

**HeidelbergCement AG  
Heidelberg**

Annual General Meeting  
on Thursday, 4 June 2020  
at 10:00 a.m.

This is a translation of the German original for information purposes only. In the event of discrepancies between the German language version and any translation thereof, the German language version shall prevail.

**Explanatory notes to the agenda items which are not subject to a resolution  
(Art. 124a sentence 1 No. 2 of the German Stock Corporation Act)**

**and information on shareholders' rights according to Art. 121 section 3 sentence 3  
No. 3 of the German Stock Corporation Act**

**A.) Explanatory notes to the agenda items which are not subject to a resolution (Art. 124a sentence 1 No. 2 of the German Stock Corporation Act)**

Under agenda item 1 – Submission of the adopted annual financial statements, the approved consolidated financial statements, as well as the combined management report of HeidelbergCement AG and HeidelbergCement Group, as well as the report of the Supervisory Board for the 2018 financial year – no resolution will be passed by the shareholders' meeting because the German Stock Corporation Act does not provide for a resolution on the adopted annual financial statements and the further documents. The resolution on the appropriation of the balance sheet profit („Bilanzgewinn“) will be passed under agenda item 2.

**Underlying provisions of the German Stock Corporation Act (AktG):**

**Art. 175 section 1 AktG:**

Upon receipt of the report of the supervisory board, the managing board shall promptly give notice of a shareholders' meeting to receive the approved annual financial statements and the management report, the annual financial statements approved by the supervisory board according to Art. 325 section 2a of the German Commercial Code as well as to resolve on the appropriation of a balance sheet profit, in case of a parent company (Art. 290 sections 1 and 2 of the German Commercial Code), to receive as well both the consolidated financial statements approved by the supervisory board and the Group management report. Such shareholders' meeting shall be held during the first eight months of the fiscal year.

**Art. 175 section 2 AktG:**

The annual financial statements, the annual financial statements approved by the supervisory board according to Art. 325 section 2a of the German Commercial Code, the management report, the report of the supervisory board and the proposal of the managing board for the appropriation of the balance sheet profit shall be available for inspection by shareholders at the office of the company as from the date of the notice calling the meeting. Upon request, each shareholder shall promptly be provided with a copy of such documents. In case of a parent company (Art. 290 sections 1 and 2 of the Commercial Code), sentences 1 and 2 shall also apply to the consolidated financial statements, the Group management report and the report of the supervisory board thereupon. If the aforementioned documents are available on the company's Internet website for the same time period, the obligations under sentences 1 to 3 shall not apply.

**Art. 176 section 1 AktG:**

The managing board shall make available to the shareholders' meeting the documents specified in Art. 175 section 2 and, in case of a listed company, the explanatory report on the information according to Articles 289a and 315a of the German Commercial Code. At the beginning of the meeting, the managing board shall comment on its documents and the chairperson of the supervisory board shall comment on the report of the supervisory board. In doing so, the managing board shall also comment on any annual net loss that has materially affected the annual profit. Sentence 3 shall not apply to credit institutions.

**Art. 174 AktG:**

- (1) The shareholders' meeting resolves on the appropriation of the balance sheet profit. With respect thereto, the shareholders' meeting is bound by the approved annual financial statements.
- (2) Such resolution shall specify the appropriation of the balance sheet profit in detail, including, in particular, the following:
  1. the balance sheet profit;
  2. the amount of cash dividends or payment in kind to be distributed to the shareholders;
  3. the amounts to be transferred to revenue reserves;
  4. any retained profits brought forward;
  5. any additional expense resulting from such resolution.
- (3) Such resolution shall not result in an amendment to the approved annual financial statements.

**B.) Further explanatory notes regarding the shareholders' rights according to Art. 121 section 3 sentence 3 No. 3 of the German Stock Corporation Act (AktG)**

The invitation to the Annual General Meeting contains information on the rights of shareholders in accordance with Articles 122 section 2, 126 section 1 and 127 AktG as well as Art.1 sections 2, 3 of the Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonheld Property to Combat the Effects of the COVID-19 Pandemic ("**COVID-19 Act**"), which are largely limited to the deadlines for exercising these rights in accordance with Art. 121 section 3 sentence 3 No. 3 AktG. The following information serves for further explanation.

**1.) Requests to amend the agenda**

Shareholders jointly representing a proportionate ownership of at least €500,000, i.e. 166,667 shares, may request in writing and under specification of the purpose and the reasons that items be placed on the agenda and be disclosed. Each new agenda item must be accompanied by a statement of the reasons or a formal resolution proposal. The demand must be submitted to the Managing Board of the company.

Shareholders requesting an amendment shall provide proof that they have owned 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 Managing Board decides on the request. Art. 70 of the German Stock Corporation Act shall apply in connection with the calculation of the period of share ownership. The day of receipt of the request shall not be included in the calculation. It shall not be possible to use a preceding or subsequent working day in place of a Sunday, a Saturday or a public holiday.

