec. 118a German Stock Corporation Act, the Company's Executive Board has decided, with Supervisory Board approval, to hold the Annual General Meeting as a virtual shareholders meeting, so that there is no physical attendance requirement for shareholders or their proxies.

The Annual General Meeting is held at the Communication Center at the headquarters of MTU Aero Engines AG, Dachauer Strasse 665, 80995 Munich, with a notary public present to record the meeting minutes.

The entire proceedings of the Annual General Meeting will be broadcast to shareholders in an audiovisual transmission via a password protected InvestorPortal on the Company's website at www.mtu.de/hv. Interested non-shareholders will be able to follow the Annual General Meeting up to the end of the speech delivered by the CEO via a public webcast available under the above-mentioned link. Physical attendance by shareholders or their proxies is not allowed (except for the Company's authorized proxies). Shareholders will have the opportunity to exercise their electronic voting rights by means of electronic media. They may also delegate these rights to a proxy or choose to participate in electronic postal vote, either directly or through the intermediary of a proxy. Shareholders also have the option of submitting a statement and objecting to resolutions of the Annual General Meeting via electronic communication.

The invitation to the Annual General Meeting 2023 already contains explanatory notes to the shareholder rights according to Sec. 122 (2), 126 (1), 127, 130a, 131 (1) and 245 German Stock Corporation Act. The following information serves to further explain those rights.

II. Additions to the agenda pursuant to Sec. 122 (2) German Stock Corporation Act

Shareholders whose shares together represent one twentieth of the capital stock or the proportionate amount of Euro 500,000 may call for items to be included in the agenda and published. Each new item must be accompanied by a reason or a draft resolution. Pursuant to sec. 87 (4) German Stock Corporation Act, the general meeting may also, upon motion pursuant to sec. 122 (2) sentence 1 German Stock Corporation Act, reduce the maximum remuneration for the executive board set pursuant to sec. 87a (1) sentence 2 no. 1 German Stock Corporation Act.

Such requests shall be directed to the Executive Board of the Company in writing at the following postal address:

MTU Aero Engines AG
Investor Relations
Dachauer Straße 665
80995 München

and must reach the Company at least 30 days prior to the Annual General Meeting; for the purpose of calculating the above notice period, the day of receipt and the day of the meeting shall not be counted. Thus, the last permissible day of receipt is Monday, April 10, 2023 (24:00 hours CEST). Each new item must be substantiated or accompanied by a proposal for resolution.

Shareholders requesting additions to the agenda must furnish proof that they have held the requisite minimum number of shares for at least 90 days prior to the date of receipt of their request and continue to hold these shares until the Executive Board makes a decision about their request. (cf. sec. sec. 122(1) sent. 3, (2) sent. 1, (3) German Stock Corporation Act).

The ownership is deemed equivalent to an entitlement to transfer of ownership vis-a-vis a credit institution, a financial services institution or an undertaking within the meaning of sec. 53(1) sent. 1 or sec. 53b(1) sent. 1 or (7) of the Banking Act. The period during which a share was owned by a predecessor in title shall be attributed to the shareholder, provided that he has acquired the share without consideration, from his 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 sec. 13 of the Insurance Supervision Act or sec. 14 of the Building and Loan Associations Act (cf. sec. 70 Stock Corporation Act).

Additional agenda item proposals which are to be published and which have not already been published together with the convening notice will be published in the Federal Gazette (Bundesanzeiger) without undue delay following the receipt of the request. Such additions to the agenda are further published on the website www.mtu.de/hv and notified to the shareholders in accordance with sec. 125(1) sent. 3 German Stock Corporation Act.

The above shareholder rights are based on the following provisions of the German Stock Corporation Act (in extracts):

Sec. 122(1) and (2) German Stock Corporation Act

- (1) A shareholders' meeting shall be called if shareholders whose aggregate shareholding equals or exceeds one-twentieth of the share capital request such meeting in writing, stating the purpose and the grounds therefore; such request shall be addressed to the management board. The articles of association may provide that the right to request calling of a shareholders' meeting shall require a different form and the holding of a lower portion of the share capital. The parties filing the motion shall provide evidence of the fact that they have been holders of such shares for at least 90 days prior to the day of receipt of the motion and that they will hold the shares until a decision on the motion by management board has been rendered. Sec. 121 (7) shall apply accordingly.*

