

**ZhongDe Waste Technology AG
Frankfurt/Main**

ISIN DE000ZDWT018 / WKN ZDWT01

Ordinary Annual General Meeting on 5 July 2019

**– Explanations of the shareholders' rights pursuant
to sections 122 para. 2, 126 para. 1, 127, 131 para. 1 German Stock Corporation Act –**

Information on the rights of shareholders pursuant to sections 122 para. 2, 126 para. 1, 127, 131 para. 1 German Stock Corporation Act (*AktG*) are already contained in the invitation to the annual general meeting. The following information contain further explanations on these rights.

1. Agenda amendment requests pursuant to Section 122 para. 2 German Stock Corporation Act

According to section 122 para. 2 German Stock Corporation Act (*AktG*), shareholders holding, individually or collectively, a minimum of 5 % of the share capital or the proportionate amount of EUR 500,000.00 may request that items be placed on the agenda and published. Each new item to be added to the agenda and to be published must be submitted together with reasons or with a draft resolution.

The shareholders have to prove that they have held the shares required for the aforesaid quorum for at least 90 days prior to the day on which their motion was received by the Company and that they retain these shares until the date when the decision on the motion is made (cf. section 122 para. 1 sentence 3, para. 2 sentence 1 German Stock Corporation Act (*AktG*)). When calculating the 90 days period, there are certain options for setting off pursuant to section 70 German Stock Corporation Act (*AktG*) which are hereby referred to. Regarding the evidence, a confirmation of the deposit bank in text form is sufficient.

The request must be addressed in writing to the Executive Board and received by the Company no later than **4 June 2019, 24:00 hours** (CEST). Shareholders are asked to send such requests in writing to

ZhongDe Waste Technology AG
- Executive Board -

Barckhausstraße 1
60325 Frankfurt am Main

or by e-mail with the name of the shareholder or shareholders making the request and a qualified electronic signature to

hv@zhongde-ag.de.

Requests that are received by the Company after such date will be disregarded.

Timely received requests which meet the legal requirements will – unless they have already been published with the convocation – be published in the Federal Gazette immediately after receipt of the request and will be submitted for publication to those media where it can be expected that they will disseminate the information in the entire European Union. Such requests will also be published on the Company's website at

http://zhongde-ag.de/investor_relations/hauptversammlung.html.

2. Counter-motions and election proposals pursuant to Sections 126 para. 1, 127 German Stock Corporation Act

Pursuant to sections 126 para. 1 and 127 German Stock Corporation Act (*AktG*), shareholders may submit counter-motions to one or several of the proposals of the executive board and/or the supervisory board on specific agenda items or make nominations for elections to the Supervisory Board or for the appointment of auditors ("election proposals"). Counter-motions must be submitted with reasons, election proposals do not require any reasons. Counter-motions and election proposals have to be submitted in writing, via telefax or E-Mail exclusively at the following address:

ZhongDe Waste Technology AG
Barckhausstraße 1
60325 Frankfurt am Main

or fax: +49 69 2475689-900

or e-mail: hv@zhongde-ag.de

Counter-motions and election proposals from shareholders that have been received by the Company at the above address by **20 June 2019, 24:00 hours** (CEST), at the latest, will be made available without undue delay and including the name of the shareholder, a justification to be made available and any comments by the management via the website

http://zhongde-ag.de/investor_relations/hauptversammlung.html

in accordance with Sections 126 and 127 of the German Stock Corporation Act (*AktG*).

Counter-motions or election proposal that are received by the Company after such date or that are addressed otherwise will be disregarded. Statements of the management, if any, will also be made available at that internet address.

In the cases set forth in section 126 para. 2 German Stock Corporation Act (*AktG*), the Company is not obliged to make a counter-motion and its substantiation publicly available. According to such provision, a counter-motion – including its reasons – does not have to be published,

1. to the extent the publication would constitute a criminal offence by the Executive Board;
2. if the counter-motion would result in a resolution of the annual general meeting that violates law or the articles of association;
3. if the reasons contain statements which are manifestly false or misleading in material respects or if they are insulting;
4. if a counter-motion of such shareholder based on the same facts was already published in connection with a general meeting of the company pursuant to section 125 German Stock Corporation Act;
5. if the same counter-motion of the shareholder on essentially identical grounds was already communicated pursuant to section 125 German Stock Corporation Act 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. if the shareholder indicates that he will neither attend nor be represented at the general meeting; or
7. if the shareholder, in at least two general meetings during the past two years, did not file or cause to file the counter-motion communicated by him.

