

# GOING STRONG

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ANNUAL GENERAL MEETING ON MAY 18, 2018

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Invitation and Agenda



## KEY DATA OF THE TECHNOTRANS GROUP (IFRS)

	Δ previous year	2017	2016	2015	2014	2013
<b>Revenue (€ '000)</b>	35.1%	<b>205,095</b>	<b>151,792</b>	<b>122,838</b>	<b>112,371</b>	<b>105,207</b>
Technology (€ '000)	42.4%	147,570	103,623	81,457	73,758	65,988
Services (€ '000)	19.4%	57,525	48,169	41,381	38,613	39,219
<b>EBITDA (€ '000)</b>	61.3%	<b>22,654</b>	<b>14,045</b>	<b>12,187</b>	<b>9,873</b>	<b>7,815</b>
EBITDA margin (%)		11.0	9.3	9.9	8.8	7.4
<b>EBIT (€ '000)</b>	79.2%	<b>17,438</b>	<b>9,731</b>	<b>8,952</b>	<b>6,830</b>	<b>4,626</b>
EBIT margin (%)		8.5	6.4	7.3	6.1	4.4
<b>Net profit for the period<sup>1</sup> (€ '000)</b>	69.5%	<b>12,191</b>	<b>7,192</b>	<b>6,262</b>	<b>4,381</b>	<b>3,016</b>
as percent of revenue		5.9	4.7	5.1	3.9	2.9
<b>Net profit per share (€)</b>	61.6%	<b>1.76</b>	<b>1.09</b>	<b>0.96</b>	<b>0.67</b>	<b>0.47</b>
<b>Dividend per share (€)</b>	60.0%	<b>0.88*</b>	<b>0.55</b>	<b>0.48</b>	<b>0.33</b>	<b>0.20</b>
<b>Balance sheet (€ '000)</b>	3.2%	<b>125,307</b>	<b>121,445</b>	<b>76,043</b>	<b>74,534</b>	<b>73,019</b>
<b>Equity (€ '000)</b>	12.7%	<b>69,750</b>	<b>61,880</b>	<b>51,725</b>	<b>47,470</b>	<b>43,743</b>
Equity ratio (%)		55.7	51.0	68.0	63.7	59.9
Return on equity (%) <sup>2</sup>		17.5	11.6	12.3	9.4	7.0
<b>Net debt<sup>3</sup> (€ '000)</b>	76.4%	<b>9,291</b>	<b>5,267</b>	<b>-11,575</b>	<b>-4,763</b>	<b>-941</b>
<b>Free Cashflow<sup>4</sup> (€ '000)</b>	-101.2%	<b>150</b>	<b>-12,649</b>	<b>8,542</b>	<b>4,821</b>	<b>-3,433</b>
<b>Employees (average)</b>	30.6%	<b>1,293</b>	<b>990</b>	<b>810</b>	<b>771</b>	<b>763</b>
<b>Employees (FTE) (average)</b>	32.2%	<b>1,132</b>	<b>856</b>	<b>697</b>	<b>670</b>	<b>658</b>
<b>Personnel expenses (€ '000)</b>	33.3%	<b>70,588</b>	<b>52,941</b>	<b>42,160</b>	<b>39,808</b>	<b>37,022</b>
as percent of revenue		34.4	34.9	34.3	35.4	35.2
<b>Revenue per employee (FTE) (€ '000)</b>	2.2%	<b>181</b>	<b>177</b>	<b>176</b>	<b>168</b>	<b>160</b>
<b>Number of shares at end of period</b>		<b>6,907,665</b>	<b>6,907,665</b>	<b>6,530,588</b>	<b>6,516,434</b>	<b>6,493,474</b>
share price max (€)		50.75	24.77	19.90	9.56	10.35
share price min (€)		22.17	15.75	9.21	7.41	6.90

<sup>1</sup>Net profit for the period = profit attributable to technotrans AG shareholders

<sup>2</sup>Return on equity = Net profit of the period/Equity to technotrans AG shareholders

<sup>3</sup>Net debt = financial liabilities – cash and cash equivalents

<sup>4</sup>Free Cashflow = Net cash from operating activities  
+ cash used for investments acc. to cash flow statement

\*Proposal to the Shareholder Meeting

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## INVITATION TO ANNUAL GENERAL MEETING

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We hereby invite our shareholders to the  
Annual General Meeting to be held

on **Friday, May 18, 2018**, at **10.00 am**












in the Exhibition and Congress Centre Münsterland Hall,  
Albersloher Weg 32, 48155 Münster.

We are looking forward to your attendance at this year's Annual General Meeting – during the live broadcast on the internet or personally in Münster.

Let us not only look back at the successful past financial year. You also have the opportunity to discuss with us the strategic direction and future course of the technotrans Group.

Please remember to register in good time, even if you are perhaps not intending to exercise your voting right in person and would like to vote in writing or over the internet. You need to be registered in order to exercise your voting right.

The Agenda for this year's Annual General Meeting is rather longer than usual. It is very important that the resolutions passed at the Annual General Meeting are supported by as many shareholders as possible because they are of particular significance for the future development of technotrans. Including for that reason, we would like to invite you cordially to make use of your right to vote.

-  **AGENDA ITEM 1**  
Presentation of the established financial statements of technotrans AG at December 31, 2017, of the approved consolidated financial statements prepared according to IFRS (International Financial Reporting Standards) at December 31, 2017, of the management reports for technotrans AG and the group with the non-financial group declaration contained therein, of the report of the Supervisory Board and of the explanatory report of the Board of Management on disclosures under takeover law
-  **AGENDA ITEM 2**  
Resolution on the distribution of accumulated profit
-  **AGENDA ITEM 3**  
Resolution on the discharge of the Board of Management for the 2017 financial year
-  **AGENDA ITEM 4**  
Resolution on the discharge of the Supervisory Board for the 2017 financial year
-  **AGENDA ITEM 5**  
Election of the auditors of the individual and consolidated financial statements for the 2018 financial year
-  **AGENDA ITEM 6**  
Elections to the Supervisory Board of technotrans AG
-  **AGENDA ITEM 7**  
Resolution on new Authorised Capital of technotrans AG according to Article 5 of the articles of incorporation and the creation of a new Authorised Capital 2018 (including with the scope for excluding subscription rights) as well as corresponding amendments to Article 5 of the articles of incorporation (Level and structure of the share capital)
-  **AGENDA ITEM 8**  
Authorisation of the Board of Management to acquire treasury shares
-  **AGENDA ITEM 9**  
Resolution on the authorisation to issue bonds with conversion and/or option rights (including with the possibility of exclusion of subscription rights) as well as to create new Conditional Capital 2018 as well as to correspondingly amend Article 5 of the articles of incorporation (Level and structure of the share capital)
-  **AGENDA ITEM 10**  
Adjustment to the remuneration of the Supervisory Board and corresponding amendment to Article 16 of the articles of incorporation (Remuneration of the Supervisory Board members)
-  **AGENDA ITEM 11**  
Modifying conversion into a European Company (Societas Europaea – SE)

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## AGENDA

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### 1. PRESENTATION OF THE ESTABLISHED FINANCIAL STATEMENTS OF TECHNOTRANS AG AT DECEMBER 31, 2017, OF THE APPROVED CONSOLIDATED FINANCIAL STATEMENTS PREPARED ACCORDING TO IFRS (INTERNATIONAL FINANCIAL REPORTING STANDARDS) AT DECEMBER 31, 2017, OF THE MANAGEMENT REPORTS FOR TECHNOTRANS AG AND THE GROUP WITH THE NON-FINANCIAL GROUP DECLARATION CONTAINED THEREIN, OF THE REPORT OF THE SUPERVISORY BOARD AND OF THE EXPLANATORY REPORT OF THE BOARD OF MANAGEMENT ON DISCLOSURES UNDER TAKEOVER LAW

### 2. RESOLUTION ON THE DISTRIBUTION OF ACCUMULATED PROFIT

The Board of Management and Supervisory Board propose that the accumulated profit of technotrans AG of € 9,693,443.46 as reported in the individual financial statements be distributed as follows:

	€
Distribution of a dividend of € 0.88 per no par value share on share capital of € 6,907,665.00 bearing dividend entitlements	€ 6,078,745.20
Profit carried forward	€ 3,614,698.26
<b>Accumulated profit</b>	<b>€ 9,693,443.46</b>

At the time of convening the company holds no treasury shares. If the company holds treasury shares at the time of the Annual General Meeting, pursuant to Section 71b of the German Stock Corporation Act these shall not bear dividend entitlements. In that instance, a correspondingly modified resolution on the appropriation of profits shall be put to the Annual General Meeting, based on an unchanged dividend of € 0.88 per dividend-bearing share.

The dividend is to be paid out on May 24, 2018.

### 3. RESOLUTION ON THE DISCHARGE OF THE BOARD OF MANAGEMENT FOR THE 2017 FINANCIAL YEAR

The Board of Management and Supervisory Board propose that discharge be granted for the members of the Board of Management for the 2017 financial year.

### 4. RESOLUTION ON THE DISCHARGE OF THE SUPERVISORY BOARD FOR THE 2017 FINANCIAL YEAR

The Board of Management and Supervisory Board propose that discharge be granted for the members of the Supervisory Board for the 2017 financial year.

### 5. ELECTION OF THE AUDITORS OF THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2018 FINANCIAL YEAR

Supported by the recommendation of the Audit Committee, the Supervisory Board proposes that KPMG Wirtschaftsprüfungsgesellschaft, Bielefeld, be elected as auditors of the individual and consolidated financial statements for the 2018 financial year.

## 6. ELECTIONS TO THE SUPERVISORY BOARD OF TECHNOTRANS AG

Pursuant to Sections 96 (1), 101 (1) of the German Stock Corporation Act in conjunction with Sections 1 (1) No. 1 first sentence and 4 (1) of the German One-Third Employee Representation Act as well as Article 11 (1) of the articles of incorporation, the Supervisory Board of the technotrans AG is to comprise four shareholders' representatives to be elected by the Annual General Meeting and two employees' representatives to be elected by the employees in accordance with the One-Third Employee Representation Act.

The term of office of Dipl.-Ing. Heinz Harling and Dr Norbert Bröcker elected to the Supervisory Board of technotrans AG as shareholders' representatives ends with the close of the Annual General Meeting on May 18, 2018. For the constitution of the Supervisory Board to remain in compliance with the law and the articles of incorporation after the Annual General Meeting, two new members are therefore to be elected to the Supervisory Board by the Annual General Meeting.

Both previous Supervisory Board members are available for re-election.

The Supervisory Board therefore proposes to the Annual General Meeting that the following gentlemen be elected to the Supervisory Board; membership of other supervisory boards formed to comply with legal requirements or of other comparable supervisory bodies, whether in Germany or elsewhere, is indicated for each individual:

- a) **Dipl.-Ing. Heinz Harling**, Lecturer at Hamm-Lippstadt University of Applied Sciences, resident in Hamm. Dipl.-Ing. Heinz Harling is currently Chairman of the Supervisory Board of technotrans AG.

Disclosures on Article 5.4.1 (5) and (6) of the German Corporate Governance Code:

### CURRICULUM VITAE OF HEINZ HARLING

Member and Chairman of the Supervisory Board of technotrans AG since 2008

Shareholders' representative

Member of the Audit Committee within the Supervisory Board of technotrans AG

Member of the Personnel Committee within the Supervisory Board of technotrans AG

Member of the Nominating Committee within the Supervisory Board of technotrans AG

Born: 1954

Nationality: German

### Professional background

Since 2014     **Lecturer at Hamm-Lippstadt University of Applied Sciences**  
Subject area: Business Planning

Since 2008     **Supervisory Board Chairman** technotrans AG

1997           **Chairman of the Board of Management**, technotrans AG  
IPO 1998

1988           **Managing Director** of technotrans GmbH  
Leader of the management buy-out in 1990

1980           **Sales Director**  
of fb-apparatebau Böhnsieker GmbH & Co. KG  
(now technotrans AG, Sassenberg)

1979           **Student trainee**  
in Development area, Hella Huek KgaA, Lippstadt

## Training

- |      |   |
|------|---|
| 1980 | Mechanical Engineering degree<br>from Paderborn Comprehensive University, Soest Department      |
| 1974 | Qualification as Wholesale and Export Clerk<br>Strey & Suermann, Eisenwaren und Maschinen, Hamm |

## Expertise/focal areas

Technology and markets, technological and strategic corporate development, stock market and financial market.

## Memberships, other positions:

Member of the Supervisory Board of elaxis AG  
Deputy Chairman of Hamm Academic Society  
Supervisory Board Chairman of Lotus AG, (student company of a high school)  
Founder and Chair of the youth and adult education foundation heinz-harling-stiftung

## Personal and business relationships under Article 5.4.1 of German Corporate Governance Code

In the assessment of the Supervisory Board there exist no personal or business relations between Dipl.-Ing. Heinz Harling and the companies of the technotrans Group, the corporate bodies of technotrans AG and other major shareholders of technotrans AG that have a material bearing on the election decision of the Annual General Meeting within the meaning of Article 5.4.1 (5) and (6) of the German Corporate Governance Code.

- b) **Dr. Norbert Bröcker**, lawyer and partner in Hoffmann Liebs Fritsch & Partner Rechtsanwälte mbB, resident in Düsseldorf. Dr Bröcker is currently Deputy Chairman of the Supervisory Board of technotrans AG.

Disclosures on Article 5.4.1 (5) and (6) of the German Corporate Governance Code:

## CURRICULUM VITAE OF DR NORBERT BRÖCKER

Supervisory Board member of technotrans AG since 2007  
Deputy Supervisory Board Chairman since 2013

Shareholders' representative

Member of the Personnel Committee within the Supervisory Board of technotrans AG  
Member of the Nominating Committee within the Supervisory Board of technotrans AG

Born: 1967  
Nationality: German

## Professional background

- |             |   |
|-------------|---|
| Since 2000  | Partner in the law firm Hoffmann Liebs Fritsch & Partner, Düsseldorf  |
| Since 1997  | Lawyer at the law firm Hoffmann Liebs Fritsch & Partner, Düsseldorf   |
| 1992 - 1994 | Research assistant at the Chair of Civil Law, Civil Procedure, Commercial and Business Law of the University of Trier |

## Training

2006	Doctorate (Dr. jur.) at the University of Düsseldorf under Professor Dr Ulrich Noack (Subject: Post-Formation, Non-Cash Incorporation and Capital Protection)
1996	Second state examination in law, Düsseldorf
1994 - 1996	Legal internship (including in London, United Kingdom)
1992	First state examination in law, Trier

## Expertise/focal areas

Company and capital market law, M&A, consultancy for SMEs (in particular publicly traded), corporate governance

## Memberships, other positions:

None

## Personal and business relationships under Article 5.4.1 of German Corporate Governance Code

With regard to material personal or business relationships under Article 5.4.1 (5) and (6) of the German Corporate Governance Code between technotrans AG and the companies of the technotrans Group and Dr Norbert Bröcker, it should be observed that Dr Bröcker is partner in the law firm Hoffmann Liebs Fritsch & Partner Rechtsanwälte mbB, as presented above. The firm advises technotrans AG on various legal matters. The Supervisory Board of technotrans has in the past approved the involvement of Hoffmann Liebs Fritsch & Partner as well as the consultancy fees arising. To avoid any conflicts of interest, Dr Bröcker abstained from any such votes in the past. To that extent the careful handling of this business relationship was assured at all times and a conflict of interest within the Supervisory Board was avoided. To protect the interests of the company, this practice is to be continued in the same manner in the event of Dr Bröcker's election to the Supervisory Board.