- (2) In the same manner, shareholders whose aggregate shareholding equals or exceeds one-twentieth of the share capital or a proportionate amount of EUR 500,000 may request that items be included in the agenda and published. Each new item must be substantiated or accompanied by the wording of the proposed resolution. The request within the meaning of sentence 1 must have been received by the company at least 24 days, and in the case of listed companies at least 30 days, prior to the meeting; for the purpose of calculating the above time period, the day of receipt shall not be counted.*

Sec. 87 (4) German Stock Corporation Act

- (4) Upon a demand being filed in accordance with sec. 122 (2) sentence 1, the general meeting may reduce the maximum remuneration established in accordance with sec. 87a (1) sentence 2 no. 1.*

Sec. 87a (1) sentence 2 No. 1 German Stock Corporation Act

- 1) The supervisory board of the listed company is to resolve on a clear and understandable system for the remuneration of the members of the management board. At a minimum, the remuneration system is to provide for the details of the following matters; however, it is to do so for remuneration components only insofar as they in fact form part of the system:*
 - 1. the maximum remuneration established for the members of the management board; [...]*

III. Shareholder's motions and nominations pursuant to Sec. 126(1), 127 German Stock Corporation Act

Shareholders may make motions regarding individual agenda items (cf. sec. 126 German Stock Corporation Act); this also applies to nominations for the election of members of the Supervisory Board or of auditors (cf. sec. 127 Stock Corporation Act).

Pursuant to sec. 126(1) Stock Corporation Act, motions of shareholders, including the shareholder's name, a statement of grounds for the motion and any comments of the management, are to be made available to the relevant persons to be notified in accordance with sec. 125(1) to (3) Stock Corporation Act under the conditions set forth therein and on the website of the Company, provided that the shareholder has sent to the below address a counter-motion against a proposal of the Executive Board and/or the Supervisory Board with respect to a certain item of the agenda, including a statement of grounds for the counter-motion, no later than 14 days prior to the General Meeting of the Company. For the purpose of calculating the above notice period, the day of receipt and the day of the meeting shall not be counted. Thus, the last permissible day of receipt is April 26, 2023, 24:00 hours CET (Wednesday).

A counter-motion needs not be made available if one of the exclusions pursuant to sec. 126 (2) German Stock Corporation Act exists.

No statement of grounds needs to be provided for nominations for elections made by shareholders pursuant to sec. 127 German Stock Corporation Act. Nominations shall only be made available if they contain the name, the exercised profession and the place of residence of the nominees and, in case of an election of members of the Supervisory Board, information on their membership in other supervisory boards the constitution of which is required by law; information on their membership in comparable domestic and foreign supervisory bodies of business undertakings should be added (cf. sec. 127 sent. 3 German Stock Corporation Act in conjunction with sec. 124(3) sent. 4 and sec. 125(1) sent. 5 German Stock Corporation Act).

In all other respects, the requirements and provisions for the making available of motions shall apply analogously; in particular, the aforementioned reasons for exclusion pursuant to sec.126(2) German Stock Corporation Act shall apply.

Any shareholder motions (including the statement of grounds if required) or nominations pursuant to sec. 126(1) and sec. 127 German Stock Corporation Act shall be sent exclusively to:

MTU Aero Engines AG
Department Investor Relations
Dachauer Straße 665
80995 München

or per e-mail to

Hauptversammlung@mtu.de

Any motions and nominations of shareholders to be made available (including the shareholder's name and - in case of motions - the statement of grounds therefore) will be made available after their receipt on the website www.mtu.de/hv. Any comments of the management will also be posted on the above website.

Countermotions and election proposals by shareholders that are to be made accessible pursuant to sec. 126 or sec. 127 of the German Stock Corporation Act shall be deemed to have been made at the time they are made accessible pursuant to sec. 126, para. 4 of the German Stock Corporation Act. The right of the chairman to vote first on the proposals of the administration remains unaffected. If the shareholder who has submitted the motion has not duly registered for the Annual General Meeting, the motion or election proposal does not have to be dealt with at the Annual General Meeting.

Shareholders or their proxies who are connected to the Annual General Meeting also have the right to submit motions and election proposals in the meeting by means of video communication within the scope of their right to speak (cf. below under IV.).

