

# Rules of Procedure for the Annual General Meeting of Deufol Aktiengesellschaft

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## **Preamble**

In the Corporate Control and Transparency Act (KonTraG) the Annual General Meeting was given explicit authority in Article 129 Par. 1 Sect. 1, Stock Corporation Act, to produce Rules of Procedure regulating the preparation and conduct of the meeting. The following Rules of Procedure make use of this opportunity

Some of the advantages for shareholders and for the company in having Rules of Procedure are:

- Time and cost savings
- Focus on the relevant issues
- Greater legal security

In the interest of concretely setting forth legal requirements, rules in the Articles of Association regarding the Annual General Meeting and the rights of the meeting Chairman to preside over and maintain order at the assembly, the preparation, conduct and chairmanship of the Annual General Meeting shall take place according to the following Rules of Procedure.

## **§ 1 Admission of third parties to the Annual General Meeting**

1. Alongside shareholders of the company entitled to participate according to the Articles of Association and members of the Board of Directors, the following are permitted to participate in the Annual General Meeting:
  - The company's general auditor;
  - Individuals necessary for the conduct of the Annual General Meeting (notaries, advisors, meeting consultants, technicians, security, etc.);
  - Individuals entitled to participate on the basis of legal requirements or the Articles of Association.
2. Third parties have a right to participate in the Annual General Meeting when they can prove according to legal statutes and the rules set forth in the Articles of Association that they are authorized representatives of shareholders of the company. Legal representatives of legal persons may prove their legitimacy by providing a certificate of registration that should generally be no more than 10 days old.
3. The Chairman may permit guests and members of the press to participate in the Annual General Meeting according to his best prudent judgment.

## **§ 2 Security measures before and during the Annual General Meeting**

The Chairman has the right to take suitable precautionary measures for the Annual General Meeting to ensure that it proceeds smoothly and in particular to instigate appropriate security checks. All participants at the Annual General Meeting are required to undergo such security checks and follow instructions from security personnel.

### **§ 3 Duty to provide documents during the Annual General Meeting**

1. Where the Administrative Board is legally bound to produce certain documents for shareholders' review (agreements, agreement drafts, annual financial statements) in connection with voting on resolution proposals at the Annual General Meeting, the Board of Directors must provide a sufficient number of copies. One copy per 50 registered shareholders is sufficient.
2. Par. 1 applies accordingly where the Administrative Board is legally bound to produce a written report for the Annual General Meeting on matters for which resolutions are pending and make this report available at the Annual General Meeting for shareholders' review.

### **§ 4 Counter-proposals**

Counter-proposals and counter-nominations as in Articles 125, 126 Par. 1, 127, Stock Corporation Act, as well as any related statements by the Board of Directors which have been made accessible to shareholders on the company's homepage, are not additionally provided at the Annual General Meeting. The legal notice requirements according to Article 125, 126 Par. 1, 127, Stock Corporation Act, remain applicable.

### **§ 5 Proxy voting**

1. For cases when a shareholder is unable to personally attend the Annual General Meeting, the company allows the shareholder to exercise his voting rights through a third party or proxy.
2. If a shareholder would like to authorize a third party to attend the Annual General Meeting, in most cases he or she is required to fill out the power of attorney on the back of the admission ticket and give this admission ticket to his or her representative. The admission ticket and the power-of-attorney completed by the shareholder then authorize the shareholder's appointed representative to personally participate in the Annual General Meeting. Article 1 Par. 2 Sect. 2 of these Rules of Procedure is correspondingly valid.
3. Should a shareholder prefer neither to personally attend the Annual General Meeting nor appoint a third party to personally attend the Annual General Meeting, the company permits the shareholder to have his vote proxied by representatives nominated by the company. The individuals nominated by the company have special agency rights and are authorized to grant substitute power of attorney. Granting of power of attorney and voting instructions to the company's proxies may be done in writing or in another manner to be specified by the company, such as via printed text or electronically, to the extent such facilitation measures are allowed by the Articles of Association.

The powers of attorney of the proxies appointed by the company only authorize them to vote when the shareholder has provided explicit voting instructions for the various resolution proposals of the Board of Directors pertaining to the separate agenda items. The proxies are required to vote according to the shareholder's instructions on the various resolution proposals by the Board of Directors pertaining to the separate agenda items.

To the extent that disclosable shareholder motions have been recorded for the Annual General Meeting agenda, these will be made publicly available on the company homepage irrespective of legal disclosure requirements. If a shareholder would like to vote in favor of an announced counter-proposal he must mark the corresponding "No" box on the instruction form for those agenda items concerned in the counter-proposals. Should there be additional voting on the agenda items at hand, proxies nominated by the company will abstain.

