



Convenience translation
The German version is decisive

**Annual General Meeting of
MTU Aero Engines AG
on 5 August 2020**

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

I. Introduction

The Executive Board has decided to apply the German Act to Mitigate the Consequences of the COVID-19 Pandemic under Civil, Insolvency and Criminal Procedure Law (COVID-19 Act) and to hold this year's Annual General Meeting as a virtual meeting without the physical presence of shareholders or their proxies. The Supervisory Board has approved this decision. The Annual General Meeting will be held on the Company's business premises at Dachauer Strasse 665, 80995 Munich, Germany, where a notary public will be physically present to record the minutes of the meeting. The entire proceedings of the Annual General Meeting will be broadcast to shareholders in an audio-visual transmission via a portal on the Company's website at www.mtu.de/hv. Shareholders will have the opportunity to exercise their voting rights by means of electronic media. They may also delegate these rights to a proxy or choose to participate in a postal vote, either directly or through the intermediary of a proxy. Shareholders may also use electronic media to ask questions and to raise objections to resolutions of the Annual General Meeting.

The invitation to the Annual General Meeting 2020 already contains explanatory notes to the shareholder rights according to Sections 122 (2), 126 (1), 127, 131 (1) Stock Corporation Act (AktG) in connection with Section 1 (1, 2) COVID-19 Act. The following information serves to further explain those rights.

II. Additional agenda item proposals pursuant to Sec. 122(2) Stock Corporation Act

Shareholders whose total sum of shares reaches one-twentieth of the share capital or a proportionate amount of EUR 500,000 of the share capital may call for items to be added to the agenda and publicized. Such request shall be directed in writing to the Executive Board of the Company at

MTU Aero Engines AG
Department Investor Relations
Dachauer Strasse 665
80995 München
Germany

or per telefax to

+49 (0) 89 1489 95139

or per e-mail to

Hauptversammlung@mtu.de

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 5 July 2020, 24:00 hrs CET (Monday). 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) Stock Corporation Act). A confirmation of such shareholding issued by the depositary financial service institution is deemed sufficient evidence.

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 (KWG). 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 (Versicherungsaufsichtsgesetz) or sec. 14 of the Building and Loan Associations Act (Gesetz über Bausparkassen) (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 Stock Corporation Act.

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

Sec. 122(1) and (2) 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. Section 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.*

III. Shareholder's Motions and Nominations pursuant to Sec. 126(1), 127 Stock Corporation Act

Shareholders may make motions regarding individual agenda items (cf. sec. 126 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 21 July 2020, 24:00 hours CET (Wednesday).

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

As the Annual General Meeting is held as virtual meeting, it is legal not possible to make counter-motions regarding the various agenda items without prior communication to the Company during the General Meeting.

Motions and nominations submitted by a shareholder properly registered for the Annual General Meeting in the correct form and before the closing date, as specified in Sections 126 and 127 AktG, will be treated as if they had been presented at the Annual General Meeting, on condition that the shareholder in question has registered as a participant.

No statement of grounds needs to be provided for nominations for elections made by shareholders pursuant to sec. 127 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 Stock Corporation Act in conjunction with sec. 124(3) sent. 4 and sec. 125(1) sent. 5 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) 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 Stock Corporation Act shall be sent exclusively to:

MTU Aero Engines AG
Investor Relations
Dachauer Strasse 665
80995 Muenchen
Germany

or per telefax to

+49 (0) 89 1489 95139

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.

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

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

(1) Motions by 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,

provided that the shareholder has sent to the relevant address stated in the convening notice a counter-motion against a proposal of the management board and the supervisory board with respect to a particular item of the agenda, including a statement of grounds for the counter-motion, no later than 14 days prior to the meeting of the company. For the purposes of calculating such time period, the day of receipt shall not be counted. In the case of listed companies, the aforementioned information must be made available on the website of the company. Sec.125(3) shall apply mutatis mutandis.