The above shareholder rights are based on the following provisions of the German Stock Corporation Act (in extracts):

Sec. 126 (1) to (3) German Stock Corporation Act

- (1) Motions by shareholders are to be made accessible to the beneficiaries set out in sec. 125 (1) to (3), subject to the pre-requisites listed therein, including the name of the shareholder, the reasons for which the motions are being made, and a statement, if any has been made, by the management regarding its position, provided that the shareholder has sent, at the latest 14 days prior to the date of the general meeting, a counter-motion opposing a proposal or guidance by the management board and the supervisory board regarding a certain item of business set out in the agenda, specifying the reasons therefor, to the address set out for this purpose in the invitation convening the general meeting. The date on which the counter-motion is received is not to be included in calculating the period. In the case of listed companies, the counter-motion is to be made accessible via the company's website. Sec. 125 (3) applies accordingly.
- (2) A counter-motion and the reasons for which it is being made need not be made accessible:
1. inasmuch as the management board would be liable to punishment under law, were it to make such proposal accessible;
 2. if the counter-motion were to result in the general meeting adopting a resolution that is in violation of the law or of the by-laws;
 3. if the reasons make manifestly false or misleading statements regarding key aspects or if they are insulting;
 4. if a counter-motion made by the shareholder based on the same facts and circumstances has already been made accessible pursuant to sec. 125 for a general meeting of the company;
 5. if the same counter-motion of the shareholder, citing substantially the same reasons, has been made accessible pursuant to sec. 125 in the past five years to at least two general meetings of the company, and if less than one twentieth of the share capital represented voted for this counter-motion at the general meeting;
 6. if the shareholder indicates that they will not attend the general meeting and will not have a proxy represent them;
 7. if, in the past two years at two general meetings, the shareholder has failed to propose or to have proposed a counter-motion regarding which they have informed the company.
- The reasons need not be made accessible if they amount to more than 5,000 characters in total.
- (3) Where several shareholders propose counter-motions regarding one and the same item of business to be resolved upon, the management board may combine the counter-motions and the reasons specified for them.
- (4) In the case of the virtual general meeting, motions that are to be made accessible pursuant to paragraphs 1 to 3 shall be deemed to have been made at the time they are made accessible. The Company shall enable the voting right on these motions to be exercised as soon as the shareholders can prove the legal or statutory requirements for the exercise of the voting right. Unless the shareholder who made the proposal is duly legitimised and, if registration is required, duly registered for the general meeting, the proposal need not be dealt with at the meeting.
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Sec. 127 sentence 1 to 3 German Stock Corporation Act

Sec. 126 shall apply analogously to a proposal by a shareholder for the election of members of the supervisory board or external auditors. Such proposal need not to be substantiated. The management board is under no obligation to make available the proposal unless it contains the information required under sec. 124(3) sent. 4 and sec. 125(1) sent. 5.

IV. Right to speak, right to make motion, right to information via electronic communication

Properly registered shareholders who are attending electronically are entitled to make speeches, submit motions and request information at the Annual General Meeting. The right to speak may only be exercised by means of video communication via the InvestorPortal. The speech may also include motions or election proposals pursuant to Sec. 118a (1) sentence 2 German Stock Corporation Act, as well as requests for information specified in Sec. 131 German Stock Corporation Act.

Pursuant to Sec. 131 German Stock Corporation Act, information may be demanded on the Company's affairs to the extent necessary to enable proper evaluation of the agenda items. The duty to provide information also extends to the Company's legal and business relations with affiliated companies and the business situation of the corporate group and of subsidiaries included in the consolidated financial statements. In the interest of an efficient conduct of the Annual General Meeting, the chairman of the meeting may reasonably limit the time allowed for the shareholders' right to speak and provide information.

For this year's virtual Annual General Meeting it is planned that shareholders are to submit demands for information pursuant to Sec. 118a (1) sentence 2 no. 4 German Stock Corporation Act by means of electronic communication during the virtual Annual General Meeting. The right to information, including any clarifying or follow-up questions, may only be exercised via video communication as determined by the chairman of the meeting. Such a restriction to video communication by the chairman of the meeting is provided for in the Annual General Meeting.

Speeches or requests for information must be registered via a corresponding button in the InvestorPortal, which is activated from the beginning of the Annual General Meeting. Before the shareholder is admitted to the Annual General Meeting, the functionality of the video communication will be tested. The shareholder will be given access to a virtual waiting room where he can continue to follow the Annual General Meeting until he is connected. The Company assumes no responsibility for the functioning of the video communication and reserves the right to reject speakers whose video communication does not function without interruption.

Further information on the procedure for requests to speak and on the technical framework conditions and the optimal functioning of video communication will be made available on the Company's website at www.mtu.de/hv. The Chairman of the Meeting will be responsible for the correctness of the video communication. The chairman of the meeting will explain the procedure for requesting and speaking at the Annual General Meeting in more detail.