Dipl.-Ing Heinz Harling and Dr Norbert Bröcker are – subject to the measure for conversion into a European Company proposed for resolution under Agenda Item 11 – each to be elected for the period up until the close of the Annual General Meeting which gives discharge for the fourth financial year from the start of the period of office, not counting the financial year in which the election takes place; election – subject to the conversion measure under Agenda Item 11 of this Annual General Meeting – shall thus be for the period up until the close of the Annual General Meeting of Shareholders in 2023.

Pursuant to Article 5.4.3 of the German Corporate Governance Code, we announce that in the event of his re-election Mr Harling is again to be proposed for election as Supervisory Board Chairman.

It is proposed that the election of the Supervisory Board members take the form of election of individuals.

## **7. RESOLUTION ON NEW AUTHORISED CAPITAL OF TECHNOTRANS AG ACCORDING TO ARTICLE 5 OF THE ARTICLES OF INCORPORATION AND THE CREATION OF A NEW AUTHORISED CAPITAL 2018 (INCLUDING WITH THE SCOPE FOR EXCLUDING SUBSCRIPTION RIGHTS) AS WELL AS CORRESPONDING AMENDMENTS TO ARTICLE 5 OF THE ARTICLES OF INCORPORATION (LEVEL AND STRUCTURE OF THE SHARE CAPITAL)**

The Authorised Capital resolved under Agenda Item 6 at the Annual General Meeting on May 15, 2014 and laid down in Article 5 (3) of the articles of incorporation expires on May 14, 2019. No use has yet been made of the Authorised Capital.

The Authorised Capital described above is to be cancelled in view of the short remaining term and new Authorised Capital that largely corresponds in content to the previous Authorised Capital is to be created. However an exclusion of subscription rights for the issuance of employee shares is no longer envisaged.



The Board of Management and Supervisory Board therefore propose the following resolution:

- a) The Board of Management is, with the consent of the Supervisory Board, authorised to increase the share capital on one or more occasions by up to a total of € 3,450,000.00 until May 17, 2023, through the issuance of new shares against contributions in kind or in cash. The shareholders shall have a fundamental right to subscribe. However the Board of Management is, with the consent of the Supervisory Board, authorised to exclude the subscription right of shareholders insofar as – including shares and/or convertible bonds that are issued or sold in accordance with Section 186 (3) fourth sentence of the German Stock Corporation Act excluding the subscription right of shareholders – the requirements of Section 186 (3) fourth sentence of the German Stock Corporation Act are met, or insofar as it concerns the acquisition of contributions in kind, in particular the acquisition of companies or of participating interests in companies or of other assets; the subscription right may moreover be excluded for the purpose of compensating for fractional amounts.

- b) The Authorised Capital previously specified in Article 5 (3) of the articles of incorporation is to be cancelled and Article 5 (3) of the articles of incorporation reworded as follows in accordance with the above resolution on subsection a):

"(3) The Board of Management is, with the consent of the Supervisory Board, authorised to increase the share capital on one or more occasions by up to a total of € 3,450,000.00 by May 17, 2023 through the issuance of new shares against contributions in cash or in kind (Authorised Capital).

- a) The Board of Management may, with the consent of the Supervisory Board,

- › Exclude the subscription right of the shareholders in order to issue the new shares at an amount that is not significantly below the market price. The arithmetical share of the share capital represented by the shares issued excluding the subscription right pursuant to Section 186 (3) fourth sentence of the German Stock Corporation Act may not overall exceed 10 % of the share capital at the time this authorisation takes effect or at the time this authorisation is utilised, if the latter figure is lower; this amount shall include those shares that are acquired pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act on the basis of an authorisation of the Annual General Meeting and sold excluding the subscription right pursuant to Section 186 Paragraph 3 fourth sentence of German Stock Corporation, as well as those shares that are used to service convertible bonds provided the bonds were issued in corresponding application of Section 186 (3) fourth sentence of the German Stock Corporation Act, excluding the subscription right, and

- › Exclude the subscription right of the shareholders for capital increases for contributions in kind, in particular for the acquisition of companies or participating interests in companies, or other assets.

- › Insofar as the Board of Management makes no use of the aforementioned authorisations, the subscription right of shareholders may only be excluded for fractional amounts.

The total shares issued under the above authorisation excluding the subscription right for capital increases for cash and/or contributions in kind may not exceed 20 % of the share capital at the time this authorisation takes effect, or at the time this authorisation is exercised if the latter figure is lower.

- b) The Board of Management shall, with the approval of the Supervisory Board, in addition be authorised to finalise the remaining details of the capital increase and its effecting."
- c) The authorisation to issue new shares granted by the Annual General Meeting on May 15, 2014 is cancelled upon this resolution taking effect.

**Report by the Board of Management to the Annual General Meeting on Agenda Item 7, pursuant to Sections 203 (2) second sentence and 186 (4) second sentence of the German Stock Corporation Act**

The general purpose of the proposed authorisation for authorised capital of € 3,450,000.00 is to enable the company to raise equity capital rapidly, flexibly and on favourable terms, if needed.

If the authorised capital is drawn on, the shareholders shall fundamentally be granted a right of subscription. However, the subscription right may be excluded by the Board of Management in the following instances, with the consent of the Supervisory Board:

- Based on Section 186 (3) fourth sentence of the German Stock Corporation Act, an exclusion of subscription rights shall firstly be possible for a portion of the share capital not exceeding ten percent to permit the issuance of the new shares at an amount that is not significantly below the market price. This amount shall include those shares that are acquired pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act on the basis of an authorisation of the Annual General Meeting and sold excluding the subscription right pursuant to Section 186 (3) fourth sentence of German Stock Corporation, as well as those shares that are used to service convertible bonds provided the convertible bonds were issued in corresponding application of Section 186 (3) fourth sentence of the German Stock Corporation Act, excluding the subscription right. The authorisation in question here permits the rapid effecting of a capital increase at an issuing amount as close as possible to current market conditions. In making use of the authorisation, the Board of Management shall determine as low a discount on the market price as possible in the prevailing market conditions at the time of placement. The issuance of shares at a price close to the market price in addition upholds the interests of existing shareholders. Due to the fact that placement without a statutory subscription period can take place immediately after the issuing amount has been determined, when determining the price the risk of price changes need not be taken into account to the same extent as in a capital increase with a subscription right granted; by avoiding the otherwise customary subscription right discount, equity can moreover be strengthened to a greater extent than if a subscription right is granted. Placement via the stock exchange moreover permits shareholders to maintain their shareholding at the previous level through purchasing additional shares.
- In addition, the subscription right of the Board of Management for capital increases for contributions in kind may be excluded, in particular for the acquisition of companies or participating interests in companies, or other assets. This authorisation is intended to place the Board of Management in a position to have the company's treasury shares at its disposal without needing to go to the stock market, in order to be able to offer these in fulfilment of entitlements from the preparation, implementation, completion or settlement of legal or statutory acquisitions especially of companies or participating interests in companies in appropriate one-off instances against the transfer of shares in the company. The acquisition of a company or of a participating interest in a company generally necessitates a swift decision. The authorisation envisaged will provide the Board of Management with the scope to respond rapidly and flexibly to advantageous offers, should such opportunities present themselves. No use has been made of the authorised capital currently in place in order to complete acquisitions. Nevertheless, that option is to be preserved in the future. The total shares issued under the above authorisation excluding the subscription right for capital increases for cash and/or contributions in kind may not exceed 20 % of the share capital at the time this authorisation takes effect, or at the time this authorisation is exercised if the latter figure is lower.

## **8. AUTHORISATION OF THE BOARD OF MANAGEMENT TO ACQUIRE TREASURY SHARES**

The currently existing authorisation granted by the Annual General Meeting of May 15, 2014 to acquire treasury shares is limited in time until May 14, 2019 ("existing authorisation"); treasury shares have since been acquired and resold.

The existing authorisation to acquire treasury shares is to be cancelled in view of the short remaining term and a new authorisation to acquire treasury shares approved, with features broadly corresponding to those of the authorisation that is currently in place.

The Board of Management and Supervisory Board therefore propose the following resolution:

- a) The Board of Management of the company is authorised until May 17, 2023 to acquire shares up to 10 % overall of the share capital existing at the time of the resolution, or at the time of this authorisation being exercised if the latter figure is lower. For this purpose the shares acquired on the basis of this authorisation, together with other shares that the company has already acquired and still holds or which are attributable to it pursuant to Sections 71d and 71e of the German Stock Corporation Act, may not at any time exceed 10 % of the respective share capital.

Such treasury shares shall, at the discretion of the Board of Management, be acquired (1) via the stock market or (2) by means of a public offer of purchase addressed to all shareholders.

- (1) If acquired by stock exchange dealings, the purchase price per share shall not exceed or undercut by more than 10 % the average Xetra closing price (or, insofar as the Xetra closing price serves as the basis for this authorisation, the closing price determined by a successor system taking the place of the Xetra system) on the Frankfurt Stock Exchange on the five trading days preceding the acquisition.
  - (2) If acquired on the basis of a public offer to buy, the acquisition price per share (excluding incidental acquisition costs) shall not exceed or undercut by more than 10 % the average Xetra closing price on the Frankfurt Stock Exchange on the eighth to fourth trading day (in each case inclusive) before disclosure of the respective offer to buy. Where the total number of shares tendered from a public offer to buy exceeds the volume of the offer of purchase, the number acquired may be in proportion to the number of shares tendered (tender ratio). The public offers to buy may envisage further conditions.
- b) The Board of Management is authorised to use the shares in the company acquired on the basis of this or a previous authorisation for all legally permissible purposes, and in particular for the following:
- (i) They may be retired without a further shareholders' resolution being required for their retirement or implementation of their retirement. Retirement shall result in a capital reduction.
  - (ii) The acquired treasury shares may be resold on the stock market. In this case the selling price per share shall not undercut the average Xetra closing price on the Frankfurt Stock Exchange on the five trading days prior to sale by more than 5 %.
  - (iii) The acquired treasury shares may also be disposed of by other means than via the stock market or by offer to all shareholders if they are sold at a price per share that does not undercut the average Xetra closing price on the Frankfurt Stock Exchange on the five trading days prior to sale by more than 5 %. The authorisation for such a sale of treasury shares shall be limited to a total of no more than 10 % of the share capital of the company. This total shall include shares issued from authorised capital in accordance with Article 5 (3) subsection a) of the articles of incorporation, excluding the subscription right pursuant to Section 186 (3) fourth sentence of the German Stock Corporation Act. Calculation of the 10 % limit shall also include shares that were or are to be issued to service convertible bonds, provided the convertible bonds were issued in corresponding application of Section 186 (3) fourth sentence of the German Stock Corporation Act, excluding the subscription right.
  - (iv) With the consent of the Supervisory Board, the acquired treasury shares may also be offered and transferred to third parties in exchange for contributions in kind, especially for the acquisition of companies or participating interests in companies or other assets. The price at which the acquired treasury shares are surrendered to a third party shall not significantly undercut the average Xetra closing price on the Frankfurt Stock Exchange on the last five trading days before the concluding of the agreement on the acquisition of the contribution in kind in question.

- (v) The acquired treasury shares may also be used in fulfilment of the company's obligations in respect of conversion options issued by it as a result of the issuing of convertible bonds. This applies independently of the date of exercising the conversion option, provided the convertible bond with which the conversion option was granted was issued during the term of this authorisation.

A subscription right of shareholders to treasury shares shall be excluded to the extent that the shares are used in accordance with the above authorisation as set forth in subsection b) items (iii), (iv) and (v).

- c) The authorisations under subsections a) and b) may be used on one or more occasions, individually or jointly, and wholly or partly.
- d) The existing authorisation to acquire treasury shares granted to the Board of Management by the Annual General Meeting of May 15, 2014 shall be cancelled as soon as the authorisation proposed in this Agenda Item 8 takes effect. Completed measures to acquire or sell treasury shares on the basis of the existing authorisation shall not be affected by the cancellation.

**Report by the Board of Management to the Annual General Meeting pursuant to Sections 71 (1) No. 8, and 186 (4) second sentence of the German Stock Corporation Act on Agenda Item 8:**

The proposal on Agenda Item 8 envisages that in good time before expiry of the authorisation granted by the Annual General Meeting of May 15, 2014 (the "existing authorisation"), the Board of Management of the company be authorised pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act up until May 17, 2023 to acquire treasury shares amounting to up to 10 % of the share capital at the time of the resolution, or at the time of exercising of the authorisation if the latter figure is lower. The existing authorisation is time-limited until May 14, 2019 and is to be replaced by the proposed new authorisation.

The scope created for exclusion of subscription rights with the proposed new authorisation by analogous application of Section 186 (3) fourth sentence of the German Stock Corporation Act furthers the interests of the company to sell treasury shares to institutional investors, for example. This arrangement makes it possible to attract new groups of shareholders. The proposed new authorisation is moreover intended to preserve the company's scope for acquiring treasury shares, for use among other things as counter-performance to third parties for the acquisition of companies or participating interests. This enables the company to use treasury shares as a flexible and cost-effective form of counter-performance for the acquisition of a company or a participating interest, in appropriate instances in the context of its ongoing acquisitions policy. The pecuniary and voting rights interests of the shareholders are each preserved in a suitable manner when treasury shares are used in this way. The proposed authorisation is restricted to 10 % of the company's share capital. The price at which the acquired treasury shares are transferred to a third party for the purpose of acquiring a company or a participating interest may moreover not significantly undercut the average Xetra closing price on the Frankfurt Stock Exchange on the last five trading days before the concluding of the agreement on the acquisition of the company or participating interest. Like the existing authorisation, the new authorisation proposed again envisages that the treasury shares may be used in fulfilment of conversion options granted under it in the context of the issuing of convertible bonds, excluding the subscription right of shareholders. This is intended to provide the company with the opportunity to use treasury shares in fulfilment of conversion options instead of issuing new shares from a capital increase. The company may thus make use of convertible bonds as a means of raising capital without creating the typical effect of a dilution of shareholder rights that occurs upon a capital increase, as would be the case if conversion options were to be fulfilled from conditional capital on the basis of convertible bonds.

**9. RESOLUTION ON THE AUTHORISATION TO ISSUE BONDS WITH CONVERSION AND/OR OPTION RIGHTS (INCLUDING WITH THE POSSIBILITY OF EXCLUSION OF SUBSCRIPTION RIGHTS) AS WELL AS TO CREATE NEW CONDITIONAL CAPITAL 2018 AS WELL AS TO CORRESPONDINGLY AMEND ARTICLE 5 OF THE ARTICLES OF INCORPORATION (LEVEL AND STRUCTURE OF THE SHARE CAPITAL)**

The authorisation resolved at the Annual General Meeting of May 15, 2014 to issue convertible bonds and/or bonds with warrants in the total nominal amount of up to € 10,000,000.00 was not fully utilised. However the authorisation is time-limited until May 14, 2019. In addition, the authorisation has until now related only to the use of company-held shares, not to conditional capital.