Such requests for items to be placed on the agenda must be submitted to the company no later than 14 days prior to the Annual General Meeting, i.e. by midnight (CEST) on 20 May 2020. Shareholders are requested to send such requests to the address indicated hereafter:

**HeidelbergCement AG**

Vorstand

Berliner Strasse 6

69120 Heidelberg / Germany

**Underlying provisions:**

**Art. 122 AktG (excerpts):**

- (1) A shareholders' meeting shall be called if shareholders, whose shares, when taken together, amount to one-twentieth of the capital stock, request such a meeting in writing, stating the purpose of and the reasons for such meeting; such request shall be addressed to the managing board. The articles of association may provide that the right to demand that a shareholders' meeting be called shall require another form and the holding of a lower portion of the capital stock. The persons proposing the motion shall provide proof that they have owned 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 managing board decides on the request. Art. 121 section 7 shall apply mutatis mutandis.
- (2) In the same manner, shareholders, whose shares, when taken together, amount to one twentieth of the capital stock or the proportionate amount of €500,000, may request that items be placed on the agenda and announced. Each new item must be accompanied by the reasons for it or by a proposed resolution. The request within the meaning of sentence 1 must be received by the company no later than 24 days, in the case of listed companies no later than 30 days, prior to the meeting, excluding the day of receipt.

**Art. 1 section 3 sentence 4 COVID-19 Act:**

By way of derogation from section 122 (2) of the Stock Corporation Act, the company must, in the aforementioned case, be in receipt of any demands for amendments no later than 14 days prior to the general meeting.

**Art. 121 section 7 AktG:**

In the case of time periods and deadlines that are calculated retroactively from the meeting, the day of the meeting shall not be included in the calculation. It shall not be possible to use a preceding or subsequent working day in place of a Sunday, a Saturday or a public holiday. Articles 187 to 193 of the German Civil Code (BGB) shall not apply mutatis mutandis. In case of non-listed companies, the articles of association may define a different calculation of the deadline.

**Art. 70 AktG:**

It the shareholder is required to have held the share for a certain period before being able to exercise the rights arising therefrom, a claim to assignment against a credit institution, a financial services institution or an enterprise acting pursuant to Art. 53 section 1 sentence 1 or Art. 53b section 1 sentence 1 or Art. 53b section 7 of the German Banking Act shall be deemed equivalent to ownership. The period of ownership of a legal predecessor shall be attributed to a shareholder if he acquired the share free of charge from his trustee, as universal successor, upon severance of co-ownership or as a result of a transfer of assets pursuant to Art. 13 of the Insurance Supervisory Act or Art. 14 of the Savings and Loan Association Act.

## 2.) Counterproposals and election nominations

Since the Annual General Meeting is held without the physical presence of the shareholders and their proxies and without electronic participation of the shareholders, i.e. as a virtual general meeting only by exercising voting rights via absentee ballot or by issuing proxy authorisations with instructions, the shareholders' right to make motions is excluded at the Annual General Meeting. Counterproposals and election nominations as laid down in Articles 126 section 1, 127 AktG and procedural motions can therefore not be submitted at the Annual General Meeting.

Shareholders still have the option of submitting counterproposals, election nominations and procedural motions prior to the Annual General Meeting.

Subject to Art. 126 sections 2 and 3 of the German Stock Corporation Act, counterproposals by shareholders, including the shareholder's name, the statement of the reasons and any statement of the company's boards, will be published at <http://www.heidelbergcement.com> on the Investor Relations/Annual General Meeting page if, at least 14 days prior to the Annual General Meeting, i.e. by midnight (CEST) on 20 May 2020, the shareholder submits to the company, in response to a proposal by the Managing Board and Supervisory Board relating to a certain item on the agenda, a counterproposal – that must be made available – accompanied by a statement of the reasons, to the address indicated hereafter:

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These regulations also apply as appropriate to shareholder proposals in respect of candidates for Supervisory Board elections and the selection of the auditor, although such proposals need not be accompanied by a statement of the reasons. In addition to the grounds specified in Art. 126 section 2 of the German Stock Corporation Act, the Managing Board need not make the election nomination available if the nomination does not contain the name, occupation held, and place of residence, or additional information on his/her membership in other statutory supervisory bodies.