(2) A counter-motion and the grounds therefore need not be made available where

- 1. the management board would become criminally liable by reason of making available the counter-motion and the grounds therefore,*
- 2. the counter-motion would result in a resolution of the shareholders' meeting which is illegal or violates the articles of association,*
- 3. the grounds contain statements which are manifestly false or misleading in material respects or which are libellous,*
- 4. a counter-motion of such shareholder based on the same facts has already been made available regarding a shareholders' meeting of the company pursuant to sec. 125,*
- 5. the same counter-motion of such shareholder on essentially identical grounds has already been made available pursuant to section 125 in respect of at least two shareholders' meetings of the company within the past five years and at such shareholders' meetings less than one-twentieth of the share capital represented has voted in favour of such counter-motion,*
- 6. the shareholder indicates that it will neither attend nor be represented at the shareholders' meeting, or*
- 7. the shareholder has failed within the past two years at two shareholders' meetings to make or cause to be made on its behalf a counter-motion communicated by it.*

Moreover, the grounds need not be made available if they exceed a total of 5,000 characters.

(3) If several shareholders make counter-motions in respect of the same subject matter to be resolved, the management board may combine such counter-motions and the respective statement of grounds.

Sec. 127 sent. 1 to 3 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 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. Shareholders' Information Rights

Section 1 (2) sent. 1 no. 3 of the COVID-19 Act allows shareholders and their proxies (except for voting right proxies appointed by the Company) to submit questions via electronic media. As authorized in Section 1 (2) sentence 2 of the COVID-19 Act, the Executive Board has decided that such questions must be submitted at least two days prior to the Annual General Meeting. The Executive Board will give due consideration to each question and decide, at its own discretion, which of them to answer. Shareholder's information rights according to Section 131 (1) AktG are not provided for in the virtual general meeting according to the COVID-19 Act.

Shareholders and proxies who have registered to participate in the Annual General Meeting may submit questions to the Company via the AGM portal at www.mtu.de/hv. A questions button will be provided for this purpose in the AGM portal. Although the AGM portal is available in German and English language, questions will only be considered if submitted in German. Questions submitted this way will be accepted until midnight on Sunday, August 2, 2020, after which the questions button will be deactivated. It will not be possible to submit questions during the Annual General Meeting itself.

The name of the questioner will not be mentioned in the answer, unless this has been specifically requested.

The above information rights are based on the following provision of the COVID-19 Act (in extracts):

Section 1 of the COVID-19 Act

(2) The Management Board may d[ecide that the meeting is held as a virtual General Meeting without the physical presence of the shareholders or their proxies, provided that

1. [...]
2. [...]
3. *the shareholders are given the opportunity to ask questions by way of electronic communication,*
4. [...]

The management board decides at its due and free discretion as to which questions it answers and how; it may also require that questions are to be submitted electronically no later than two days before the meeting.

V. Possibility of objecting against resolutions of the Annual General Meeting

In accordance with Section 1 (2) sent. 1 no. 4 of the COVID-19 Act, shareholders have the right to object to a resolution of the Annual General Meeting. An objection can only be submitted via the online service and only by those shareholders who have exercised their voting rights by postal vote or proxy. This is possible from the beginning of the virtual general meeting until its closure by the chair of the meeting.

The above shareholder rights are based on the following provision of the COVID-19 Act (in extracts):

Section 1 of the COVID-19 Act (extract)

(2) The Management Board may decide that the meeting is held as a virtual General Meeting without the physical presence of the shareholders or their proxies, provided that

- 1. [...]*
- 2. the exercising of shareholders' voting rights is possible via electronic communication (postal vote or electronic participation) and the granting of proxies,*
- 3. [...]*
- 4. the shareholders who have exercised their voting rights in accordance with No. 2, in deviation from Section 245 No. 1 of the German Stock Corporation Act, by waiving the requirement to appear at the Annual General Meeting, an opportunity to object to a resolution of the Annual General Meeting is granted.*

Munich, June 2020

MTU Aero Engines AG

The Executive Board