To provide the company with scope for using debt instruments flexibly in the future too, a new authorisation to issue bonds with conversion and/or option rights is to be created in association with the creation of new Conditional Capital.

The Board of Management and Supervisory Board therefore propose the following resolution:

a) Authorisation to issue bonds with conversion and/or option rights

The Board of Management is, with the consent of the Supervisory Board, authorised to issue bearer or registered convertible bonds and/or bonds with warrants (collectively "bonds") with conversion and/or option rights in the total nominal amount of up to € 100,000,000.00 with a term of a maximum of 20 years, on one or more occasions up until May 17, 2023. The bearers or creditors (hereinafter collectively "bearers") of the bonds may be granted conversion and/or option rights to a total of up to 3,450,000 no par value registered shares in the company representing an amount of € 3,450,000.00 of the share capital.

Issuance of the bonds may also take place in other legal currencies, insofar as legally permissible. The total nominal amount of the bonds may not exceed € 100,000,000.00 or the respective countervalue in another legal currency.

The bonds may also be issued by a direct or indirect fully-owned affiliated company of technotrans AG; in that instance the Board of Management is, with the consent of the Supervisory Board, authorised to take on the guarantee for the bonds on behalf of the issuing company and to grant the bearers of bonds conversion and/or option rights to new no par value registered shares in the company, in other words technotrans AG.

The shareholders shall have the statutory subscription right, subject to the following authorisations. To that end, the bonds are to be taken on by a bank or a consortium of banks with the obligation to offer them to the shareholders for subscription. If bonds are issued by a direct or indirect fully-owned affiliated company of technotrans AG, the company shall assure the statutory subscription right for the shareholders of the company in line with the above sentence.

However the Board of Management is, with the consent of the Supervisory Board, authorised to exclude the subscription right of the shareholders for fractional amounts and also to exclude the subscription right to the extent that is necessary to be able to grant the bearers of already-issued conversion and/or option rights a subscription right to the extent that they would enjoy as shareholders after exercising of the conversion or option rights.

The Board of Management is, with the consent of the Supervisory Board, furthermore authorised to exclude the subscription right of the shareholders to bonds of the company if, after due examination, the Board of Management comes to the conclusion that the issue price does not significantly undercut the theoretical market value of the bonds to be calculated using recognised and especially actuarial methods. The authorisation to exclude the subscription right shall however only apply to bonds with conversion and/or option rights to shares representing a proportional amount of the share capital that may not exceed 10% of the share capital overall, whether at the time of taking effect or at the time the bonds are issued. The proportional amount of the share capital that applies to new or bought-back shares which have been issued or sold during the term of this authorisation under the simplified exclusion of the subscription right of shareholders pursuant to or in accordance with Section 3 fourth sentence of the German Stock Corporation Act shall count towards the above 10% limit.

The Board of Management, with the consent of the Supervisory Board, may furthermore make use of the above authorisations to exclude the subscription right only to the extent that the proportional amount of the share capital that applies to shares in the company issued or sold during the term of this authorisation, excluding the subscription right, or relates to instruments or rights that are issued during the term of this authorisation, excluding the subscription

right, enabling subscription to shares in the company including from conditional capital, does not exceed a total of 20 % of the share capital that exists at the time these authorisations take effect, or at the time they are exercised, if the latter figure is lower.

In the event of issuance of bonds with convertible rights, the bearers of each individual bond (hereinafter also "debenture") shall receive the right to exchange their bonds as specified in the terms of the bond to be determined by the Board of Management for no par value registered shares in the company. The exchange ratio shall be determined by dividing the nominal amount, or the issuing amount that is below the nominal amount, of a debenture by the specified conversion price for one no par value registered share in the company. A conversion ratio rounded up or down to whole numbers as well as payment in cash of a supplement, as appropriate, may be specified. Furthermore, the combining of fractional amounts or compensation for these in cash may be envisaged. The terms of the bond may envisage a variable conversion ratio and determination of the conversion price within a specified range depending on the performance of the trading price of the company's shares during the term of the bond.

In the event of issuance of bonds with option rights, each debenture shall be accompanied by one or more warrants that entitle the bearer to subscribe to no par value registered shares in the company as specified in the option terms. The option terms may in addition envisage that the option price may also be paid by the transfer of debentures, plus payment of a cash supplement as appropriate. In this case the proportional amount of the share capital that represents the shares available for subscription per debenture may not exceed the nominal amount of the debenture. Where fractions of shares arise, provision may be made for these fractions to be added together for the subscription of whole shares under the terms of the bond, in return for payment of a supplement as applicable.

The respective conversion or option price to be specified for one no par value registered share in the company shall be expressed in euros. It must amount to at least 80 % of the volume-weighted average closing price of the shares of the company in the XETRA trading system (or in a successor system taking the place of the XETRA system) on the Frankfurt Stock Exchange on the last ten trading days before the date of the resolution by the Board of Management on the issuance of the bonds or – in the event that a subscription right is granted – at least 80 % of the volume-weighted average trading price of the shares of the company over the days on which the subscription rights to the bonds are traded on the Frankfurt Stock Exchange, except for the days of the subscription period that are required so that the option or conversion price can be announced within the prescribed period pursuant to Section 186 (2) second sentence of the German Stock Corporation Act. Section 9 (1) of the German Stock Corporation Act and Section 199 of the German Stock Corporation Act shall remain unaffected.

The proportional amount of the share capital of the no par value shares in the company to be issued upon conversion or exercise of the options may not exceed the nominal amount of the bonds.

The authorisation also includes in certain cases scope for granting dilution protection or making adjustments, unless amendments are already regulated by law, as specified in the terms of the respective bonds. Dilution protection and amendments may in particular be envisaged if capital changes occur at the company during the term of the bonds (such as a capital increase or reduction or a share split), but also in connection with dividend payments, the issuance of further bonds as well as in the event of exceptional events that occur during the term of the bonds or warrants (e.g. control gained by a third party). Dilution protection and amendments may in particular be envisaged by granting subscription rights, by changing the conversion or option price as well as by changing or granting cash components. Section 9 (1) of the German Stock Corporation Act and Section 199 of the German Stock Corporation Act shall remain unaffected.

The terms of the bond may also envisage that bonds with conversion and/or option rights may, at the choice of the company, be converted into new shares from authorised capital or into existing shares in the company or in another listed company instead of into new shares from conditional capital, or that the option right can be fulfilled by the delivery of such shares. The terms of the bond may also envisage the right of the company to pay a cash amount instead of grant new shares, in the event of conversion or exercise of the options.

The Board of Management is, with the consent of the Supervisory Board, authorised to determine the further details of the issuance and features of the bonds, in particular the interest rate, the issue price, the term and denomination, dilution protection measures, conversion or option period, as well as the conversion and option price as prescribed above, or to specify them in agreement with the corporate bodies of the direct or indirect fully-owned affiliated company of technotrans AG that is issuing the bonds.

- b) Creation of new Conditional Capital 2018 as well as corresponding amendments to Article 5 of the articles of incorporation (Level and structure of the share capital)

The share capital of the company shall be conditionally increased by up to € 3,450,000.00 by the issuance of up to 3,450,000 new no par value registered shares each representing a proportional amount of share capital of € 1.00 (Conditional Capital 2018). The conditional capital increase shall serve to grant registered shares upon the exercising of conversion and/or option rights to the bearers or creditors of convertible bonds and/or bonds with warrants that are issued by the company up until May 17, 2023 on the basis of the authorisation resolution of the Annual General Meeting of May 18, 2018. Issuance of the new shares shall be at the respective conversion or option price to be determined in line with authorisation resolution described above.

The new shares shall bear profit entitlements from the start of the financial year of their issuance. Insofar as legally permissible, the Board of Management may, with the consent of the Supervisory Board, also specify profit participation of new shares for a past financial year in a departure from the above and from Section 60 (2) of the German Stock Corporation Act. The Board of Management is, with the consent of the Supervisory Board, authorised to specify the remaining details of the implementation of the capital increase.

On the basis of the above resolutions, the previous Article 5 (5) of the articles of incorporation that relates to the authorisation of the Supervisory Board to amend Article 5 of the articles of incorporation, shall become Article 5 (6) and a new paragraph worded as follows shall be inserted in the now-vacant paragraph 5 of Article 5 of the articles of incorporation:

“(5) The share capital shall be conditionally increased by up to a further € 3,450,000.00, divided into up to 3,450,000 no par value registered shares, each of these shares representing a proportional amount of share capital of € 1.00 (Conditional Capital 2018). The conditional capital increase shall only be implemented to the extent that the bearers or creditors of conversion or option rights from issued convertible bonds and/or bonds with warrants issued or guaranteed by the company or by a direct or indirect fully-owned affiliated company up until May 17, 2023 on the basis of the authorisation resolution of the Annual General Meeting of May 18, 2018 make use of their option or conversion rights. The conditional capital increase shall not be implemented to the extent that a cash settlement is granted or treasury shares, shares from authorised capital or shares from a different listed company are used to service the rights. Issuance of the new shares shall be at the respective conversion or option price to be determined in line with authorisation resolution described above. The new shares shall in each case participate in profits from the start of the financial year in which they arise; insofar as legally permissible, the Board of Management may, with the consent of the Supervisory Board, also specify profit participation of new shares for a past financial year in a departure from the above and from Section 60 (2) of the German Stock Corporation Act. The Board of Management is authorised to finalise the remaining details of the implementation of the capital increase with the agreement of the Supervisory Board.”

**Report by the Board of Management to the Annual General Meeting pursuant to Sections 221 (4) second sentence and 186 (4) second sentence of German Stock Corporation Act on Agenda Item 9:**

On the basis of a resolution of the Annual General Meeting of May 15, 2014 there exists an authorisation of the Board of Management, time-limited until May 14, 2019, to issue convertible bonds and/or bonds with warrants that were tied exclusively to the issuance of company-held treasury shares. The Board of Management has not made any use of the authorisation. In order to give the company flexible leeway for the issuance of bonds in the future, a new authorisation for the issuance of bonds and additionally new conditional capital (Conditional Capital 2018) are now to be created. As well as the short remaining term of the previous authorisation, supplementing with the creation of the Conditional Capital speaks in favour of such a resolution now that the last company-held shares were handed out in the course of the transactions in 2016.

The proposed authorisation envisages authorising the Board of Management, with the consent of the Supervisory Board, to issue bonds in the total nominal amount of up to € 100,000,000.00 on one or more occasions, as well as to create conditional capital of up to € 3,450,000.00 to service the option and/or conversion rights. The envisaged Conditional Capital 2018 has the purpose of servicing the conversion and/or option rights associated with the bonds



Having an appropriate equity base is fundamental to the further development of the company. Through the issuance of bonds, the company can make use of attractive financing options on the capital market in addition to the classic methods of raising borrowed and equity capital. By issuing bonds it can for example raise low-interest borrowed capital that can be classified as equity or similar to equity for both rating and accounting purposes.

#### **Subscription right of shareholders**

When bonds with conversion and/or option rights are issued, the shareholders are fundamentally granted a subscription right. To simplify the process, the company is to be given scope to issue the bonds to a bank or a consortium of banks with the obligation to offer the bonds to the shareholders in accordance with their subscription right (indirect subscription right within the meaning of Section 186 (5) of the German Stock Corporation Act). In certain cases as outlined below, however, it shall be possible to exclude the subscription right of the shareholders in accordance with the proposed authorisation.

#### **Exclusion of subscription right for fractional amounts and in favour of the bearers and creditors of conversion rights and/or option rights already issued**

First, scope is to be created to exclude fractional amounts from the subscription right. Such fractional amounts may arise from the amount of the respective issue volume and the definition of a practicable subscription ratio. In such cases an exclusion of the subscription right simplifies processing of the subscription right of shareholders and is therefore in the interests of the company and its shareholders.

In addition the Board of Management is, with the consent of the Supervisory Board, to be given the possibility of excluding the subscription right of the shareholders to be able to grant the bearers of conversion and/or option rights a subscription right to the extent that they would enjoy as shareholders after exercising of their conversion and/or option rights. In the event that full use is made of the authorisation, this can prevent the need to reduce the conversion or option price for the bearers or creditors of existing conversion or option rights under the rules that are normally envisaged in the terms of bonds. Overall, this enables a higher cash inflow.

Both cases of excluding the subscription right are therefore in the interests of the company and its shareholders.

#### **Exclusion of subscription right pursuant to Sections 221 (4) second sentence and 186 (3) fourth sentence of German Stock Corporation Act**

The Board of Management is in addition to be authorised, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders upon the issuance of bonds with conversion and/or option rights in corresponding application of Section 186 (3) fourth sentence of the German Stock Corporation Act to the extent that the issuance of shares based on conversion and/or option rights granted is limited to 10% of the share capital of the company and that the issuance of the bond takes place at a price that is not significantly below the market price of those bonds. This scope to exclude the subscription right based on Section 186 (3) fourth sentence of the German Stock Corporation Act in conjunction with Section 221 (4) second sentence of the German Stock Corporation Act puts the company in a position to use favourable stock market situations at short notice by specifying the individual conditions for the respective bond in line with prevailing market terms. There is only limited scope to do this through maintaining subscription rights. Although Section 186 (2) of the German Stock Corporation Act permits publication of the subscription price up to the third-to-last day of the subscription period, even then the volatility that can frequently be observed in stock markets presents a market risk over several days that results in safety discounts when determining the conditions of the bond, which are therefore in line with prevailing market terms. Finally, when granting a subscription right the company is unable to respond in the short term to favourable or unfavourable market conditions because of the length of the subscription period, and it could be exposed to falling trading prices during the subscription period, which may in turn disadvantage the company in its efforts to raise equity. The authorisation to exclude the subscription right thus permits the definition of conditions that are in line with prevailing market terms, the highest possible degree of certainty regarding placement with third parties and scope to use favourable market situations at short notice.



The limit of 10 % of share capital laid down in Section 186 (3) fourth sentence of the German Stock Corporation Act must be strictly adhered to. The proportional amount of the share capital that applies to new or bought-back shares which have been issued or sold during the term of this authorisation under the simplified exclusion of the subscription right of shareholders pursuant to or in accordance with Section 3 fourth sentence of the German Stock Corporation Act shall count towards this limit.

Section 186 (3) fourth sentence of the German Stock Corporation Act furthermore specifies that the issuing amount may not significantly undercut the market price. The aim is to ensure in this way that no significant economic dilution of the existing shares occurs. It can be established by calculating the hypothetical market value of the bonds using recognised and especially actuarial methods and a comparison with the issue price whether such a dilutive effect will occur from the issuance of bonds with conversion and/or option rights excluding the subscription right. If after due examination this issue price is only insignificantly below the hypothetical market price at the time of issuance of the bonds, for the purpose of Section 186 (3) fourth sentence of the German Stock Corporation Act an exclusion of subscription right shall be permissible in view of the merely insignificant variation. The lower the variation, the closer the arithmetical market value of a subscription right falls towards virtually zero, with the result that the shareholders' assets are not significantly eroded by the exclusion of subscription right. The resolution therefore envisages that before issuing the bond the Board of Management must conclude, after due examination, that the issue price envisaged will not lead to any significant dilution of the value of the shares. To the extent that the Board of Management believes it appropriate to obtain expert advice in the prevailing circumstances, it shall obtain support from the consortium banks supervising the issue, independent investment banks or auditing firms.

