

## IMPORTANT QUESTIONS CONCERNING THE BONDHOLDERS' MEETING

regarding the

SolarWorld Bearer Bond 14(14-19) Series 1017,  
ISIN: DE000A1YCN14 / WKN: A1YCN1

**("SolarWorld Bond 2014/2019-2")**

of

SolarWorld Aktiengesellschaft i.L., Bonn

**("Issuer" or "Company")**

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## I. Explanation of the proposed resolutions

### 1. Why do the bondholders have to decide on the use of the Zinnwald shares?

The insolvency administrator of SolarWorld AG has sold their 50 % stake in Deutsche Lithium GmbH to Zinnwald Lithium plc. In return, he has received, among others, shares in Zinnwald Lithium plc. ("**Zinnwald Shares**"). The Zinnwald Shares are to be used to satisfy secured bondholders. 26,268,822 Zinnwald Shares are attributable to the SolarWorld Bond 2014/2019-2. These shares have been transferred on a transitional basis to the responsible Joint Representative, who must now decide whether to distribute them to the bondholders of the SolarWorld Bond 2014/2019-2 ("**Bondholders**") or to realize them for their benefit. Both ways have different advantages and disadvantages. The Joint Representative has come to the conclusion that in his eyes a combination of both would be the best way. He would like to explain this assessment to the bondholders and obtain their consent before taking further steps.

### 2. Why is the proposed resolution on the use of the Zinnwald Shares beneficial for the Bondholders?

The Zinnwald Shares cannot simply be distributed to the Bondholders. No one can be forced to accept Zinnwald Shares as satisfaction of their claims under the bonds of the SolarWorld Bond 2014/2019-2. The Joint Representative can only offer the shares to the Bondholders. Such an offer to all Bondholders would probably require a securities prospectus. This is a lengthy document containing all the information about the company and the shares that is relevant to potential shareholders of Zinnwald Lithium plc, and it would incur significant costs to produce. It is unclear who would bear these costs. And it could also be uneconomical to incur these costs at all, i.e. the costs could be high in relation to the value of the shares attributable to individual bondholders.

Therefore, the Joint Representative proposes to offer the Zinnwald Shares only to those Bondholders who, in the event of a hypothetical distribution of all Zinnwald Shares attributable to the SolarWorld Bond 2014/2019-2 to the Bondholders, are entitled to an allocation of Zinnwald Shares with a value of at least EUR 100,000.00 or are qualified investors pursuant to Section 2 of the German Securities Prospectus Act (*Wertpapierprospektgesetz - WpPG*). Such an offer to selected Bondholders is possible without a prospectus.

With the proposed resolution, these selected Bondholders ("**Bondholders entitled to Acquire**") will be given the opportunity to actually acquire the shares attributable to them in the event of a hypothetical distribution of the Zinnwald Shares to the Bondholders. Only whole Zinnwald Shares will be transferred, not partial entitlements. Such "fractional shares" will be settled by way of the liquidation described below.

Bondholders who acquire Zinnwald Shares in this way do not have to pay a purchase price. Their consideration consists in the fact that your claims from the SolarWorld Bond 2014/2019-2 filed in the insolvency table are considered satisfied in the amount of the value of the transferred shares. Any value that is not sufficient to settle all claims will first be credited against the interest and then against the repayment obligation.

If as many of the Bondholders entitled to Acquire as possible accept the offer, the non-entitled Bondholders will also have an advantage: fewer shares will subsequently have to be liquidated at the same time. The pressure on the share price from any oversupply is reduced.

All Zinnwald Shares not entitled to, or not accepted by, the Bondholders entitled to Acquire will subsequently be sold. With its proposed resolution, the Joint Representative is requesting a large degree of leeway with regard to the disposal period and the conceivable disposal channels. This also serves to avoid possible pressure on the share price. The Joint Representative will be assisted by a financial services provider in selling the shares in a way that protects the market. The proceeds from the sale, less all costs to be borne by the Joint Representative in connection with the sale of Zinnwald Shares attributable to the SolarWorld Bond 2014/2019-2 and not reimbursed by the insolvency administrator of SolarWorld AG, will be distributed by the Joint Representative to the Bondholders who have not yet been satisfied in proportion to their respective participation in the total nominal amount of the outstanding bonds.