### **Underlying provisions:**

#### **Art. 126 AktG:**

- (1) Motions by shareholders, including shareholders' names, supporting information and, if any, management's discussion shall be made available to the eligible persons referred to in Art. 125 sections 1 to 3 under the conditions specified therein, provided that the shareholder submitted at least 14 days prior to the meeting a counterproposal to a proposal of the managing board and the supervisory board regarding a specific item on the agenda, together with a statement of the reasons, to the address designated for this purpose in the shareholders' meeting notice. The day of receipt shall not be counted. In the case of stock exchange listed companies, the required availability shall be provided over the Internet website of the company. Art. 125 section 3 shall apply *mutatis mutandis*.
- (2) A counterproposal and supporting information need not be made accessible if:
  1. the managing board would by reason of such accessibility become criminally liable;
  2. the counterproposal would result in a resolution of the shareholders' meeting that would be illegal or would violate the articles;
  3. the reasons contain statements which are manifestly false or misleading in material respects or which are libellous;

4. a counterproposal of such shareholder based on the same facts has already been made available with respect to a shareholders' meeting of the company pursuant to Art. 125;
5. the same counterproposal of such shareholder based on essentially identical supporting information has already been made available pursuant to Art. 125 to at least two shareholders' meetings of the company within the past five years and at such shareholders' meetings less than one-twentieth of the capital stock represented has voted in favour of such counterproposal;
6. the shareholder indicates that he/she will neither attend nor be represented at the shareholders' meeting; or
7. within the past two years at two shareholders' meetings the shareholder has failed to make or cause to be made on his/her behalf a counterproposal communicated by him/her.

The supporting information need not be made accessible if it exceeds a total of 5,000 characters.

- (3) If several shareholders make counterproposals for resolution in respect of the same subject matter, the managing board may combine such counterproposals and the respective statement of the reasons.

**Art. 127 AktG:**

Art. 126 shall apply *mutatis mutandis* to a nomination by a shareholder for the election of a member of the supervisory board or auditors. Such nomination need not be supported by a statement of the reasons. Moreover, the managing board need not make such nomination available if it fails to contain information pursuant to Art. 124 section 3, sentence 4 and Art. 125 section 1, sentence 5. The managing board must add the following to a nomination by a shareholder for the election of a member of the supervisory board of listed companies that are subject to the Co-Determination Act, the Coal, Iron and Steel Industry Co-Determination Act or the Supplementary Co-Determination Act:

1. reference to the requirements of Art. 96 section 2,
2. indication of whether overall fulfilment pursuant to Art. 96 section 2, sentence 3 has been opposed and
3. indication of how many seats on the supervisory board must as a minimum be filled by men and women respectively in order to fulfil the required minimum proportion pursuant to section 96 section 2, sentence 1.

**Art. 124 section 3 sentence 4 AktG:**

The nomination of members of the supervisory board or auditors shall state their name, occupation held, and place of residence.

**Art. 125 section 1 sentence 5 AktG:**

In the case of listed companies, information on the membership of nominated supervisory board members in other supervisory boards required by law shall be attached to a nomination of supervisory board members; information on their membership in comparable governing bodies of domestic and foreign commercial enterprises should be attached.

**3.) Possibility of asking questions**

In accordance with section 1 (1) and (2) of the COVID-19 Act, shareholders are offered the possibility to submit questions by electronic communication. The Managing Board stipulated that questions should be submitted by electronic communication by 2 June 2020, 4:00 p.m. (CEST), at

the latest. The Managing Board shall decide at its discretion, after due consideration, which questions it answers and how it answers them.

Shareholders or their proxies registered for the Annual General Meeting can send their questions to the Company in German language via the InvestorPortal by Tuesday, 2 June 2020, 4:00 p.m. (CEST). You will find the required access data on the admission ticket that will be sent to you after registration.

### **Underlying provisions:**

#### **Art. 1 sections 1 and 2 COVID-19 Act:**

(1) Decisions concerning the right of shareholders to participate in the general meeting by means of electronic communication in accordance with section 118 (1) sentence 2 of the Stock Corporation Act (*Aktiengesetz*) (electronic participation), to exercise the right to cast their vote by means of electronic communication in accordance with section 118 (2) of the Stock Corporation Act (postal vote), the participation of members of the supervisory board by means of audio and video transmission in accordance with section 118 (3) sentence 2 of the Stock Corporation Act and provision for the general meeting to be broadcast by means of audio and video transmission in accordance with section 118 (4) of the Stock Corporation Act may be taken by the company's management board even without authority being granted therefor under the by-laws or rules of procedure.

(2) The management board may decide that the general meeting is to be held in the form of a virtual general meeting without the need for shareholders or their authorised representatives to be physically present, provided that

1. the broadcast by means of audio and video transmission encompasses the entire general meeting,
2. provision is made for shareholders to exercise their voting right by means of electronic communication (postal vote or electronic participation) and to grant a power of attorney,
3. shareholders are given the opportunity to ask questions by means of electronic communication,
4. shareholders who exercise their voting right in accordance with no. 2 are afforded the possibility of objecting to a resolution adopted by the general meeting by way of derogation from section 245 no. 1 of the Stock Corporation Act, the need to be physically present at the general meeting thus being waived.

The management board decides at its duty-bound, free discretion which questions it wishes to respond to; it may also stipulate that questions must be submitted by means of electronic communication no later than two days prior to the meeting.

**Heidelberg, May 2020**  
**The Managing Board**