With regard to the restriction of the scope of the authorisation to up to 10 %, the shareholders in addition have scope to maintain their level of participation in the share capital of the company at all times, including after the exercising of conversion or option rights, by purchasing additional shares on the stock market. Therefore no relevant loss in the level of participation occurs from the perspective of the shareholders.

#### 20 % limit

Overall, this authorisation of the Board of Management is equally limited to use of the exclusion of the subscription right only to the extent that the proportional amount of the share capital that applies to shares in the company issued or sold during the term of the authorisation, excluding the subscription right, or relates to instruments or rights that are issued during the term of the authorisation, excluding the subscription right, enabling subscription to shares in the company including from conditional capital, does not exceed a total of 20 % of the share capital that exists at the time these authorisations take effect, or at the time they are exercised, if the latter figure is lower. This is in the interests of shareholders, because it thus excludes further dilution of their respective level of participation.

#### Issuing amount

The issuing amount for the new shares must in each case correspond to at least 80 % of the market price determined at or around the time of issuance of the bonds with conversion and/or option rights. The scope for a surcharge creates the basis for bringing the terms of the convertible bonds or bonds with warrants in line with the prevailing capital market conditions at the time of their issuance.

#### **10. ADJUSTMENT TO THE REMUNERATION OF THE SUPERVISORY BOARD AND CORRESPONDING AMENDMENT TO ARTICLE 16 OF THE ARTICLES OF INCORPORATION (REMUNERATION OF THE SUPERVISORY BOARD MEMBERS)**

The remuneration of the members of the Supervisory Board of technotrans AG was last adjusted more than ten years ago. Appropriate and proper remuneration is an important factor in being able to compete for highly qualified individuals to serve on the Supervisory Board. Against a backdrop of steadily rising requirements concerning the monitoring duties of the Supervisory Board and in light of the successful development of the technotrans Group, the Supervisory Board remuneration is to be adjusted moderately to maintain its competitiveness.

In light of this, the annual remuneration of the Supervisory Board laid down in Article 16 (1) is to be increased by € 2,500.00, from € 7,500.00 to € 10,000.00. The provision in Article 16 (1) and in the further paragraphs of Article 16 shall otherwise remain unchanged because the overall structure and composition of the remuneration elements as such have proven effective in the past.

The Board of Management and Supervisory Board propose that the following resolution be passed:

Article 16 (1) of the articles of incorporation is to be amended as follows:

##### **"Article 16 Remuneration of Supervisory Board members**

- (1) The members of the Supervisory Board shall receive, over and above reimbursement of their expenses, a fixed remuneration of € 10,000.00 for each full financial year for which they have belonged to the Supervisory Board, payable at the close of the Annual General Meeting that gives discharge for the preceding financial year, unless the Annual General Meeting resolves otherwise."

Article 16 of the articles of incorporation otherwise remains unchanged.

With effect from the amendment to Article 16 (1) of the articles of incorporation, the new provision on Supervisory Board remuneration shall apply for the first time to the financial year which commenced on January 1, 2018.

#### **11. MODIFYING CONVERSION INTO A EUROPEAN COMPANY (SOCIETAS EUROPAEA – SE)**

The Board of Management and Supervisory Board propose to pass the following resolution, though pursuant to Section 124 (3) first sentence of the German Stock Corporation Act only the Supervisory Board shall make the proposal on the appointment of the auditors for the first financial year of the future technotrans SE (Section 11 of the terms of conversion) as well as the proposal on the appointment of the members of the first Supervisory Board in the articles of incorporation (Section 9 of the terms of conversion):

The terms of conversion dated March 28, 2018 (deed of the notary public Günter Weiser practising in Münster, roll of deeds No. 163/2018 on the conversion of technotrans AG into a European (public limited-liability) Company (Societas Europaea, SE) are passed; the articles of incorporation of technotrans SE attached to the terms of conversion are approved, though the provisions of Section 4 of the terms of conversion shall apply regarding Article 6 of the articles of incorporation of technotrans SE.

The terms of conversion and articles of incorporation of technotrans SE have the following wording:

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## DRAFT TERMS OF CONVERSION

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in accordance with article 37, paragraph 4 of the Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European Company (SE) with regard to the change in legal form of **technotrans AG**, based in Sassenberg, Germany, to the legal form of a European company (Societas Europaea, SE)

### Preamble

- (A) technotrans AG is a stock corporation (Aktiengesellschaft) incorporated in accordance with the laws of the Federal Republic of Germany named technotrans AG, having its registered office and head office in Sassenberg, and it is registered in the commercial register of the Local Court Münster under no. HRB 9086. The German business address is: Robert-Linnemann-Str. 17, 48336 Sassenberg, Germany.
- (B) technotrans AG, in its capacity of sole or majority shareholder, participates directly or indirectly in many companies in Germany and abroad (hereinafter, technotrans and these subsidiaries are jointly referred to as the "**technotrans Group**"). For more than two years now, the following companies have been subsidiaries, as well:
- (1) technotrans Italy srl., based in Legnano, Italy,
  - (2) technotrans graphics Ltd., based in Colchester, United Kingdom, and
  - (3) technotrans france s.a.r.l., based in Saint-Maximin, France, with the branch technotrans France s.a.r.l. – Surcusal en Espana, based in Madrid, Spain.

Furthermore, technotrans AG also has subsidiaries in Germany and abroad, outside the European Union (hereinafter referred to as "EU") and the European Economic Area (hereinafter referred to as "EEC"). The technotrans Group focusses successfully on applications within its core competency, liquid technology, including but not limited to cooling, temperature control, filtration as well as measuring and mixing technology.

- (C) The share capital of technotrans AG amounts to EUR 6,907,665.00 and is divided into 6,907,665 no-par registered shares. The prorated share capital amount allocated to an individual no-par value share is EUR 1.00. The technotrans shares are listed on the Frankfurt Stock Exchange (Prime Standard).
- (D) The management board and supervisory board of technotrans AG intend to submit the proposal to the Annual General Meeting (AGM) of technotrans AG on 18 May 2018, which is also to decide on the approval of these draft terms of conversion, to cancel the Authorised Capital in accordance with section 5, paragraph 3 of the current statutes of technotrans AG of 15 May 2014 and to replace it with a new Authorised Capital; this new authorisation is to encompass an amount of EUR 3,450,000.00. Otherwise, it is to be governed by the same provisions as the existing Authorised Capital in accordance with section 5, paragraph 3 of the statutes of technotrans AG. These draft terms of conversion are based on the assumption that the AGM of technotrans AG will follow the proposal submitted by the management board and supervisory board and pass a resolution on the cancellation of the existing Authorised Capital and on the grant of a new authorisation; should this not be the case, these draft terms of conversion shall apply with the proviso that section 6, paragraph 3 of the statutes of the future SE will correspond to section 5, paragraph 3 of the currently valid statutes of technotrans AG. Furthermore, a proposal is to be submitted to the AGM for a resolution on the authorisation to issue debentures with conversion and/or option rights (including the possibility to exclude subscription rights) and to create a new Conditional Capital 2018, including corresponding changes to section 5 of the statutes (Amount and division of the share capital). Based thereon, a new section 5, paragraph 5 of the statutes of technotrans AG is to provide for the Conditional Capital 2018 amounting to up to EUR 3,450,000.00, divided into 3,450,000 no-par registered shares. These draft terms of conversion are based on the assumption that the AGM will decide in accordance with the proposal. Should this not be the case, a provision on the Conditional Capital 2018 would not be included in section 6, paragraph 4 of the statutes of the SE. Lastly, a proposal is to be submitted to the AGM of 18 May 2018 to adjust the remuneration of the supervisory board by increasing the fixed remuneration provided for in section 16, paragraph 1 of the statutes of technotrans AG. These draft terms of conversion are based on the assumption that the proposed resolution will be passed by the AGM. Should this not be the case, section 17, paragraph 1 of the statutes of technotrans SE would correspond to the current version of section 16, paragraph 1 of the statutes of technotrans AG.

- (E) technotrans AG is to be converted to a SE with the name technotrans SE in accordance with article 2, paragraph 4 in conjunction with article 37 of the SE Regulation. The company is to retain its registered office and head office in Sassenberg.
- (F) The legal form of European company (hereinafter referred to as “SE”) is a modern legal form within the EU and the EEC on the basis of the Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European Company (SE) (hereinafter referred to as the “SE Regulation”). Legislation granted the opportunity to establish a SE in 2004. With the SE, the European legislators, together with the member states, created a legal form that has a very standardised structure and functionality in all EU member states; in this capacity, it contributes materially to the development of an international corporate culture.
- (G) technotrans Group is in a continuing phase of dynamic development, based both on organic growth and strategic acquisitions in the recent past. The change of legal form from a German stock corporation to a SE outwardly expresses technotrans AG's self-concept as a dynamic and Europe-oriented company and also offers the opportunity to design organisational framework conditions in a manner to support the development of the company. Furthermore the legal form of SE affords the opportunity to continue to optimise the corporate governance structure of the technotrans Group as well as the customised involvement of employees within technotrans Group.
- (H) The management board and the supervisory board are of the opinion that the change in legal form is a logical step in the corporate development of technotrans AG and the technotrans Group following the planned continued growth of the group and the European orientation and expansion of business operations.
- (I) For the employees, who play an essential role in the successful development of the entire technotrans Group, the change in legal form to a SE constitutes a positive development and sends an important signal. In this context, technotrans AG lays the foundation for the stabilisation and development of the existing business success of the group and emphasises the forward looking focus of technotrans Group.
- (J) As is the case with a German stock corporation, the SE is a company limited by shares with a separate legal personality (article 1, paragraph 3 of the SE Regulation). The capital divided into shares must amount to at least EUR 120,000.00 (article 4, paragraph 2 of the SE Regulation). Therefore, the SE is the only supranational legal form established in accordance with European Community law that permits the continuation of the stock exchange listing with the existing placement of technotrans AG's shares. Due to the unique supranationality of this legal form, the change in legal form to a SE may also further improve the international acceptance on capital markets.
- (K) The European legislators provided a binding framework for the SE with the SE Regulation and Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees (hereinafter referred to as „SE Directive”). While the SE Regulation is directly applicable, the SE Directive must be implemented through laws in the individual member states. In Germany, the European legal framework is implemented with the Act on the Introduction of the European Company (hereinafter referred to as “SE Introductory Act”), amended by the Act on the Implementation of the Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European Company (hereinafter referred to as the “SE Implementation Act”) and the Act on the Participation of Employees in a European Company (hereinafter referred to as the “SE Participation Act”). In addition, the general and special provisions contained in the Stock Corporation Act shall apply, unless the legal provisions above stipulate otherwise (cf. article 9, paragraph 1, lit. c of the SE Regulation).
- (L) The following draft terms of conversion are hereby adopted in accordance with article 37, paragraph 4 of the SE Regulation. As the Regulation fails to provide for minimum contents of the draft terms of conversion, the list contained in article 20, paragraph 1 of the SE Regulation describing the contents of draft terms of merger is to serve as a general principle. In addition, the provisions contained in section 194, paragraph 1 of the German Transformation Act for national changes in legal form in accordance with the Transformation Act shall be taken into account.

Now therefore, the management board of technotrans AG adopts the following draft terms of conversion:

### Selection 1 Change in legal form to a SE

1. technotrans AG will be converted to a SE in accordance with article 2, paragraph 4 of the SE Regulation in conjunction with article 37 of the SE Regulation.
2. technotrans AG is a stock corporation incorporated in accordance with German law based in Sassenberg, Germany. The company has had subsidiaries governed by the law of another EU member state for more than two years. technotrans AG has been the direct sole shareholder of the following companies:
  - (a) since 1990: technotrans graphics Ltd., Axis One, Brunel Way, Severalls Business Park, Colchester, Essex CO4 9QX, Great Britain,
  - (b) since 1993: technotrans france s.a.r.l., ZAET „Les Haies“, Rue Albert Einstein, 60740 Saint-Maximin cedex, France, and
  - (c) since 1999: technotrans Italy srl., Via Spallanzani 18, 20025 Legnano (Mi), Italy
3. In accordance with article 37, paragraph 2 of the SE Regulation, the conversion of technotrans AG into a SE shall not result in the winding up of the company or the creation of a new legal person. The interest of the shareholders continues in effect based on the identity of the legal entity.
4. All resolutions passed by the AGM of technotrans AG that are not completed at the time of conversion shall continue in effect after the change in legal form to a SE takes effect.

### Section 2 name and registered office of the company

1. After the change in legal form, the name of the emerging SE shall be “technotrans SE”.
2. The company will retain its registered office in Sassenberg, Germany.

### Section 3 share capital, shares, cash settlement

1. The entire share capital of technotrans AG shall become the share capital of technotrans SE in the amount existing at the time the conversion is entered in the commercial register (current amount: EUR 6,907,665.00) and in the division into no-par registered shares existing at that time (current number of shares: 6,907,665).
2. The persons and companies that are shareholders of technotrans AG at the time the conversion is entered in the commercial register shall become shareholders of technotrans SE upon such entry – subject to future acquisitions and disposals – in the same amount and with the same number of no-par value shares in the share capital of technotrans SE as they held in the share capital of technotrans AG immediately before the conversion became effective. The prorated amount of share capital allocable to an individual no-par value share of currently EUR 1.00 shall correspond to the amount after the entry of the change in legal form as it was directly before the conversion took effect.
3. The shareholders of technotrans AG who object to the conversion shall not receive an offer for a cash settlement, as this is not legally provided for (cf. section 8 of the draft terms of conversion).

#### Section 4 Statutes of the company / capital

1. technotrans SE shall adopt the statutes attached as Annex 4.1, which form an integral part of these draft terms of conversion. It provides for both type and scope of membership rights which the shareholders of the company acquire due to the change in legal form. However, the peculiarities described in the paragraphs below shall apply with regard to sections 6 and 17 of the statutes of technotrans SE.
2. At the time the conversion of technotrans AG to a SE takes effect,
  - (a) the share capital amount of technotrans SE (section 6, paragraph 1 of the statutes of technotrans SE) corresponds to the share capital amount of technotrans AG at the time the conversion takes effect (section 5, paragraph 1 of the statutes of technotrans AG);
  - (b) the division of the share capital of technotrans SE into no-par registered shares (section 6, paragraph 1 of the statutes of technotrans SE) corresponds to the division of the share capital of technotrans AG at the time the conversion takes effect (section 5, paragraph 1 of the statutes of technotrans AG);
  - (c) the amount of the Authorised Capital in accordance with section 6, paragraph 3 of the statutes of technotrans SE corresponds to the amount of the Authorised Capital technotrans AG holds at the time the conversion takes effect (section 5, paragraph 3 of the statutes of technotrans AG as amended after the resolutions of the AGM of 18 May 2018 are passed);
  - (d) the amount of the Conditional Capital 2018 in accordance with section 6, paragraph 4 of the statutes of technotrans SE corresponds to the amount of the Conditional Capital 2018 technotrans AG holds at the time the conversion takes effect (section 5, paragraph 5 of the statutes of technotrans AG as amended after the resolutions of the AGM of 18 May 2018 are passed); and
  - (e) the amount of the fixed remuneration in the provision on the remuneration of the supervisory board members in accordance with section 17, paragraph 1 of the statutes of technotrans SE corresponds to the amount of the resolved amount of the fixed remuneration of technotrans AG at the time the conversion takes effect (section 16, paragraph 1 of the statutes of technotrans AG as amended after the resolutions of the AGM of 18 May 2018 are passed).