The above shareholder rights are based on the following provisions of the German Stock Corporation Act (in extracts):

Sec. 131 German Stock Corporation Act

(1) The management board is to inform each shareholder at the general meeting, upon a corresponding request being made, concerning matters pertaining to the company insofar as this is required in order to appropriately adjudge the item of business set out in the agenda. The obligation to provide information shall also extend to the legal and business relations of the company with an affiliated enterprise. Where a company avails itself of the eased requirements pursuant to sec. 266 (1) sentence 3, sec. 276 or sec. 288 of the Commercial Code, each shareholder may request that, at the general meeting deliberating on the annual financial statements, the annual financial statements be made available to them in the form that they would be in without these eased requirements. The obligation of the management board of a parent company (sec. 290 (1), (2) of the Commercial Code) to provide information at the general meeting to which the consolidated financial statements and the group management report are submitted shall also extend to the situation of the group and the companies included in the consolidated financial statements.

[.....]

(1f) The chairman of the meeting may stipulate that the right to obtain information pursuant to paragraph 1, the right to ask follow-up questions pursuant to paragraph 1d and the right to ask questions pursuant to paragraph 1e at the general meeting may be exercised exclusively by means of video communication.

(2) The information provided is to comply with the principles of conscientious and accurate accounting. The articles of association or the rules of procedure pursuant to sec. 129 may grant authority to the chairman of the meeting to impose reasonable time limits on the shareholder's right to ask questions and to speak, and may also allow them to make further determinations concerning the details in this respect.

(3) The management board may refuse a request to information,

- 1. inasmuch as the provision of the information, when assessed applying prudent business judgment, is suited to cause a greater than insignificant disadvantage to the company or an affiliated enterprise;*
- 2. inasmuch as it refers to carrying values for tax purposes or the amount of individual taxes;*
- 3. regarding the difference between the value at which objects were stated in the annual balance sheet and a higher value of such objects, unless the general meeting approves and establishes the annual financial statements;*
- 4. regarding the accounting and valuation methods insofar as it suffices to cite these methods in the notes in order to accurately represent the company's assets, financial position and revenue situation in keeping with its actual circumstances within the meaning of sec. 264 (2) of the Commercial Code; this does not apply if the general meeting approves and establishes the annual financial statements;*
- 5. inasmuch as the management board would be liable to punishment under law were it to provide the information;*
- 6. inasmuch as, in the case of a credit institution, a financial services provider or a securities institution, no information need be provided regarding the accounting and valuation methods applied, nor regarding the netting performed in the annual financial statements, management report, consolidated financial statements or consolidated management report;*
- 7. inasmuch as such information is continuously accessible on the company's website for at least seven days prior to commencement of the general meeting, and also in its course.*

Any refusal to provide information for other than the grounds set out above is not permissible.

(4) Where information has been provided to a shareholder because of their capacity as such, and this was done outside of the general meeting, it is to be provided to every other shareholder making a corresponding request at the general meeting, even if such information is not required in order to appropriately adjudge the item of business set out in the agenda. In the case of a virtual general meeting, it shall be ensured that each shareholder who is electronically connected to the meeting can submit his request pursuant to sentence 1 by means of electronic communication. The management board may not refuse to provide the information in accordance with subsection (3) sentence 1 nos. 1 to 4. Sentences 1 to 3 shall not apply if a subsidiary undertaking (sec. 290 (1) and (2) Commercial Code), a joint venture (sec. 310 (1) Commercial Code) or an associated enterprise (sec. 311 (1) Commercial Code) issues the information to a parent undertaking (sec. 290 (1) and (2) Commercial Code) for the purpose of including the company in the consolidated financial statements of the parent undertaking and the information is required for this purpose.

(5) Where a shareholder's request for information is refused, the shareholder may demand that their question and the grounds for refusing to provide the information be included in the minutes of the meeting. In the case of the virtual general meeting, it shall be ensured that every shareholder who is electronically connected to the meeting can submit his request pursuant to sentence 1 by way of electronic communication.

Sect. 130a German Stock Corporation Act

(1) - (4) [...]

5) Shareholders who are connected to the meeting electronically shall be granted the right to speak at the meeting by means of video communication. The form of video communication offered by the company shall be used for the speeches. Motions and election proposals according to sec. 118a (1) sentence 2 number 3, requests for information according to sec. 131 (1), follow-up questions according to sec. 131 (1d) as well as further questions according to sec. 131 (1e) may be part of the speech. Sec. 131 (2) sentence 2 shall apply accordingly.