**3. Who is a qualified investor pursuant to Sec. 2 of the German Securities Prospectus Act (*Wertpapierprospektgesetz - WpPG*) and how do they prove this?**

Sec. 2 No. 3 WpPG refers to Article 2 lit. e) Regulation (EU) 2017/1129 (new Prospectus Regulation) for the definition of qualified investors. The statutory definitions include, in a simplified form, among others

- Institutional investors
- Large companies
- Pension funds
- Insurance companies
- Banks and other licensed or supervised financial institutions
- Fund
- Other persons who meet certain criteria provided for by law from which it can be seen that they have sufficient experience in investing in shares.

In the context of a possible implementation of a resolution of the bondholders' meeting, the bondholders will receive information on when and how they have to provide the proof.

**4. How many Zinnwald Shares are offered to each Bondholders entitled to Acquire per partial bond?**

The Bondholders entitled to Acquire are each offered the number of shares to which they would be entitled in the event of a (hypothetical) complete distribution of all Zinnwald Shares attributable to the SolarWorld Bond 2014/2019-2 to the Bondholders on a pro rata basis in proportion to their respective participation in the total nominal amount of the outstanding bonds. The number of shares to which a Bondholder is entitled is rounded down to whole shares in each case.

Since a total of 26,268,822 Zinnwald Shares are to be distributed and the SolarWorld Bond 2014/2019-2 is divided into 387,055 bearer-partial bonds, each Bondholders entitled to Acquire will be offered  $26,268,822 : 387,055 = 67.8684476366408$  or rounded down 67 Zinnwald Shares for one bearer-partial bond. If a Bondholder holds several partial bonds, the number of shares to which he is entitled is first added together and then rounded down, e.g. in the case of 60 partial bonds  $60 \times 67.8684476366408 = 4,072.106858$  or rounded down 4,072 Zinnwald Shares (and not  $60 \times 67 = 4,020$ ).

**5. What is the "value of the Zinnwald Shares" in the context of the offer?**

For the valuation of the Zinnwald Shares in connection with the Offer, the Joint Representative will determine a valuation date including time ("**Record Date**") immediately prior to the beginning of the offer period, define the relevant share price (e.g. volume-weighted average price of the Zinnwald Shares already traded on AIM on the last ten trading days prior to the Record Date) and determine the source (= reference site) from which this price is to be taken. The value determined in this way will be published before the start of the offer period and will be decisive for the acquisition entitlement with regard to the minimum value of EUR 100,000.00 as well as for the redemption effect of the transfer of Zinnwald Shares. The details in this regard are still to be determined. If, for example, the relevant determined average stock exchange price of a Zinnwald Share is GBP 0.30 and the relevant exchange rate is GBP 0.85 to EUR 1.00, this would result in a relevant price of approx. EUR 0.35. This would mean that an investor would have to be entitled to delivery of 283,333.33 shares. This would in turn be the case if the investor held 4,175 partial bonds. The aforementioned "value" is an arithmetical figure for settlement purposes; it is not the amount that the investors would receive in a cash payment.

**6. What is the rough timeline after the invitation to vote?**

A concrete timetable for the implementation has not yet been set. Roughly, the following key dates are envisaged:

- First half of October: Relevant period for the determination of the average rate in order to determine the arithmetic rate for the calculation of the EUR 100,000.00 limit.
- Mid-October: Record Date for Retroactive Price Determination
- Mid to end of November: possibility to exercise the voting right
- As of mid-November: liquidation of the other shares

#### **7. When will I receive the shares?**

If Zinnwald Shares are to be offered and transferred to the Bondholder, the Bondholder must specify a securities account and will receive the shares delivered to his securities account after the expiry of the offer period.

#### **8. When will I receive the cash payment?**

The cash payment will be made after the realization of all Zinnwald Shares to which Bondholders entitled to Acquire are not entitled or which have not been accepted by them, and as soon as all costs to be deducted from the proceeds of the sale have been determined. It is possible that this realization will take a longer period of several weeks or months so that this can be done by an independent financial services provider in a market-friendly manner in the interest of the Bondholders. However, the Joint Representative reserves the right to make advance payments earlier.