The supervisory board of technotrans SE is authorised and at the same time instructed to make the changes resulting from this paragraph 2 with regard to the amounts stated and the division of the capital, and changes which the register court makes a condition for the entry of the conversion, each to the extent they only refer to the version of the statutes of technotrans SE as attached before the entry of the conversion in the commercial register.

3. The AGM of 18 May 2018, which is to pass a resolution on the approval of the conversion of technotrans AG into a SE (topic of the agenda no. 11), shall receive a proposal (topic of the agenda no. 8) to grant to the management board a new authorisation to purchase and use treasury stock in accordance with section 71, paragraph 1, no. 8 of the Stock Corporation Act, cancelling the authorisation to purchase treasury stock as granted by the resolution of the AGM of 15 May 2014 (topic of the agenda no. 7), with the potential exclusion of subscription rights and an option to sell. Should the AGM of 18 May 2018 grant this authorisation to the management board, it shall continue in effect for the management board of technotrans SE after the conversion of technotrans AG into a SE. Should the AGM on 18 May 2018 fail to grant this proposed authorisation to the management board, the existing authorisation as granted by the AGM on 15 May 2014 for the purchase of treasury stock shall be in effect until 14 May 2019 and therefore it shall continue in effect for the management board of technotrans SE, as well, provided the conversion of technotrans AG into a SE is completed by this date.

4. The AGM of 18 May 2018, which is to pass a resolution on the approval of the conversion of technotrans AG into a SE (topic of the agenda no. 11), shall receive a proposal (topic of the agenda no. 7) to cancel the Authorised Capital in accordance with section 5, paragraph 3 of the current statutes of technotrans AG of 15 May 2014 and replace it with a new Authorised Capital; this new authorisation is to be in force until 17 May 2023 and encompass an amount of EUR 3,450,000.00. Otherwise, it is to be governed by the same provisions as the existing Authorised Capital in accordance with section 5, paragraph 3 of the statutes of technotrans AG. These draft terms of conversion are based on the assumption that the AGM of technotrans AG will follow the proposal submitted by the management board and supervisory board and pass a resolution on the cancellation of the existing Authorised Capital and the grant of a new authorisation; should this not be the case, these draft terms of conversion shall apply with the proviso that section 6, paragraph 3 of the articles of association of the future SE will correspond to section 5, paragraph 3 of the currently valid articles of association of technotrans AG.
  
5. The AGM of 18 May 2018, which is to pass a resolution on the approval of the conversion of technotrans AG into a SE (topic of the agenda no. 11), shall receive a proposal (topic of the agenda no. 9) to pass a resolution on the authorisation to issue debentures with conversion and/or option rights (including the possibility to exclude subscription rights) and to create a new Conditional Capital 2018, including corresponding changes to section 5 of the statutes of technotrans AG. Correspondingly, the existing authorisation of 15 May 2014 to issue debentures with conversion and/or option rights shall be cancelled. The new authorisation shall be valid until 17 May 2023 and permit the management board to issue debentures with a term of no more than five years and a total par value of up to EUR 100 million, granting the holders conversion rights to a total of up to 3,450,000 no-par registered treasury shares in the company in accordance with the provisions of the relevant debenture. Furthermore, in accordance with this resolution, the share capital shall be increased conditionally by up to EUR 3,450,000.00 by issuing up to 3,450,000 new no-par registered shares with a prorated amount in the share capital of EUR 1.00 each. The conditional capital increase is to grant no-par registered shares to the holders or creditors of debentures with conversion and/or option rights – in case the conversion and/or option rights are exercised – that are issued in accordance with the authorisation granted by the resolution passed on 18 May 2018. These draft terms of conversion are based on the assumption that the AGM of technotrans AG of 18 May 2018 will follow the proposal submitted by the management board and supervisory board and pass a resolution on the cancellation of the existing conditional capital and on the grant of a new authorisation; should the AGM on 18 May 2018 fail to grant this proposed authorisation to the management board, the existing authorisation as granted by the AGM on 15 May 2014 for the issue of convertible debentures shall be in effect until 14 May 2019 and therefore it shall continue in effect for the management board of technotrans SE, as well, provided the conversion of technotrans AG into a SE is completed by this date. In that case, the provision on Conditional Capital 2018 contained in section 6 of the statutes of technotrans SE would cease to apply.
  
6. The AGM of 18 May 2018, which is to pass a resolution on the approval of the conversion of technotrans AG into a SE (topic of the agenda no. 11), shall receive a proposal (topic of the agenda no. 10) to pass a resolution on the adjustment of the remuneration of the supervisory board governed by section 16 of the statutes of technotrans AG, increasing the annual fixed remuneration stipulated in section 16, paragraph 1 of the statutes of technotrans AG by EUR 2,500.00, from EUR 7,500.00 (current remuneration) to EUR 10,000.00 and to maintain the rest of the provision on the supervisory board remuneration as is. These draft terms of conversion are based on the assumption that the AGM of technotrans AG of 18 May 2018 will follow the proposal submitted by the management board and supervisory board and pass a resolution on the change in the supervisory board remuneration; should the AGM of 18 May 2018 fail to grant the proposed authorisation to the management board, these draft terms of conversion shall apply under the proviso that section 17, paragraph 1 of the statutes of the future SE shall correspond to section 16, paragraph 1 of the currently valid version of the statutes of technotrans AG.

### Section 5 exchange ratio

The participating interest of the shareholders in the share capital shall not change as a consequence of the conversion. Therefore, after the change in legal form becomes effective, each shareholder shall hold the same number of shares in the unchanged share capital of technotrans SE, and the prorated share capital amount allocated to an individual no-par value share shall remain unchanged. Therefore, information on the exchange ratio as defined in article 20, paragraph 1, lit. b) of the SE Regulation need not be provided.

## Section 6 time of conversion

1. The conversion shall become effective once it is entered in the commercial register of the Local Court Münster as the register competent for technotrans SE.
2. Other than is the case for a merger, the identity of the legal entity is maintained when a SE is established by way of a change in legal form. Therefore, an effective date as of which the actions of the changing company (AG) are deemed executed for the account of the changed company (SE) is not necessary.

## Section 7 special rights and special advantages

1. Shareholders of technotrans AG and holders of other securities as defined in article 20, paragraph 1, lit. f) of the SE Regulation shall not have special subscription rights or other special rights. The shareholders and holders of other securities shall not receive such special rights in the course of the conversion, either.
2. Neither the members of the administrative, management, supervisory or controlling organs of technotrans AG and technotrans SE nor the annual auditors, conversion auditors or other experts of the company were or are granted special advantages as defined in article 20, paragraph 1, lit. g) of the SE Regulation on account of the conversion.
3. It is expected that the members of the supervisory board of technotrans AG in office at the time the conversion of technotrans AG to technotrans SE shall be appointed members of the supervisory board of technotrans SE (see section 9). The members of the supervisory board of technotrans SE shall receive the remuneration stipulated in the statutes of technotrans SE (see section 4, paragraph 6).
4. Without prejudice to the decision-making competence of the supervisory board of technotrans SE, it is also expected that the members of the management board of technotrans AG in office shall be appointed members of the management board of technotrans SE (see section 10). Without prejudice to a renewed appointment as members of the management board of technotrans SE, the existing employment contracts shall not be affected by the planned change in legal form.

## Section 8 settlement offer

1. An offer of a cash settlement to shareholders who object to the change in legal form shall not be required. Neither European law nor German implementation provisions contain any provisions regarding such an offer in case of a change in legal form into a SE.
2. A corresponding application of the national provisions contained in section 207 et seqq. of the Transformation Act providing for a cash settlement offer is not required, either. This is appropriate, as the corporate structure of the SE basically corresponds to that of a German stock corporation and the legal status of the shareholders and creditors does not change significantly. Therefore, the legal situation corresponds to that of a conversion of a German stock corporation into a partnership limited by shares. In case of such a conversion, as well, a cash settlement is not mandatory in accordance with section 250 of the Transformation Act because the legal status of the shareholders does not change.

## Section 9 supervisory board

1. technotrans AG is subject to the codetermination provisions contained in the One-Third Participation Act. In accordance with section 11, paragraph 1 of the statutes of technotrans AG, the company currently has a supervisory board with six members, the seats are filled by two employee representatives and four shareholder representatives in accordance with the One-Third Participation Act..
2. In accordance with section 12 of the statutes of technotrans SE, technotrans SE shall have a supervisory board that corresponds to the size of the supervisory board of technotrans AG and therefore also has six members. Furthermore, the provision that two of the members of the supervisory board shall be employee representatives shall remain in effect (see section 12). This is confirmed by the agreement on the participation of the employees in technotrans AG concluded on 23 March 2018. However, as the One-Third Participation Act does not apply directly to technotrans SE anymore, the future employee representative shall be determined in accordance with the procedure stipulated in the agreement (cf. sections 12 and 13). In accordance therewith, the employee representatives will be appointed upon



proposal of the employees by the AGM, whereas the candidates proposed by the employees shall be binding for the AGM.

3. The supervisory board members of technotrans AG in office at the time of the conversion shall resign from office once the conversion becomes effective, i.e. once the conversion is entered in the commercial register. The shareholder representatives of the first supervisory board of technotrans SE shall be appointed in accordance with section 12, paragraph 3 of the statutes of technotrans SE. Section 12, paragraph 3 of the statutes of technotrans SE contains the intention of appointing the shareholder representatives in the supervisory board in office for the time until the end of the AGM that passes the resolution on the formal approval of the actions of the members of the supervisory board for the 2018 business year members of the supervisory board of technotrans SE. The employee representatives in the first supervisory board of technotrans SE shall be appointed taking into account the results of the employee participation procedures and also named in section 12, paragraph 3 of the statutes of technotrans SE (cf. section 12).

In accordance with section 12, paragraph 3 of the statutes of technotrans SE, the following persons shall be appointed members of the first supervisory board of technotrans SE:

- › Dipl.-Ing. Heinz Harling,  
currently the chairman of the supervisory board of technotrans AG, lecturer at the Hamm-Lippstadt University, member of the supervisory board of elaxis AG,
- › Dr. Norbert Bröcker,  
currently vice chairman of the supervisory board of technotrans AG, partner in the law firm Hoffmann Liebs Fritsch & Partner Rechtsanwälte mbB, Düsseldorf,
- › Dr. Wolfgang Höper,  
entrepreneur, member of the advisory board of SchäferRolls GmbH & Co. KG,  
member of the advisory board of Dr. Hahn GmbH & Co. KG,
- › Dipl.-Kfm. Dieter Schäfer,  
industrial adviser for machine tool building companies,
- › Reinhard Aufderheide (employee representative),  
technical employee in the repair department,
- › Dipl.-Ing (FH) Thomas Poppenberg (employee representative),  
engineer.

The appointment of Mr Harling, Dr Bröcker, Dr Höper, Mr Schäfer, Mr Aufderheide and Mr Poppenberg shall therefore be effected by the time the AGM of the company that passes the resolution on the formal approval of the actions of the members of the supervisory board for the 2018 business year ends.

## Section 10 management board

Without prejudice to the legal decision-making competence of the supervisory board of technotrans SE, it is also expected that the following members of the management board of technotrans AG shall be appointed members of the management board of technotrans SE.

- › Dirk Engel
- › Hendirk Niestert
- › Dr. Andreas Joseph Schmid
- › Henry Brickenkamp

## Section 11 auditor

KPMG AG Wirtschaftsprüfungsgesellschaft (Auditing Company) Bielefeld shall be appointed auditor for the first business year of technotrans SE. The first business year of technotrans SE shall be the calendar year in which the conversion of technotrans AG into technotrans SE is entered in the commercial register of technotrans SE.

## Section 12 Procedure regarding the agreement on the participation of employees

1. The establishment of a SE based in Germany generally requires a special employee participation procedure in accordance with the SE Participation Act (article 12, paragraph 2 of the SE Regulation). This procedure is to secure existing participation rights of the employees such as information and hearing, as well as existing codetermination rights in the supervisory board of the changing company. The procedure aims at reaching an agreement on the scope and exercise of these rights within the future SE, in this case: technotrans SE.
2. The concept of "employee participation" is defined in section 2, paragraph 8 of the Participation Act. In accordance therewith, employee participation means any procedure, including information, hearing and codetermination, that enables the employee representatives to influence the decision-making process within the company. In accordance with section 2, paragraph 10 of the SE Participation Act, information means the information of the SE works council or other employee representatives by the management of the SE on matters which refer to the SE or one of its subsidiaries or one of its establishments in another member state or that exceed the competencies of the competent bodies at the level of an individual member state. In accordance with section 2, paragraph 11 of the SE Participation Act, hearing means the establishment of a dialogue and an exchange of views between the SE works council or other employee representatives and the SE management or another management level holding decision-making authorities.
3. The employee participation procedure provides for negotiations between the management board of technotrans AG and the Special Negotiation Body of employees (herein-after referred to as the "SNB") on the future participation of employees. The SNB is comprised of employee representatives appointed for the sole purpose of negotiation. For the employees of the participating companies, relevant subsidiaries and establishments in each EU/EEA member state, members of the SNB are appointed or elected. The SNB is responsible for the representation of the interests of employees with regard to their participation rights.
4. The negotiations have the sole objective of reaching an agreement on the participation of the employees in technotrans SE. In future, the employees within the technotrans Group may also be informed and heard via a SE works council or in another manner. The information and hearing shall be in the interest of the employees of all technotrans companies within the EU and the EEA affected by the change in legal form. This includes the German technotrans companies, including but not limited to technotrans AG, and the subsidiaries in France, Italy and in the United Kingdom as well as the establishment of the French subsidiary in Spain. In addition to information and hearing, the agreement shall also stipulate the manner and scope of participation and the election procedure for the employee representatives in the supervisory board of technotrans SE.
5. The negotiations between the management board of technotrans AG and the SNB are based on the principle that – with regard to all components of employee participation after the conversion to technotrans AG – at least the same scope is guaranteed as is in place within technotrans AG at the time of conversion.
6. The negotiation procedure between the management board of technotrans SE and the SNB is subject to legal provisions and is described below:
  - (a) The procedure on the participation of employees was initiated in November 2017 with an information and request letter to the employees and their representatives in Germany and in the EU/EEA. The technotrans AG management informed the employees about the conversion plan and asked them time to form the SNB.
  - (b) The information of the employees and/or their representatives included the following items in accordance with section 4, paragraph 3 of the SE Participation Act: (i) the change in legal form to technotrans SE and the request to form the SNB, (ii) the group structure, (iii) the employee representations within the technotrans Group, (iv) the number of employees, (v) the codetermination rights in the bodies of the companies, (vi) the Special Negotiation Body and (vii) the participation agreement.