4. Should the proxies receive power of attorney and instructions by more than one means (mail, fax, internet, etc.), these have precedence in the order of mail, fax, internet, as to their validity. Where powers of attorney and instructions are incomplete, incorrectly filled out or given in an unacceptable form, these votes will not be represented by proxies at the Annual General Meeting.
5. Proxies will not exercise the votes entrusted to them on matters not announced prior to the Annual General Meeting (such as procedural motions). When the subtraction method is used, the proxies will abstain in such cases.
6. To the extent that the company has undertaken the technical and organizational planning to allow the granting of power of attorney and instructions via the internet, it assumes no responsibility for errors, barring willful acts, and has no liability for the functionality, local availability or uninterrupted use of telecommunications networks and internet services. Should the company become aware of unauthorized tampering with its internet service for the granting of power of attorney and instructions or the data stored and treated in accordance with the Federal Data Protection Act in conjunction with that service, the company reserves the right to interrupt and cancel the service for the granting of power of attorney and instructions via internet without further notice. In such cases the company will only consider powers of attorney and instructions granted via the internet when their manipulation can be ruled out. The power of attorney and instruction data will be used with strict adherence to the relevant data privacy laws, solely for the purposes of the Annual General Meeting. Data from shareholders granting power of attorney to a proxy nominated by the company via the internet will be stored, in consequence of their use of the service, for a period of three years pursuant to securities regulations, after which time they will be deleted.

## **§ 6 Chairmanship**

The Chairman of the Annual General Meeting is selected according to Article 19 of the Articles of Association.

## **§ 7 Chairman's authority to preside and maintain order**

1. The Chairman has authority to preside and maintain order at the Annual General Meeting. The task of the Chairman is to work toward assuring that the Annual General Meeting proceeds smoothly and at an appropriate pace.

The Chairman exercises domiciliary rights. As part of his role and authority he is to quell any disruptions that may occur. This includes the right to:

- Issue warnings and give orders to individuals causing a disturbance;
- Order such individuals from the room should they not have followed orders or reacted to two warnings;
- Have such individuals removed from the room should they significantly disrupt the orderly procession of the Annual General Meeting through persistent disturbances.

2. The Chairman may recess the Annual General Meeting according to his best prudent judgment.

## **§ 8 Communications from the assembly, right to speak and ask questions**

1. The Administrative Board may in the announcement of the Annual General Meeting solicit written questions for individual agenda items. In this case an office must be listed in the meeting announcement to which questions may be directed. Questions may only be submitted electronically if only an e-mail address is given.

In such cases the Board of Directors has the right to answer these questions in advance of the Annual General Meeting on the company homepage, allowing multiple questions concerning a single topic to be answered at one time. The Board of Directors may respond to these questions by providing documents or formulated answers. The questions and answers admitted will be made accessible to all shareholders on the company homepage and at the Annual General Meeting. In such case, proper accessibility is constituted by the company's either providing one internet terminal per 50 registered shareholders or one printed copy per 50 registered shareholders at the assembly address table. Shareholders' legal right to speak and ask questions and the Board of Directors' legal obligation to provide information in the Annual General Meeting remain unaffected by the above procedures.

2. Every shareholder is required to introduce him or herself with first and last name before addressing the assembly at the Annual General Meeting.
3. Shareholders do not have the right to address the assembly from a podium. If no podium has been provided by the Board of Directors of the company, the shareholder will be provided with a microphone to address the assembly with if he or she would otherwise not be heard.
4. The Chairman determines the order of speakers, although the practice is that representatives of shareholders associations are called upon first on a yearly turn for turn basis.

5. The Chairman has the right to set an appropriate standard time allotment for questions and remarks at the start of the Annual General Meeting. Alternatively, the Chairman may shorten time allotments for questions and remarks during the Annual General Meeting for the course of the entire assembly, for single agenda items or for individual speakers, or even eliminate time allotments altogether when the number of requests from the floor is too great to permit concluding the Annual General Meeting in a reasonably timely manner. The Chairman is also permitted to cut off the list of speakers and order the conclusion of debate when the methods described above are insufficient for ending the Annual General Meeting within a reasonable period of time.
6. Remarks and questions obviously irrelevant to the agenda such as general questions on global political, religious or social issues are not permitted. The Chairman has the right to immediately terminate the shareholder's address in such cases.