(6) The company may reserve the right in the convening notice to check the functionality of the video communication between the shareholder and the company at the meeting and before the speech and to reject it if the functionality is not ensured.

V. Right to submit statements

Shareholders duly registered for the Annual General Meeting or their proxies have the right in accordance with sec. 130a (1) to (4) German Stock Corporation Act to submit statements on the agenda items in text form by means of electronic communication prior to the Annual General Meeting. The statements should not exceed 10,000 characters (including spaces) and are to be sent exclusively electronically as a file in PDF format by e-mail to the following address:

Hauptversammlung@mtu.de

Any other form of transmission is excluded. Statements may be submitted in English as well as German, but will not be translated. When submitting a statement, please indicate the shareholder number at the same time.

Statement must be made available to the Company no later than five days before the Annual General Meeting, i.e. by Friday, 5 May 2023 (24:00 CEST), by the means described above. Submitted statements that meet the aforementioned requirements and are to be made available in accordance with the statutory provisions will be made available on the InvestorPortal no later than four days prior to the Annual General Meeting, i.e. no later than Saturday, 6 May 2023 (24:00 CEST), disclosing the name of the shareholder or his proxy.

Statements that are submitted too late or otherwise than via the aforementioned e-mail address, whose content is offensive or otherwise criminally relevant, or which do not relate to the Annual General Meeting, or which do not comply with the technical requirements, will not be made accessible. Further information will be made available on the Company's website at www.mtu.de/hv.

The opportunity to submit comments does not constitute an opportunity to submit questions in advance in accordance with sec. 131 (1 a) German Stock Corporation Act. Any questions contained in statements will therefore not be answered in the virtual Annual General Meeting unless they are asked by way of video communication in the Annual General Meeting. Also, any motions, election proposal or objections against resolutions of the general meeting in the submitted statements will not be considered. These shall be submitted separately and exclusively by the means and in the form described in the convening notice.

The regulations of the German Stock Corporation Act underlying the right to submit a statement are as follows (in extracts):

Sec. 130a German Stock Corporation Act:

(1) In the case of a virtual general meeting, the shareholders shall have the right to submit statements on the items on the agenda prior to the meeting by means of electronic communication using the address designated for this purpose in the notice convening the meeting. The right may be restricted to shareholders duly registered for the meeting. The length of the comments may be reasonably restricted in the convening notice.

(2) Statements shall be submitted no later than five days before the meeting.

(3) The submitted statements shall be made available to all shareholders no later than four days before the meeting. The disclosure may be limited to shareholders duly registered for the meeting. In the case of listed companies, such disclosure shall be made on the website of the company; in the case of sentence 2, such disclosure may also be made on the website of a third party. Sec. 126 (2) sentence 1 number 1, 3 and 6 shall apply accordingly.

(4) Sec. 121(7) shall apply to the calculation of the periods referred to in subsections (2) and (3) sentence 1.

(5) [...(5) [...

(5) [...]

VI. Objections to resolutions at the Annual General Meeting

Shareholders or their proxies attending the meeting by electronic means may use electronic communication to raise objections to resolutions at the Annual General Meeting (sec. 118a (1) sentence 2 number 8 in connection with sec. 245 German Stock Corporation Act).

Objection may be raised exclusively via the InvestorPortal at www.mtu.de/hv during the period from the opening of the Annual General Meeting up until its closure by the chair of the meeting.

The relevant provisions for objections are (in excerpts):

Sec. 118a German Stock Corporation Act

(1) The articles of association may allow for, or authorize the management board to allow for, the shareholder's meeting to be held without the shareholders or their proxies being physically present at the place where the meeting is held (virtual shareholders' meeting). If a virtual shareholders' meeting is held, the following conditions must be met:

[...]

8. Shareholders connected to the meeting electronically shall be given the right to declare an objection to a resolution of the shareholders' meeting by means of electronic communication.

[...]

[...]

Sec. 245 German Stock Corporation Act

The following have authority to bring an action for avoidance:

1. any shareholder attending the general meeting, provided they have purchased the shares of stock already prior to notice of the agenda having been given by publication and provided they raised an objection concerning the resolution and had it recorded in the minutes;

[...]

In case of a virtual general meeting, all shareholders connected to the meeting electronically shall be deemed to be in attendance within the meaning of sentence 1 number 1.

Munich, March 2023

MTU Aero Engines AG

The Executive Board