- (c) In accordance with legal provisions, employees and/or their respective representatives are to elect or appoint the members of the SNB within 10 weeks after the information is sent to employees and/or their representatives in accordance with section 12, paragraph 6, lit. a. and b.; in the present case, the SNB is comprised of up to 14 employee representatives from all EU/EEA member states affected.
- (d) The purpose of the SNB is negotiating with the company management on the organisation of the participation procedure and the determination of the participation rights of employees in the SE.
- (e) In principle, the formation and composition of the SNB are in accordance with German law (sections 5 et seqq. of the SE Participation Act). However, the elections for the appointment of the SNB members are subject to the relevant national provisions in the respective EU member states in which the technotrans Group employs employees. Therefore, various procedures applied at the same time.
- (f) The formation of the SNB is the responsibility of the employees and their representatives and/or the competent labour unions. The distribution of seats follows the following principle: For each share of the employees employed in a member state, where 10% of the total number of employees employed in all member states of the participating company technotrans AG and its relevant subsidiaries and establishments are employed, at least one seat is allocated, whereas the relevant time to determine the distribution of seats is generally the time the employees and/or their representatives were informed.
- (g) Based on the number of the employees employed with technotrans Group in the individual EU/EEA member states on 31 October 2017, the SNB has the following distribution of seats:

Member state	Number of employees	Percentage of employees in the individual EU/EEA member states	Seats in the Special Negotiation Body
Germany	1,188	95.8%	10
France	17	1.4%	1
Italy	13	1.0%	1
Spain	7	0.6%	1
United Kingdom	15	1.2%	1
<b>Total</b>	<b>1,240</b>	<b>100 %</b>	<b>14</b>

- (h) No later than ten weeks after the information procedure as defined in section 4, paragraphs 2 and 3 of the SE Participation Act, the management board of technotrans AG must send out the invitation for the constitutive meeting of the SNB without delay.
- (i) On the day the SNB is formed, the procedure to form the SNB ends and the negotiation phase starts; in accordance with legal provisions, this negotiation phase may last up to six months. This duration may be extended to up to a year upon a mutually agreed on resolution of the negotiating parties. The negotiation procedures take place even if the deadline for the election or the appointment of individual or all members of the Special Negotiation Body is exceeded for reasons attributable to the employees (section 11, paragraph 2, clause 1 of the SE Participation Act). It is in the employees' best interest to complete the election or appointment of the SNB members within the 10-month period. Members elected or appointed during ongoing negotiations shall not be excluded irrevocably; they may get involved in the negotiation procedure at any time (section 11, paragraph 2, clause 2 of the SE Participation Act). A member joining during ongoing negotiations must accept the status of negotiations as is at the time he/she joins. A right to an extension of the six-month negotiation period shall not exist (section 20 of the SE Participation Act).

- (j) The purpose of the negotiations is reaching an agreement on the participation of the employees in technotrans SE. The subject matter of negotiations is the codetermination of employees in the supervisory board of technotrans SE and the definition of the procedure to inform and hear employees either by establishing a SE works council or otherwise. The details on the information and hearing of the employees of the SE are either stipulated in the agreement on the participation of the employees in technotrans SE or, should such agreement not be made, in the standard rules contained in the SE Participation Act.
  
- (k) With regard to defining the procedure on the information and hearing of employees and on securing this right, the agreement must stipulate whether a SE works council or another body will be formed. However, the formation of a SE works council is not provided for by mandatory law. Merely a procedure to inform and hear the employees of technotrans SE must be in place. However, in case a SE works council is formed, an agreement must be made on its composition, the number of members and seat distribution, the authorities to inform and hear, the related procedure, the frequency of meetings, financial and material means to be provided, the time the agreements take effect and their term as well as the cases in which the agreement must be renegotiated and the applicable procedure. Moreover, the agreement is to stipulate that further negotiations on the participation of employees in the SE will be initiated even before structural changes to the SE occur. Furthermore, with regard to the provision on the codetermination in the supervisory body, legal provisions provide that the minimum information contained in the agreement must be the number of employee representatives in the supervisory board, the election procedure for such employees and their rights (section 21, paragraph 3 SE Participation Act). The size of the supervisory board shall be subject to section 12, paragraph 1 of the statutes of technotrans SE, in accordance with which the supervisory board is to be comprised of six members. Article 12, paragraph 4 of the SE Regulation provides that the SE statutes must not, at any time, contradict the negotiated agreement. Therefore, the statutes may have to be changed by a resolution passed by the AGM of technotrans SE should a provision on the codetermination of employees in an agreement on the participation of employees in the future technotrans SE deviate therefrom. In case of such a deviation, the conversion of technotrans AG into a SE would only become effective once the change to the statutes of the company was entered in the commercial register. The agreement does not permit a resolution resulting in a reduction of the codetermination rights in effect at the time of conversion (cf. section 15, paragraph 5 of the SE Participation Act). A provision on the codetermination rights of the employees that is disadvantageous compared to the status quo cannot be agreed upon.
  
- (l) The conclusion of an agreement between the management board of technotrans SE and the SNB on the participation of the employees in technotrans SE requires a SNB resolution. The resolution shall be passed with the majority of the members, who at the same time must represent the majority of the employees represented. Should an agreement on the participation of the employees not be concluded within the stipulated period of time, the legal standard provisions shall take effect. The legal standard provisions with regard to the codetermination of employees stipulate that a SE is subject to codetermination in the supervisory board, if the company – as is the case with technotrans AG – was subject to provisions on the codetermination of employees before the conversion (section 34, paragraph 1, no. 1 of the SE Participation Act). Based on the existing applicability of the One-Third Participation Act, the future supervisory board with six members must have two employee representatives in accordance with the legal standard provisions, as well. With regard to securing the right to information and hearing of the employees of technotrans SE, the legal standard provisions would result in the obligation to form a SE works council that would be responsible for guaranteeing that the employees of the SE be informed and heard. It would be responsible for matters related to the SE itself, one of its subsidiaries or establishments in another member state or that exceed the competencies of the competent bodies at the level of the individual member state. The SE works council would have to be informed and heard about the development of the economic situation and the outlook of the SE at least once per year. It would also have to be informed and heard about extraordinary circumstances with material implications for the interests of the employees. In accordance with the law, extraordinary circumstances include but are not limited to the relocation of companies, establishments or material plant parts and mass layoffs. The composition of the SE works council and the election of its members shall generally follow the provisions on the composition and appointment of the members of the SNB.

- (m) Should the legal standard provisions apply, every two years during the existence of the SE, the management of the SE must review whether any changes within the SE, its subsidiaries and establishments require a change in the composition of the SE works council. Should the legal standard provisions apply, four years after its appointment, the SE works council must pass a resolution – with the majority of its members – on whether negotiations on an agreement in the SE should be initiated or whether the existing regulation shall continue in effect. Should the resolution be passed that negotiations shall be initiated on an agreement regarding employee participation, the SE works council shall replace the Special Negotiation Body in these negotiations.
- (n) The costs incurred by the formation and activities of the SNB shall be borne by technotrans AG and/or technotrans SE after the conversion. The obligation to cover costs shall cover the non-personal and personal costs incurring in connection with the activities of the SNB, including the negotiations. This shall include but not be limited to the provisions of rooms, means (e.g. telephone, fax, literature), interpreters and office staff to the extent required as well as coverage of travel and accommodation costs for the SNB members.
- (o) The SNB of technotrans AG was formed on 24 January 2018 and initiated negotiations with the management board of technotrans AG. Negotiations took place on 24 January 2018, 7 February 2018 and 27 February 2018. On 23 March 2018, an agreement on the participation of employees in technotrans SE was concluded on the basis of a corresponding resolution passed by the SNB and with the approval of the supervisory board. This agreement contains provisions on all subject matters that need to be regulated in accordance with mandatory law, including but not limited to the framework conditions for employee representatives in the supervisory board described above and for the formation of the SE works council and its rights and obligations. Based on the agreement of the SNB, the employee representatives in the first supervisory board of technotrans SE were appointed.

### Section 13 effect of the conversion on the employees and their representatives

1. The employment contracts of the employees of technotrans AG as well as those of the employees of technotrans Group, including the subsidiaries and subsubsidiaries of technotrans AG, shall generally not be affected by the conversion of technotrans AG into a SE. Likewise, the conversion of technotrans AG into a SE shall not have an effect on the participation rights of the employees in the future technotrans SE and the other companies of technotrans Group, with the exception of the procedure on the participation of the employees and the related results as described in section 12. The change in legal form of technotrans AG to an SE with the name technotrans SE shall not constitute a transfer of undertakings in accordance with section 613a of the German Civil Code, either, as the employment contracts remain in force with the new legal entity in its new legal form, without prejudice to the change in legal form. The change in legal form shall not affect any and all existing agreements relating to employment law, including company practices, if any.
2. In accordance with liability law, employees may have claims in accordance with section 204 in conjunction with section 22 of the Transformation Act upon a conversion; in addition, section 205 of the Transformation Act shall apply.
3. No measures that result in the loss of the identity of the establishments of technotrans AG under industrial constitution law are planned in connection with its change in legal form to a SE. Therefore, all existing employee representations shall remain in office as they are. However, a SE works council will be added for the information and hearing of the employees of technotrans Group.
4. Any and all works agreements and general works agreements and collective labour agreements, if any, shall not be affected by a conversion of technotrans AG into a SE and shall remain in effect as they are on the same legal basis as before.

5. Currently, the employees of technotrans AG have a codetermination right in accordance with the One-Third Participation Act. After the conversion, the technotrans SE supervisory board with six members will also have two employee representatives. The procedure to determine and/or elect these representatives is provided for in the agreement between the SNB and the company management.
6. No other measures are scheduled or planned as a consequence of the conversion that may affect the situation of the employees or the company's situation.

#### Section 14 Conversion right

The management board of technotrans AG will issue a written report on the resolution of the AGM which will contain descriptions of and reasons for the legal and economic aspects of the conversion as well as illustrations of the effects the transfer for the legal form of "AG" to "SE" will have for shareholders and employees ("**Conversion Report**"). This Conversion Report will be open for inspection on the premises of the company, technotrans AG, Robert-Linnemann-Str. 17, 48336 Sassenberg, Germany and accessible via the company starting on the date the invitations for the AGM are dispatched.

#### Section 15 establishment and conversion costs

The company shall bear the costs of the conversion up to an amount of EUR 350,000.00.

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## ARTICLES OF INCORPORATION OF TECHNOTRANS SE

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### I. GENERAL PROVISIONS

#### Article 1 Company and registered office

1. The company is a European Company (Societas Europaea, SE) by the name of technotrans SE.
2. The company has its registered office in 48336 Sassenberg, Warendorf District, Germany.

#### Article 2 Purpose of the company

1. The purpose of the company is the development, manufacture, construction, sale, installation, repair and servicing of technical plant, systems and components, the trading in such plant, systems and components, and the provision of maintenance and other services, including technical services.
2. The company supplies its technical equipment, systems and components in particular to manufacturers and users in various industrial sectors.
3. The company may pursue all business activities that are directly or indirectly suited to fulfilling its business purpose. It may set up branches, establish subsidiaries or acquire identical or similar companies, or invest therein.
4. The company shall be entitled to conclude intercompany agreements with companies in which it holds a majority of shares or which hold a majority of its shares.

#### Article 3 Financial year, duration

1. The financial year shall be the calendar year.
2. The company shall be established for an indefinite period.

#### Article 4 Notices

Announcements by the company shall be published in the Federal Gazette, insofar as not specified to the contrary in law.

#### Article 5 Corporate bodies

1. The company has a dual-board system of corporate governance and control within the meaning of Art. 39 of Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for the European Company (SE) ("SE Regulation").
2. The corporate bodies of the company are
  - › the Board of Management,
  - › the Supervisory Board and
  - › the Annual General Meeting.

## II. SHARE CAPITAL AND SHARES

### Article 6 Level and structure of the share capital

1. The share capital of the company amounts to EUR 6,907,665.00 (in words: six million nine hundred and seven thousand six hundred and sixty five euros). It is divided into 6,907,665 no par value shares. The share capital has been paid up by way of conversion of technotrans AG into a European Company (SE).
2. The shares are registered shares. For entry on the share ledger the shareholders shall, insofar as they are individuals, inform the company of their name, address and date of birth or, if they are legal entities, their company, business address and registered office, as well as always the number of shares held by them and also their electronic mailing address (e-mail address), if they have one. The company shall be entitled to communicate information to the registered shareholders by way of remote data transfer (in particular by e-mail), with their agreement.
3. The Board of Management is, with the consent of the Supervisory Board, authorised to increase the share capital on one or more occasions by up to a total of EUR 3,450,000.00 by May 17, 2023 through the issuance of new shares for contributions in cash or in kind (authorised capital).

- (a) The Board of Management may, with the consent of the Supervisory Board,

› Exclude the subscription right of the shareholders in order to issue the new shares at an amount that is not significantly below the market price. The arithmetical share of the share capital represented by the shares issued excluding the subscription right pursuant to Section 186 (3) fourth sentence of the German Stock Corporation Act may not overall exceed 10% of the share capital at the time this authorisation takes effect or at the time this authorisation is utilised, if the latter figure is lower; this amount shall include those shares that are acquired pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act on the basis of an authorisation of the Annual General Meeting and sold excluding the subscription right pursuant to Section 186 (3) fourth sentence of German Stock Corporation, as well as those shares that are used to service convertible bonds provided the bonds were issued in corresponding application of Section 186 (3) fourth sentence of the German Stock Corporation Act, excluding the subscription right,

› Exclude the subscription right of the shareholders for capital increases for contributions in kind, in particular for the acquisition of companies or participating interests in companies, or other assets.

› Insofar as the Board of Management makes no use of the aforementioned authorisations, the subscription right of shareholders may only be excluded for fractional amounts.

The total shares issued under the above authorisation excluding the subscription right for capital increases for cash and/or contributions in kind may not exceed 20% of the share capital at the time this authorisation takes effect, or at the time this authorisation is exercised if the latter figure is lower.

- (b) The Board of Management is, with the consent of the Supervisory Board, in addition authorised to finalise the remaining details of the capital increase and its effecting.

4. The share capital shall be conditionally increased by up to a further EUR 3,450,000.00, divided into up to 3,450,000 no par value registered shares, each of these shares representing a proportional amount of share capital of EUR 1.00 (**Conditional Capital 2018**). The conditional capital increase shall only be implemented to the extent that the bearers or creditors of conversion or option rights from issued convertible bonds and/or bonds with warrants issued or guaranteed by the company or by a direct or indirect fully-owned affiliated company up until May 17, 2023 on the basis of the authorisation resolution of the Annual General Meeting of May 18, 2018 make use of their option or conversion rights. The conditional capital increase shall not be implemented to the extent that a cash settlement is granted or treasury shares, shares from authorised capital or shares from a different listed company are used to service the rights. Issuance of the new shares shall be at the respective conversion or option price to be determined in line with authorisation resolution described above. The new shares shall in each case participate in profits from the start of the financial year in which they arise; insofar as legally permissible, the Board of Management may, with the consent of the Supervisory Board, also specify profit participation of new shares for a past financial year in a departure from the above and from Section 60 (2) of the German Stock Corporation Act. The Board of Management is, with the consent of the Supervisory Board, authorised to finalise the remaining details of the implementation of the capital increase.