#### **9. What happens to fractional shares?**

Fractions of Zinnwald Shares, so-called fractional shares, are not allocated. Trading in fractions is also not organized. In this respect, fractions of Zinnwald Shares will be realized and settled in cash.

#### **10. Is there a fixed deadline for accepting the offer or can it be extended by individual agreement?**

Provided that the proposed resolution under item 1 of the agenda approved, the Joint Representative will set a deadline within which the offer can be accepted.

After expiry of the deadline, Bondholders will be able to acquire Zinnwald Shares for a consideration on the stock exchange or over the counter like any other investor. Due to the upcoming liquidation of the Zinnwald Shares that are not entitled to the Bondholders entitled to Acquire or that are not accepted by them, a sufficient supply is expected to be available there.

**11. Can the acceptance of the offer be waived or is it irrevocable?**

The acceptance of the offer is irrevocable.

**12. Is it possible to dispose of the shares freely, e.g. sell them, after receiving them?**

Bondholders who receive Zinnwald Shares may freely dispose of them in accordance with stock exchange regulations and statutory provisions, provided they do not subject themselves to contractual holding restrictions.

The Zinnwald Shares are already formally included in trading on the Alternative Investment Market (AIM) of the London Stock Exchange, but are currently still securitized in physical certificates and not yet entered in the CREST settlement system, which in effect precludes stock exchange trading. This is not to be changed until the bondholders of the respective bond have decided on the further use of the Zinnwald Shares to which they are entitled. It is planned that this will take place before or in parallel with the offer to purchase the Zinnwald Shares.

**13. What costs can be expected in connection with the sale of the shares?**

Insofar as the Joint Representative sells the Zinnwald Shares, the following costs in particular will be incurred:

- Costs for consultants
- Costs for service providers who support the sales process.

An estimate is not possible at this time.

**14. What legal grounds could prevent a claim for payment?**

This is deliberately worded in an open manner because many different constellations are conceivable. For example, due to an attachment or similar, it could be disputed who is entitled to the payment claim, so that the Joint Representative withholds the payment until clarification. Doubts may arise as to whether the claims arising from individual bonds have been validly registered in the insolvency table. There could be doubts as to the identity of the claimant, banking problems could arise, etc., etc.

**15. Why is it necessary to adopt a resolution on the remuneration of the Joint Representative?**

Pursuant to Sec. 7 para. 6 SchVG, the bond Issuer must bear the remuneration of the Joint Representative of the Bondholders. However, this is of little use to a Joint Representative whose claim to remuneration does not arise until after the opening of insolvency proceedings: his remuneration is not one of the costs of the insolvency proceedings pursuant to Sec. 54 of the German Insolvency Statute (*Insolvenzordnung - InsO*) and, as a rule, is not a liability of the insolvency estate within the meaning of Sec. 55 InsO, which would have to be satisfied in

advance from the insolvency estate pursuant to Sec. 53 InsO. The Joint Representative is therefore a new creditor to whom the bond Issuer is liable only in accordance with Sec. 89 para. 2 InsO with its insolvency-free assets - if there are any.

A remuneration agreement between the insolvency administrator and the Joint Representative, as it existed previously, may give rise to an obligation of the estate under Sec. 55 para. 1 no. 1 case 1 InsO if the corresponding costs are offset by benefits accruing to the estate from the activities of the Joint Representative.

If the Joint Representative is to continue his activities, the only remaining option is to finance his remuneration from the pro rata satisfaction payments on capital repayment and/or interest claims of the Bondholders achieved in the insolvency proceedings. This is to be resolved.

## **II. Formalities and legal effect of the Bondholder vote**

### **16. What is the legal background of the invitation to vote and why was the form of a vote without meeting chosen?**

Pursuant to Sec. 11 para. 1 of the Terms and Conditions of the Bond, the Bondholders may pass resolutions by majority vote on all matters permitted by law, in particular by the German Act on Bonds of 5 August 2009 (*Schuldverschreibungsgesetz - SchVG*).

Resolutions of the Bondholders may also be passed in a vote without meeting in accordance with Annex P Section B of the Terms and Conditions of the Bonds.

Voting without meeting is the alternative that is more favorable in terms of organization and costs than an attendance meeting - not only for the Company, but also for the Bondholders, who may have to travel a long way to attend. It also fully complies with the hygiene regulations of the Corona pandemic.