In addition, the reasons do not need to be published if they exceed 5,000 characters in total.

Apart from the cases as set forth in section 126 para. 2 German Stock Corporation Act (*AktG*), the Executive Board is also not obliged to make election proposals publicly available if they do not contain the content as required under section 124 para. 3 sentence 4 German Stock Corporation Act (*AktG*) (i.e. name, exercised profession and residence of the nominated auditor or supervisory board member) and section 125 para. 1 sentence 5 German Stock Corporation Act (*AktG*) (i.e. memberships in other mandatory supervisory boards).

Counter-motions and election proposals can be made in the annual general meeting even if they have not been submitted to the Company within the time frame as set forth in section 126 para. 1 German Stock Corporation Act (*AktG*).

Counter-motions and election proposals can – even if they were submitted to the Company in advance – only be put to the vote if they are raised orally at the annual general meeting.

The Executive Board reserves the right to combine counter-motions and their reasons if and to the extent that several shareholders file counter-motions on the same subject of the agenda.

3. Information right pursuant to section 131 para. 1 German Stock Corporation Act

At the general meeting, any shareholder or shareholder's representative is entitled to request information from the Executive Board on issues relating to the Company and the Company's legal and business relations to associated companies, insofar as the information is necessary for the proper assessment of an item of the agenda.

Since the consolidated financial statements and the status report on the group for the fiscal year 2016 will be presented at this year's annual general meeting of ZhongDe Waste Technology AG, the obligation of the Executive Board to provide information also extends to the state of the group and the companies included in the consolidated financial statements for the fiscal year 2016. Matters of the Company's affiliates are subject to the information right to the extent they have substantial relevance and can therefore be regarded as matters of the Company.

The information right can be exercised in the annual general meeting without prior announcement or any other notification.

The Executive Board may refrain from answering certain questions for reasons stated in section 131 para. 3 German Stock Corporation Act (*AktG*). Pursuant to such provision, the Executive Board may refrain from answering questions,

1. to the extent that providing such information is, according to sound business judgement, likely to cause material damage to the Company or an associated company;
2. to the extent that such information relates to tax valuations or the amount of certain taxes;
3. with regard to the difference between the value at which items are shown in the annual balance sheet and the higher market value of such items, unless the financial statements are approved by the general meeting;

4. with regard to the methods of classification and valuation, if the disclosure of such methods in the notes suffices to provide a clear view of the actual condition of the Company's assets, financial position and profitability within the meaning of section 264 para. 2 of the German Commercial Code (*HGB*); the foregoing shall not apply if the general meeting is to approve the annual financial statements;
5. if rendering the requested information constituted a criminal offence by the Executive Board;
6. if, in the case of a credit institution or financial services institution, information about the applied balance sheet and valuation methods or calculations made in the annual financial statements, the management report, the consolidated financial statement or the group's management report are not required;
7. if the information was continuously available on the Company's website seven or more days prior to the general meeting as well as during the meeting.

For other reasons, the information may not be denied.

If information has been provided outside a general meeting to a shareholder due to his shareholder status, such information must, pursuant to section 131 para. 4 German Stock Corporation Act (*AktG*), upon request of a shareholder in the general meeting, be provided to any other shareholder at the general meeting even if such information is not necessary to permit a proper assessment of an item on the agenda. In such case, the Executive Board may not refuse to provide such information on the grounds of para. 3 sentence 1 no. 1 to 4. However, this does not apply if a subsidiary (section 290 para. 1 and 2 German Commercial Code (*HGB*)), a cooperative enterprise (section 310 para. 1 German Commercial Code (*HGB*)) or an associated company (section 311 para. 1 German Commercial Code (*HGB*)) provided the information to a parent company (section 290 para. 1 and 2 German Commercial Code (*HGB*)) for the purpose of inclusion of the Company in the consolidated financial statements of the parent company and the information is required for this purpose.

A shareholder who has been denied information may request that his question and the reasons for which the information was denied be recorded in the minutes of the general meeting pursuant to section 131 para. 5 German Stock Corporation Act (*AktG*).

Pursuant to section 25 para. 3 of the articles of association of ZhongDe Waste Technology AG, the chairman of the general meeting may reasonably restrict the shareholders' rights to speak and to raise questions with respect to the time frame. He may in particular determine the time frame for the general meeting, the discussion of the agenda items as well as any single request to speak and for information at the beginning or during the general meeting. When determining the time available for a single request to

speaking and for information the chairman may differentiate between a first request and a repeated request as well as using further appropriate criteria.