5. The Supervisory Board shall be authorised to amend the wording of Article 6 of the articles of incorporation in line with the full or partial increase in capital from approved or authorised but unissued capital.

#### Article 7 Share certificates

1. The Board of Management shall determine the form of the share certificates by agreement with the Supervisory Board.
2. One certificate may be issued for several shares (global certificate).
3. The shareholders' right to have their shares certified shall be excluded.

### III. THE BOARD OF MANAGEMENT

#### Article 8 Composition and period of office

1. The Board of Management shall comprise at least two persons. The Supervisory Board shall specify the number of members of the Board of Management in accordance with the requirements of the company.
2. The Supervisory Board shall appoint the members of the Board of Management for a period of no more than five years. Reappointment or premature revocation of appointment shall be permitted. Deputy members of the Board of Management may be appointed.

#### Article 9 Chairman of the Board of Management, Chief Executive Officer, rules of procedure

1. The Supervisory Board may appoint a member of the Board of Management as its Chairman or Spokesperson.
2. The Supervisory Board shall issue the rules of procedure for the Board of Management.

#### Article 10 Representation of the company

1. The company shall be represented by only one member of the Board of Management in court and out of court; if two or more members of the Board of Management are available, it shall be represented by two members of the Board of Management acting jointly or by one member of the Board of Management member acting jointly with an executive vested with power of commercial representation. Deputy members of the Board of Management shall be equal to full members of the Board of Management in respect of powers of representation.
2. If two or more members of the Board of Management are available, the Supervisory Board may issue one or more members of the Board of Management with authorisation of sole powers of representation.
3. The Supervisory Board may release members of the Board of Management from the restrictions of Section 181 of German Civil Code defined in Section 112 of the German Stock Corporation Act.

#### Article 11 Transactions requiring consent

1. The Board of Management shall require the consent of the Supervisory Board or of a committee specified by the Supervisory Board for this purpose in order to conduct the following transactions:
  - › The ratification of the annual budget including investment and financial plan, as well as the underlying component plans, including budget balance sheet and budget income statement in consolidated form for the company and its subsidiaries;
  - › Transactions and measures that concern the corporate structure or the principles of the corporate strategy, or which lead to a substantial change in the development of the company, in particular the adoption of new lines of business and the winding-up or substantial restriction of previous lines of business

2. The Supervisory Board may make further transactions dependent on its consent, and may in particular specify further transactions which the Board of Management may only conduct with the consent of the Supervisory Board in the rules of procedure of Board of Management. It may revocably issue general advance consent for a certain range or certain type of transactions.

## IV. THE SUPERVISORY BOARD

### Article 12 Composition and period of office

1. The Supervisory Board shall comprise six members, of which four members shall be representatives of the shareholders and two members shall be representatives of the employees. The members of the Supervisory Board shall be appointed by the Annual General Meeting. The employees' representatives on the Supervisory Board shall be appointed by the Annual General Meeting upon the proposal of the employees. The Annual General Meeting shall be bound by the proposals on the appointment of the employees' representatives. The Annual General Meeting shall not otherwise be bound by election proposals.
2. The election of Supervisory Board members shall be for the period up until the end of the Annual General Meeting which gives discharge for the fourth financial year from the start of the period of office, disregarding the financial year in which the period of office commences, but for no longer than six years. The Annual General Meeting may determine a shorter period of office for shareholders' representatives on the Supervisory Board. If a Supervisory Board member resigns during their period of office, a successor shall be elected only for the remaining period of office of the past member, unless the Annual General Meeting determines otherwise.
3. In a departure from paragraph 2, the members of the first Supervisory Board shall be appointed until the ending of the Annual General Meeting that gives discharge for the first financial year of technotrans SE, but for no longer than three years. The first financial year of technotrans SE shall be the financial year of the company in which the conversion of technotrans AG into technotrans SE is entered on the Commercial Register of the company. The following shall be appointed as members of the first Supervisory Board:
  - > Dipl.-Ing. Heinz Harling, Hamm  
Lecturer at Hamm-Lippstadt University of Applied Sciences, member of the Supervisory Board of elaxis AG,
  - > Dr Norbert Bröcker, Düsseldorf  
Partner in the law firm Hoffmann Liebs Fritsch & Partner Rechtsanwälte mbB, Düsseldorf,
  - > Dr Wolfgang Höper, Herleshausen  
Entrepreneur, member of the Advisory Board of SchäferRolls GmbH & Co. KG,  
member of the Advisory Board of Dr. Hahn GmbH & Co. KG,
  - > Dipl.-Kfm. Dieter Schäfer, Steinhagen  
Industrial consultant for machine tool engineering companies,
  - > Reinhard Aufderheide, Barver  
Employees' representative
  - > Dipl.-Ing (FH) Thomas Poppenberg, Oelde  
Employees' representative
4. Each member of the Supervisory Board may surrender office with a period of notice of four weeks. Notice of surrendering of office must be given in writing to the Chairman of the Supervisory Board or to the Board of Management. The right is reserved to surrender office with immediate effect for cause.
5. To the extent that an agreement concluded on employee participation in the appointment of employee representatives to the Supervisory Board in accordance with the Act on the Participation of Employees in a European Company (German SE Participation Act or SEBG) specifies provisions other than the above, the provisions of this agreement shall apply in place of the deviating provisions.

### Article 13 Chairman, Deputy Chairman, rules of procedure

1. The Supervisory Board shall elect a Chairman and a Deputy Chairman from among its members at a meeting following the Annual General Meeting at which the Supervisory Board members have been newly elected, the oldest member in terms of years acting as Chairman. No separate convening of this meeting of the Supervisory Board shall be necessary. Election shall be for the duration of membership of the elected members of the Supervisory Board.
2. If the Chairman or Deputy Chairman surrenders office prematurely, the Supervisory Board shall without delay elect a new Chairman for the remaining period of office of the former Chairman.
3. The Supervisory Board shall adopt rules of procedure.

### Article 14 Convening of the Supervisory Board

1. The Supervisory Board shall hold a meeting at least twice in each half of the calendar year.
2. The meetings of the Supervisory Board shall be convened in writing by the Chairman of the Supervisory Board, giving 14 days' notice. The day on which the invitation is sent out and the day of the meeting shall not be included for purposes of determining this period of notice. In urgent cases, the Chairman may reduce this period as appropriate. In justified cases, the Chairman may specify when convening the meeting that it is to take a form other than a meeting in person (for example, telephone or video conference).
3. The meeting shall, at the choice of the Chairman, be called either in writing, by telefax, by telephone or by means of electronic media (e.g. e-mail) to the last address indicated by the members of the Supervisory Board. The venue and time of the meeting as well as the agenda shall be announced upon convening. If an agenda or an individual agenda item has not been announced in the proper manner, resolutions may only be passed on them if no Supervisory Board member objects. In such an instance absent Supervisory Board members shall be given the opportunity to object to or vote in writing on the resolution within a period to be determined by the Chairman. The resolution shall only become effective if the absent Supervisory Board members have not objected to it or have approved it within the period given.

### Article 15 Passing of resolutions by the Supervisory Board

1. The resolutions of the Supervisory Board shall normally be passed at meetings. The Chairman shall preside over the Supervisory Board meeting; if the Chairman is prevented from attending, their deputy shall chair the meeting.
2. Outside of meetings, resolutions may, upon the instructions of the Supervisory Board Chairman, be passed in writing, by telefax, by telephone or by means of electronic media (e.g. e-mail). The members of the Supervisory Board shall have no right of objection to the instructed form of passing resolutions. Resolutions passed outside meetings shall be laid down in writing by the Chairman and forwarded to all members. The provisions of paragraphs 3 to 7 shall apply accordingly to resolutions outside meetings.
3. The Supervisory Board shall be quorate if all members have been invited to attend a Supervisory Board meeting or cast their vote and if at least half the number of Supervisory Board members specified in the Articles of Incorporation takes part in the resolution.
4. Absent members of the Supervisory Board may take part in votes of the Supervisory Board by arranging for their written vote to be handed in by another Supervisory Board member. Submission of votes in writing also includes the submission of votes by telefax or by means of electronic media (e.g. e-mail).
5. Resolutions passed by the Supervisory Board shall require a simple majority of the votes cast, unless otherwise specified in law. For this purpose, an abstention shall not be considered a vote cast. In the event of a tied vote, the Chairman shall have the casting vote. If the Supervisory Board Chairman is not present at the vote, their Deputy shall have the casting vote.

6. Minutes of the negotiations and resolutions of the Supervisory Board shall be kept, signed by the Chairman of the meeting or, in the case of votes held outside the context of meetings, by the person presiding over the vote, and copies forwarded to the Supervisory Board members.
7. The Supervisory Board Chairman shall be authorised to submit the declarations of intent required to implement the Supervisory Board's resolutions on behalf of the Supervisory Board.

#### **Article 16 Committees**

The Supervisory Board may form committees from its members and also delegate decision-making powers to them, insofar as legally permissible. Unless the Supervisory Board specifies otherwise, the rules of Article 15 of these articles of incorporation and the rules of procedure of the Supervisory Board shall correspondingly apply to the business proceedings of committees.

#### **Article 17 Remuneration of Supervisory Board members**

1. The members of the Supervisory Board shall receive, over and above reimbursement of their expenses, a fixed remuneration of EUR 10,000.00 for each full financial year for which they have belonged to the Supervisory Board, payable at the close of the Annual General Meeting that gives discharge for the preceding financial year, unless the Annual General Meeting resolves otherwise.
2. Each member of the Supervisory Board shall moreover be entitled to a variable amount of remuneration each year, calculated as follows: the variable total remuneration of the Supervisory Board shall correspond to 1.5 % of the consolidated net income declared in the approved consolidated financial statements, first reduced by 4 % of the dividend-bearing share capital of the company. The Chairman of the Supervisory Board shall receive 4/15, the Deputy Chairman of the Supervisory Board 3/15 and each other member of the Supervisory Board 2/15 of the variable total remuneration. The variable remuneration shall be payable at the close of the Annual General Meeting which determines the appropriation of profits and shall be no more than three times the fixed remuneration; paragraph 3 first sentence shall apply accordingly for the Chairman and Deputy Chairman.
3. The Chairman shall receive double and the Deputy Chairman one and a half times the fixed amount of remuneration as specified in paragraph 1. Members of a committee formed by the Supervisory Board shall moreover each receive 50 % of the amount of their fixed remuneration pursuant to paragraph 1 for that activity. The total remuneration for activities on committees shall be capped at the amount of fixed remuneration pursuant to paragraph 1. Members of the Supervisory Board who have not held office for a full financial year shall receive a time proportional amount of remuneration pursuant to paragraphs 1 and 2, in accordance with their period of office; this shall apply correspondingly for the separate remuneration of membership of a Supervisory Board committee.
4. The company shall reimburse every Supervisory Board member for the value-added tax incurred on their remuneration.
5. The Annual General Meeting may approve remuneration arrangements other than those in paragraphs 1 and 2.

### **V. THE ANNUAL GENERAL MEETING**

#### **Article 18 Venue and convening of the Annual General Meeting**

1. The Annual General Meeting shall take place at the domicile of the company or in any German city with a population of more than 100,000.
2. The Annual General Meeting shall be convened by the Board of Management or, in the instances specified by law, by the Supervisory Board.
3. The Annual General Meeting shall be convened at least thirty days before the day of the meeting, not including the day of convening. The deadline shall be extended by the number of days in the registration deadline of Article 19 paragraph 2.

4. The Annual General Meeting that is to give discharge of the acts of the Board of Management and Supervisory Board, as well as approve the appropriation of profits and – insofar as necessary – establish the financial statements (Annual General Meeting of Shareholders) shall take place during the first six months of each financial year.
5. The entitlement of the shareholder to sending of the notices pursuant to Section 125 of the German Stock Corporation Act shall be limited to the form of sending electronically. The Board of Management shall, however, also be entitled to send out the notices in paper form.

#### **Article 19 Participation in the Annual General Meeting, voting rights, broadcasting of the Annual General Meeting in sound and pictures**

1. Only those shareholders who are entered on the share ledger and have registered for the Annual General Meeting in good time shall be entitled to participate in the Annual General Meeting and exercise voting rights. No transfers on the share ledger shall take place in the period between the last day for registration (paragraph 2) and the day of the Annual General Meeting, as well as on the day of the Annual General Meeting itself (transfer embargo).
2. Registration shall be made in text form, in the German or English language. Registration to participate in the Annual General Meeting must be received by the company at the address stated for this purpose in the convening notice at least six day prior to the meeting (last day for registration), not including the day of receipt. The Board of Management or, if convened by the Supervisory Board, the Supervisory Board shall be authorised to specify a shorter registration deadline of an appropriate number of days in the notice convening the Annual General Meeting; the period between the last day for registration and the day of the meeting must however be at least three days.
3. Voting rights may be exercised by proxies. Powers of proxy must be granted and revoked as well as evidence of powers of proxy furnished to the company in text form. Details of how these powers of proxy shall be granted and revoked, and how evidence of them shall be furnished to the company, shall also be announced along with the convening of the Annual General Meeting, in which a simplification may also be specified, notwithstanding Section 135 of the German Stock Corporation Act. If a shareholder appoints more than one person as proxy, the company may refuse one or more of them.
4. The Board of Management shall be authorised to permit the broadcasting of the Annual General Meeting in sound and pictures, wholly or in part, in a manner to be specified in greater detail by it.
5. The Board of Management may specify that shareholders may participate in the Annual General Meeting even when not physically present or represented by a proxy, and exercise all or some of their rights in whole or part by means of electronic communication (online participation). If the Board of Management permits online participation on this basis, the details of the procedure shall be stated in the notice convening the Annual General Meeting.
6. The Board of Management may specify that shareholders may cast their votes in writing or by means of electronic communication even without participating in the meeting (postal vote). If the Board of Management permits postal voting on this basis, the details of the procedure shall be stated in the notice convening the Annual General Meeting.

#### **Article 20 Chairing of the Annual General Meeting**

1. The Annual General Meeting shall be chaired by the Supervisory Board Chairman or, if prevented from attending, by their Deputy. If neither its Chairman nor Deputy Chairman is present, the Chairman for the meeting shall be appointed by the Supervisory Board members present who represent the shareholders.
2. The Chairman shall determine the proceedings of the Annual General Meeting. They shall determine the order in which the agenda items are dealt with, as well as the order and form of votes. If voting cards or other data carriers are used, he may specify that several votes be grouped together and collected simultaneously.

