

## Regarding Item 7

### **Resolution concerning the extension of the authorization to hold virtual Shareholders' General Meetings and concerning the corresponding amendment to Section 18 (5) of the Company's bylaws**

Pursuant to Section 118a of the German Stock Corporation Act (AktG), the bylaws may authorize the Management Board to provide for a Shareholders' General Meeting to be held without the physical attendance of shareholders or their authorized representatives at the venue of the Shareholders' General Meeting (so-called virtual Shareholders' General Meeting). A corresponding provision in the bylaws must be limited in time, with a maximum period of five years from the date of entry of the corresponding amendment to the bylaws in the Company's commercial register.

The AGM on 10 March 2021 passed a resolution under agenda item 11 to amend Section 18 of the bylaws. and authorized the Management Board to hold virtual Shareholders' General Meetings. The Annual General Meeting on 8 March 2023 had, under agenda item 11, limited the authorization granted in March 2021 in accordance with the legal situation in 2023 which is still applicable, namely until 31 March 2025. This authorization is now to be extended and updated. The Management and Supervisory boards are of the opinion that the virtual Shareholders' General Meeting format as such has proven itself in principle, and that the option of holding virtual Shareholders' General Meetings in the future should be retained in order to enable the Company during the coming years to alternate between in-person meetings (as at the last AGM in March 2024 and the AGM on 18 March 2025) and virtual meetings.

The virtual Shareholders' General Meeting in the legislatively intended format adequately safeguards the rights of shareholders and, in particular, provides for direct interaction between shareholders on the one hand and the management on the other during the meeting via video and electronic communication channels, as an approximation of the conventional face-to-face Shareholders' General Meeting. The possibility of direct communication during the virtual Shareholders' General Meeting is also expressly regarded as a preferred format for responding to shareholders' questions.

However, there may be Shareholders' General Meetings with agenda items where interaction with shareholders and their authorized representatives present in person is more appropriate than virtual interaction. For this reason, as far as future meetings are concerned, it remains the case that it appears expedient not to stipulate directly in the bylaws that a virtual Shareholders' General Meeting should be held, but to authorize the Management Board to decide in advance of each Shareholders' General Meeting whether the meeting should be held as a virtual meeting or as a meeting that shareholders attend in person. In the case of the virtual Shareholders' General Meeting, the Supervisory Board members are to be permitted to participate in the Shareholders' General Meeting by means of video and audio transmission, whereby the attendance of the Supervisory Board members at the venue of the virtual Shareholders' General Meeting is to be considered the rule.

The Management Board will decide in each case whether to utilize the authorization and hold a Shareholders' General Meeting as a virtual Shareholders' General Meeting. The Management Board will take into consideration the relevant specific circumstances of the individual case and exercise discretion in reaching a decision in the best interests of the Company and its shareholders. In making its decision, the Management Board will also take into consideration the appropriate safeguarding of shareholders' participation rights and the Supervisory Board's considerations regarding the form of

implementation. The virtual format is considered by the legislator to represent an equivalent alternative to a physically attended meeting.

For this reason, the Management and Supervisory boards propose that Section 18 (5) of the bylaws be amended as follows:

*“The Management Board is authorized to provide that one or more Annual General Meetings of the Company held up to and including 31 March 2027 may be held without the physical presence of the shareholders or their proxies at the venue of the Annual General Meeting (virtual Annual General Meeting). In the event of a virtual Annual General Meeting, members of the Supervisory Board are permitted to participate in the Annual General Meeting by means of video and audio transmission.”*

The currently valid bylaws are available on the Company’s website at

<https://www.https://www.brain-biotech-group.com/en/investors/corporate-governance/articles-of-association-and-rules-of-procedure-of-the-supervisory-board/>