### **17. How can I, as a Bondholder, participate in the vote without meeting?**

Voting will take place by means of so-called voting without meeting, starting on Thursday, 9 September 2021 (0:00 CEST) and ending on Monday, 13 September 2021 (24:00 CEST). Only votes received by the Voting Officer within the voting period using the designated voting form will count.

Votes may be cast by mail, fax or e-mail to the following address:



**G&P GmbH & Co KG**

**- Voting Manager -**

**"SolarWorld Bond 2014/2019-2: vote without meeting"**

c/o One Square Advisors GmbH

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Fax: +49 (0)89 159898 22

E-mail: solarworld@onesquareadvisors.com

**18. Under what conditions is a quorum for voting without a meeting?**

In the case of a vote without meeting, a quorum is present in accordance with Sec. 18 para. 1 SchVG in conjunction with Sec. 15 para. 3 sentence 1 SchVG, a quorum shall exist if the Bondholders participating in the vote without meeting represent at least half of the bonds outstanding at the time of the resolution (quorum). Pursuant to Sec. 11 para. 3 of the Terms and Conditions of the Bonds, the Bondholders decide by a simple majority of the voting rights participating in the vote on resolutions that do not amend the material content of the Terms and Conditions of the Bonds. A bondholder resolution adopted with the required majority is equally binding for all Bondholders.

**19. What happens if the quorum required for a vote without meeting is not reached?**

If less than 50% of the bonds outstanding at the time of the resolution take part in the vote without meeting to be held from 9 to 13 September 2021, the vote without meeting will not constitute a quorum. In this case, a so-called second bondholders' meeting will be convened as an attendance meeting with the same agenda.

The date for a possible second bondholders' meeting will be communicated to the Bondholders promptly after the vote without a meeting.

**20. What happens if the quorum required for the second bondholders' meeting is not reached or the majority of Bondholders vote against the resolutions?**

The second meeting is generally quorate irrespective of any quorum. However, for resolutions to become effective requiring a qualified majority, those present must represent at least 25% of the outstanding bonds.

According to the assessment of the Joint Representative, the proposed resolutions do not require a qualified majority. However, if the majority of the Bondholders vote against the resolutions, the resolutions cannot be implemented. In this case, the Joint Representative will probably have to liquidate the Zinnwald Shares in their entirety for the benefit of the Bondholders in the near future. He is neither entitled nor willing to hold and manage them in the longer term,

especially as - to the extent that the resolution on item 2 of the agenda is also not passed - the question of his remuneration would also be unresolved.

## **21. What is a special evidence or a blocking notice?**

As evidence of Bondholder status, a certificate issued by the custodian bank of the relevant Bondholder in accordance with the provisions of subsection a) below ("**Special Evidence**") and a blocking notice in accordance with the provisions of subsection b) below ("**Blocking Notice**") must be submitted - if possible together with the vote, but no later than by the end of the voting period.

The required Special Evidence shall be a certificate in text form (Sec. 126b of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*)) issued by the custodian bank of the relevant Bondholder confirming ownership of the Bonds, stating the full name and address of the Bondholder and specifying the total nominal amount of the bonds credited to the Bondholder's securities account with such custodian bank on the date the certificate is issued. "Custodian" means a bank or other financial institution (including the clearing system (Clearstream), Clearstream Luxembourg and Euroclear) which is licensed to engage in securities custody business and with which the Bondholder has Bonds held in custody.

Bondholders should contact their custodian bank regarding the issuance of the Special Certificate and the Blocking Notice.

A sample form for the Special Evidence with Blocking Notice can be found on the website ([www.solarworld.de](http://www.solarworld.de)).

## **22. How are the votes counted and weighted?**

In accordance with Sec. 6 SchVG, the voting right of each Bondholder in the vote without meeting corresponds to the nominal value or the arithmetical share of his entitlement to the outstanding bonds. Each partial bond grants one vote.

## **23. Do the resolutions also apply to Bondholders who vote against them?**

Pursuant to Sec. 5 para. 2 SchVG, majority resolutions of the bondholders of the same bond are equally binding for all bondholders. Accordingly, resolutions adopted by majority vote apply equally to all Bondholders, even if they voted against the resolution.