3. The Chairman shall determine the order of speakers and may, insofar as legally permissible, decide whether to combine materially related subjects of resolutions into a single voting item and impose appropriate restrictions on the speaking time, questions and answers time or overall time for speaking, questions and answers for the entire Annual General Meeting proceedings, for individual agenda items and for individual speakers, either at the start or during the course of the Annual General Meeting. They may furthermore terminate the debate, insofar as necessary for the orderly conducting of the Annual General Meeting. They may call upon assistants for support in exercising the house rules.

#### **Article 21 Resolutions by the Annual General Meeting**

1. Each share shall carry one vote at the Annual General Meeting.
2. Unless otherwise specified in law, the simple majority of votes cast shall constitute a voting majority for shareholders' resolutions, and the simple majority of the share capital represented in the resolution shall constitute a majority of the share capital, disregarding abstentions in each case. In a departure from this, resolutions pursuant to Section 40 (2) of the SE Regulation German in conjunction with Section 103 of the German Stock Corporation Act shall still require the majority specified in law; an amendment to the articles of incorporation governing this requirement shall likewise require the majority envisaged in Section 179 (2) of the German Stock Corporation Act.
3. If the necessary majority is not reached in the first ballot in elections at the Annual General Meeting, a second ballot shall be held among the two persons obtaining the most votes in the first ballot.

### **VI. FINANCIAL REPORTING AND APPROPRIATION OF PROFITS**

#### **Article 22 Annual and consolidated financial statements**

1. The Board of Management shall prepare the financial statements (Balance Sheet, Income Statement and Notes) and management report for the parent company, as well as the consolidated financial statements and group management report, within the first three months of the financial year for the past financial year and present them to the auditors. Immediately after receipt of the audit reports from the auditors, the Board of Management shall present the financial statements and management report for the parent company and the consolidated financial statements and group management report, together with the audit reports of the auditors, to the Supervisory Board, accompanied by a proposal on the distribution of accumulated profit.
2. The Supervisory Board shall examine the documents submitted to it pursuant to paragraph 1 and report its findings in writing to the Annual General Meeting. It shall pass on its report within one month of receipt of the documents. If the Supervisory Board approves the individual financial statements following their examination, these shall be deemed established.
3. The Board of Management shall convene the Annual General Meeting of Shareholders immediately upon receipt of the Supervisory Board's report.

### Article 23 Appropriation of profits

1. The Annual General Meeting shall decide on the appropriation of the accumulated profit as determined in the individual financial statements. The Annual General Meeting may resolve distribution in kind as well as or instead of a cash dividend.
2. In a resolution on an increase capital, the distribution of profit in the form of new shares may be specified, in a departure from Section 60 (2) third sentence of the German Stock Corporation Act.

## VII. CONCLUDING PROVISIONS

### Article 24 Amendments to the articles of incorporation

The Supervisory Board shall be authorised to pass amendments to these articles of incorporation relating to the wording alone.

### Article 25 Modifying conversion

1. The company arose as a result of the modifying conversion of technotrans AG, with registered office in Sassenberg.
2. The cost of the modifying conversion to the legal form of the Societas Europaea (SE) and of establishment shall be borne by the company up to the amount of EUR 350,000.00.

### Further documents on agenda item 11

The following documents may be consulted on the website of the company at <https://www.technotrans.com/en/investor-relations/shareholders-meeting.html> from the time of convening of the Annual General Meeting. The documents will also be available at the Annual General Meeting on May 18, 2018:




- › The notarised terms of conversion dated March 28, 2018 of the notary public Günter Weiser with the deed number 163/2018 including the attached articles of incorporation of technotrans SE,
- › The conversion report of the Board of Management of technotrans AG dated April 3, 2018,
- › The certificate of the court-appointed independent expert, KPMG AG Wirtschaftsprüfungsgesellschaft, pursuant to Article 37 (6) of SE Regulation,
- › The established financial statements as well as the management report for technotrans AG at December 31, 2015,
- › The established financial statements as well as the management report for technotrans AG at December 31, 2016 and
- › The established financial statements as well as the management report for technotrans AG at December 31, 2017.

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## INFORMATION TO OUR SHAREHOLDERS

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In order to exercise your rights as shareholder, you must register in good time and order your admission ticket. This admission ticket entitles you to

-  attend the shareholders' meeting yourself and to exercise your right to vote  
or
-  delegate another person, a bank or a shareholder association to prepresent you at the shareholders' meeting and to exercise your right to vote  
or
-  participate in the voting by giving instructions within the framework of the law and the charter.

### Ordering admission tickets!

You can directly order your admission ticket using the form that is enclosed with your invitation. Please check whether the number of shares and your address are correct. Please order the admission tickets as early as possible.

All shareholders who are recorded in the share register are eligible to participate and vote.

If you receive the documents from a bank, then you are not recorded in the share register. Why not ask your bank to register you, so that in future you are directly approached as shareholder and can exercise your respective shareholder rights.

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## PARTICIPATION IN THE ANNUAL GENERAL MEETING AND EXERCISING OF VOTING RIGHTS

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Only those shareholders who are entered on the share ledger of the company and whose registration is received by the company by **Friday, May 11, 2018 (12.00 pm)** at the latest shall be entitled to participate in the Annual General Meeting, exercise voting rights and table motions.

Shareholders will continue to have access to their shares even after registering for the Annual General Meeting. The right to participate and vote will be determined by the number of shares held as entered on the share ledger on the day of the Annual General Meeting. This shall correspond to the number of shares held at the end of the day on which registrations close, because orders for re-registration in the share ledger during the period from May 12, 2018 to May 18, 2018 inclusive will only be processed and recognised with effect from after the Annual General Meeting on May 18, 2018. The technical record date for the exercising of voting rights on the day of the Annual General Meeting is therefore the end, i.e. 12.00 pm, on May 11, 2018.

Shareholders may register with technotrans AG in writing, by telefax or by e-mail at the following address:

**technotrans AG**

c/o Computershare Operations Center  
80249 Munich, Germany  
Fax No.: +49 (89) 3090-374675  
e-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Shareholders shall be sent admission tickets for the Annual General Meeting following receipt of their registration.



## Procedure for voting by proxy

Shareholders who are not attending the Annual General Meeting in person may also exercise their right to vote at the Annual General Meeting via proxy, e.g. the custodian bank, an association of shareholders or another person of their choice. In this case, too, they must register in good time. Shareholders will receive an appointment of proxy form that they can use to grant powers of proxy together with their admission ticket.

If no bank, association of shareholders or person enjoying equivalent status pursuant to Section 135 (8) of the German Stock Corporation Act is authorised, the text form shall be required for the granting or revoking of powers of proxy and for furnishing evidence of powers of proxy to the company (Section 126b of German Civil Code). For the granting of powers of proxy to banks, associations of shareholders or persons enjoying equivalent status to them, the proxy shall in each case be consulted on any particularities needing to be observed.

To furnish evidence of powers of proxy, the proxy may present the power of proxy to the admission personnel on the day of the Annual General Meeting. Shareholders and associations of shareholders are requested to use the following address if sending in evidence by post, by fax or by e-mail:

### **technotrans AG**

– Investor Relations –  
Robert-Linnemann-Straße 17  
48336 Sassenberg  
Fax No: +49 (2583) 301-1054  
e-mail: hv2018@technotrans.de

If evidence is supplied by post, by fax or by e-mail, it must be received by the company by May 11, 2018 inclusive.

We moreover offer to appoint a proxy who is nominated by the company and bound by instructions on behalf of our shareholders. Power of attorney to the proxy nominated by the company shall be issued in text form (Section 126b of German Civil Code) and must always include instructions on how voting rights are to be exercised. In the absence of instructions, powers of proxy shall be invalid. The proxy nominated by the company shall be obliged to vote as instructed. In order to grant powers of proxy and instructions to the person appointed by the company, shareholders may use the form attached to the admission ticket. There is also the option that the proxy appointed by the company may be authorised and given instructions over the internet. Internet-based powers of proxy and instructions may be granted before the Annual General Meeting as well as during the Annual General Meeting, up until the end of the general debate. In order to use the internet-based powers of proxy and instruction system, as well as registering in time, the name, address and shareholder number need to be entered. The shareholders shall be sent further details of how to grant power of attorney to the proxy appointed by the company together with their admission ticket. Information on granting powers of proxy to the person nominated by the company is also available on the internet at <https://www.technotrans.com/en/investor-relations/shareholders-meeting.html>

When sending in evidence of powers of proxy to the representative by post, by fax or by e-mail, shareholders and associations of shareholders are requested to use the above address to submit evidence of granting powers of proxy to the representative.

Shareholders shall be sent further details and information on participation in the Annual General Meeting, as well as on granting powers of proxy and issuing instructions, together with their admission ticket. Corresponding information can also be found on the company's website at <https://www.technotrans.com/en/investor-relations/shareholders-meeting.html>.

## Procedure for postal voting

Shareholders who do not wish to attend the Annual General Meeting in person may also cast their votes by post. Only those shareholders who have registered in time shall be entitled to exercise their voting right by way of postal vote. Postal votes may be cast in writing or electronically and must be received by the company by May 11, 2018 inclusive.

For postal voting in writing, shareholders should use the form printed on the admission ticket and return it to the above address for submitting evidence of powers of proxy.

It is also possible for registered shareholders to cast votes electronically, using the internet-based system set up for this purpose on the website at <https://www.technotrans.com/en/investor-relations/shareholders-meeting.html>. In order to use the internet-based system for electronic postal voting, the voter's name, address and shareholder number must be entered.

After casting their vote by the deadline for postal voting, the shareholders may use the internet-based system up until the end of the general debate on the day of the Annual General Meeting to change their vote.

Shareholders will find further information on postal voting in the registration documents and on the website referred to above.

## Live broadcast of the Annual General Meeting on the internet

The opening of the Annual General Meeting by the meeting's chair and the speech by the Chairman of the Board of Management will be broadcast live on the internet. The broadcast will be interrupted for the debate and will then conclude with the voting proceedings and the announcement of the results.

## Total number of shares and voting rights at the time of convening of the Annual General Meeting

At the time of convening the Annual General Meeting the company's capital stock amounts to 6,907,665 no par value shares carrying eligibility to participate and vote. The company does not hold any treasury shares at the time of convening.

## Rights of shareholders

The shareholders have the following rights, among others, prior to and during the Annual General Meeting.

### 1. Right to supplement the agenda

Shareholders whose shares together amount to one-twentieth of the share capital (i.e. 345,384 no par value shares) may demand that items be placed on the agenda and announced. For each new subject a reason must be stated or a draft resolution presented. The demand must be received in writing by the company by the close of April 17, 2018 (12.00 pm) at the following address:

**technotrans AG**  
– Investor Relations –  
Robert-Linnemann-Straße 17  
48336 Sassenberg

## 2. Motions and nominations for election by shareholders

If a shareholder wishes to table counter-motions to a proposal by the Board of Management and Supervisory Board or nominate a candidate for election, these should be submitted to the following address:

### **technotrans AG**

- Investor Relations -  
Robert-Linnemann-Straße 17  
48336 Sassenberg  
Fax No: +49 (2583) 301-1054  
e-mail: hv2018@technotrans.de

Reasons for counter-motions, but not for nominations for election, shall be given. The counter-motions and nominations for election received from shareholders at the following address at least 14 days before the meeting, in other words by no later than the close of **May 3, 2018 (12.00 pm)** and to be disclosed, will be published by us on the internet at **<https://www.technotrans.com/en/investor-relations/shareholders-meeting.html>**. Counter-motions and nominations for election sent to another address or received after the deadline shall not be considered. Any comments by the management shall likewise be published on the internet at the same address.

## 3. Shareholder's right to information

Every shareholder shall, on request, be given information by the Board of Management at the Annual General Meeting on matters concerning the company, including its legal and business relationships with subsidiaries as well as the position of the group and the companies included in the Consolidated Financial Statements, to the extent that this information is required to form an objective opinion of a subject on the agenda and no right to refuse information exists..

## 4. Additional notes

Additional notes on the rights of shareholders pursuant to Section 122 (2), Section 126 (1), Section 127, Section 131 (1) of the German Stock Corporation Act can be found on the internet at **<https://www.technotrans.com/en/investor-relations/shareholders-meeting.html>**.

## Information and documents for the Annual General Meeting

The documents on the agenda items to be made available will be sent to shareholders without delay upon request. These documents will also be made available for inspection at the Annual General Meeting. These documents may furthermore be consulted on the company's website at **<https://www.technotrans.com/en/investor-relations/shareholders-meeting.html>** and downloaded from there.

The information and documents pursuant to Section 124a of the German Stock Corporation Act, and in particular participating in the Annual General Meeting, postal voting, granting powers of proxy and issuing instructions, can likewise be consulted on the internet at **<https://www.technotrans.com/en/investor-relations/shareholders-meeting.html>** and downloaded if desired.

The results of votes shall also be posted on this website after the Annual General Meeting.

The invitation to the Annual General Meeting is published in the Federal Gazette dated **April 6, 2018**.

Sassenberg, March 2018

**technotrans AG**

The Board of Management

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**FINANCIAL CALENDER**

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<b>Publication</b>	<b>Date</b>
Quarterly Communicatio 1-3/2018	May 8, 2018
Annual Shareholders' Meeting	May 18, 2018
Interim Report 1-6/2018	August 7, 2018
Quarterly Communicatio 1-9/2018	November 6, 2018

<b>Event</b>	<b>Date</b>
Equity Forum, Frankfurt	November 26-28, 2018

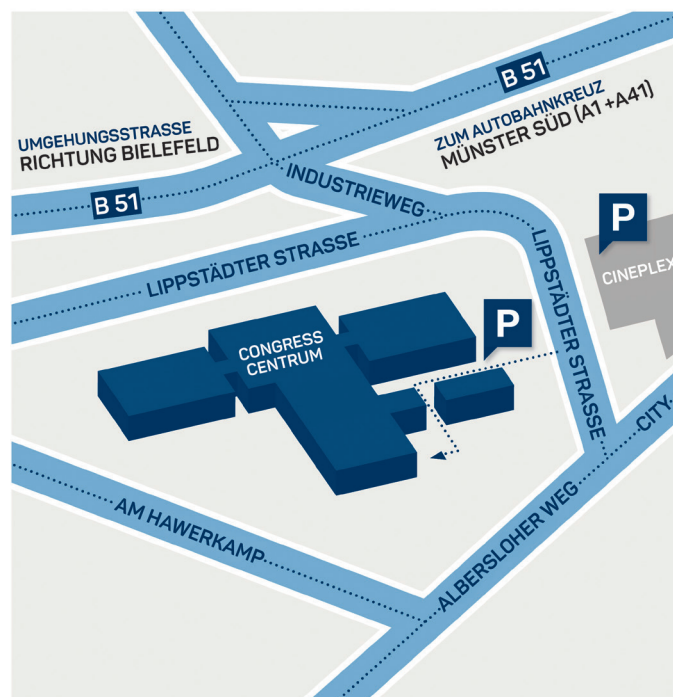
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DIRECTION

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**Direction to Exhibition and Congress Centre Münsterland Hall**

Albersloher Weg 32  
48155 Münster



## NOTES

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Member of  
the technotrans group

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 **termotek**  
 **klh**  
 **gwk**

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