#### **§ 9 Attendance figures/participants list**

1. Each shareholder bears responsibility him or herself for being entered into the participants list at check-in and struck off it upon leaving the Annual General Meeting, and for any changes of representatives being properly recorded. The company is not obligated to install security personnel at the exits to prevent shareholders from leaving without updating the participants list. The shares of shareholders who leave the Annual General Meeting without passing the mandatory check-in/out desk continue to be regarded as present, i.e. those votes count toward the results in subtraction method voting. Use of the subtraction method as per Article 14, Par. 2 of these Rules of Procedure results in these votes counting as 'yes'.
2. Barring other specifications from the Chairman, the area of attendance is defined as the room in which the Board of Directors sits and the rooms located between this room and the check-in area.
3. The company must produce and make available a participants list prior to passing resolutions in the Annual General Meeting. All shareholders entitled to participate must be given the opportunity of viewing the participants list.
4. The attendance figures drawn from the participants list are to be announced one time by the Chairman prior to the first vote. For voting with the subtraction method, official attendance is again determined at the start of the vote. The attendance figures are announced by the Chairman along with the outcome of the respective resolution votes. To the extent that the addition method and electronic attendance monitoring are in use, the electronic participants list is authoritative.
5. Attendance is determined before a vote. The attendance taken at the start of the vote is official. Should a shareholder leave the Annual General Meeting during a vote, the shareholder and his/her votes remain effectively present during voting. The company is not obliged to prevent shareholders from leaving during voting.

## **§ 10 Answering questions**

Shareholders' questions may be answered personally or by third-party experts, to the extent that the Administrative Board chooses to accept questions.

## **§ 11 Reading of motions for resolution and Board of Directors reports**

1. The chairman has the right to forego reading motions for resolution already published in the invitation notice.
2. Par. 1 applies accordingly for printed reports from the Administrative Board that it has produced for individual agenda items.

## **§ 12 Presentation of the annual financial statement, consolidated financial statement and reports from the Board of Directors/Supervisory Board**

The Administrative Board of the company is obligated to abridge its report on the annual and/or consolidated financial statement recommended in Article 48 Par. 2 sentence 3, SEAG, and make reference to the statements published on the company website.

## **§ 13 Order of Agenda Items**

1. The Chairman determines the order in which the matters on the agenda are to be addressed. The Chairman may dictate a sequence for the matters of discussion that deviates from that announced in the agenda and bring up again agenda items the discussion of which has already been concluded.
2. The decision to set or cancel agenda items for the Annual General Meeting lies with shareholders.

## **§ 14 Voting procedures**

1. The Chairman determines the type and manner of voting.
2. Barring any contrary decisions by the Chairman, the subtraction method is used in voting. In the subtraction method only the 'no'-votes and abstentions are counted. The 'yes'-votes are determined by subtracting the 'no'-votes and abstentions from the total attendance based on the participants list. Thus a shareholder's vote counts as 'yes' when a voting card(s) has not been submitted.

The votes of shareholders who are prevented for legal reasons from exercising their votes or who have expressed their desire not to participate in the voting are to be subtracted from the attendance number and are not considered in the vote counts, the same as with abstentions.

3. If the Chairman decides for the addition method for voting, all 'yes' and 'no' votes are counted separately. The total number of votes is arrived at by adding the 'yes' and the 'no' votes together. Abstentions do not count as votes and therefore are not recorded.
4. The Chairman decides the order of voting. He is permitted to aggregate voting on different resolution items into a single simultaneous vote.
5. With related resolution proposals, block voting is permitted for the purpose of streamlining voting procedures, allowing voting on separate proposals to be aggregated into a single vote. Shareholders may in such a case vote against the aggregated set of resolutions, bringing about separate voting for the different resolution proposals.
6. The Chairman must announce voting results and the status of resolutions.
7. The Chairman may allow electronic voting procedures.
8. Shareholders do not have the right to insist on secret balloting.

#### **§ 15 Procedural motions**

1. Procedural motions are to be submitted by shareholders in writing to the Chairman.
2. The Chairman is only required to bring procedural motions to a vote that concern the matters of discussion at the Annual General Meeting.

#### **§ 16 Video and audio recordings/shorthand transcripts**

1. Video and audio recordings as well as shorthand transcripts made by the company during the Annual General Meeting are only permitted with the express approval of the Chairman. The Chairman must specifically call this to shareholders' attention when this is the case.
2. Video and audio recordings as well as shorthand transcripts made by shareholders are prohibited.

#### **§ 17 Expense/parking fee reimbursement/Driving map to the Annual General Meeting**

1. Shareholders have no claim for reimbursement of travel and parking expenses in connection with the Annual General Meeting.
2. A location map of how to get to the Annual General Meeting may only be provided on the company homepage and not additionally be distributed along with the invitations.

**§ 18 Announcement of The Rules of Procedure**

These Rules of Procedure shall be made available to all shareholders on the company's homepage via the link "Investor Relations/Annual General Meeting". For every 50 registered shareholders, one printed copy of these Rules of Procedure shall be available at the table from which the floor is to be addressed during the Annual General Meeting.

**§ 19 Amendment of the Rules of Procedure**

These Rules of Procedure can only be changed or rescinded by the Annual General Meeting with a majority representing at least three-quarters of the share capital at the time of the resolution.

**§ 20 Severability Clause**

In the event that regulations within these Rules of Procedure cease to apply in whole or in part, the validity of the remaining stipulations shall not be affected. A stipulation that comes as close as possible to the sense and purpose of the stipulation that has ceased to apply must then be included."