

GILDEMEISTER Aktiengesellschaft Bielefeld

ISIN-Code: DE0005878003

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**110<sup>th</sup> Annual General Meeting**

We would hereby like to invite the Company's shareholders to our 110<sup>th</sup> Annual General Meeting to be held at 10.00 am on Friday, the 18<sup>th</sup> of May 2012, in Hall 1 of the City Hall of Bielefeld (Stadthalle Bielefeld) in Bielefeld, Willy-Brandt-Platz 1, Germany.

**GILDEMEISTER**

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- 1. Presentation of the formally adopted annual financial statements of GILDEMEISTER Aktiengesellschaft and the approved consolidated financial statements as of 31 December 2011, the management reports for GILDEMEISTER Aktiengesellschaft and its group including the explanatory reports by the Executive Board on the information required pursuant to §§ 289 (4) and (5), 315 (4) of the German Commercial Code (Handelsgesetzbuch or "HGB"), the proposal of the Executive Board on the appropriation of the net retained profit for fiscal year 2011 and the report of the Supervisory Board for fiscal year 2011**

In accordance with §§ 172 and 173 of the German Stock Corporation Act (Aktiengesetz or "AktG"), the Supervisory Board approved the annual financial statements and the consolidated financial statements, as prepared by the Executive Board, on 13 March 2012 and has thereby formally adopted the annual financial statements. The annual financial statements and management report, the consolidated financial statements and group management report, and the report of the Supervisory Board and Executive Board including the explanations required under the takeover laws were available to the Annual General Meeting. A resolution in accordance with the German Stock Corporation Act does not need to be adopted.

- 2. Resolution on the appropriation of net retained profits**

The Executive Board and Supervisory Board propose to distribute to shareholders a dividend in the amount of € 0.25 per share entitled to dividends, from the net retained profits in the amount of € 16,777,694.55 as shown on the annual financial statements of GILDEMEISTER Aktiengesellschaft for fiscal year 2011, for a total of € 14,590,798.75, and to carry forward the remaining net profits of € 2,186,895.80.

The dividend will be paid on 21 May 2012; treasury shares are not entitled to dividends.

- 3. Resolution on the ratification of acts of the Executive Board**

The Executive Board and Supervisory Board propose the ratification of actions taken for fiscal year 2011 by the Executive Board members who were in office in fiscal year 2011.

- 4. Resolution on the ratification of acts of the Supervisory Board**

The Executive Board and Supervisory Board propose the ratification of the actions taken for fiscal year 2011 by the Supervisory Board members who were in office in fiscal year 2011.

- 5. Resolution on the appointment of the auditors**

Upon the recommendation of the Finance and Audit Committee, the Supervisory Board proposes the appointment of KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin to serve as the Company's auditors of the annual and consolidated financial statements for fiscal year 2012.

**6. Resolution on the authorization to purchase and use the Company's own shares and to exclude pre-emptive rights**

Pursuant to § 71 (1) no. 8 AktG, the Company must obtain special authorization from the Annual General Meeting in order to purchase and use its own shares, unless otherwise specifically allowed to do so by law. Since the authorization approved by the Annual General Meeting on 14 May 2010 expires as of 13 May 2012, the Annual General Meeting will be presented with a resolution to grant new authorization, which will also last for two years.

The Executive Board and Supervisory Board therefore recommend adopting the following resolution:

- a) The Company is authorized to purchase, on or before 17 May 2014, its own shares up to a total of 10% of the registered share capital existing at the time the resolution is adopted. The purchased shares, together with other own shares which the Company holds (i.e., treasury shares) or which are attributed to the Company pursuant to §§ 71a et seq. AktG, may not at any time represent more than 10% of the registered share capital. The authorization may not be used for purposes of trading in the Company's own shares.
- b) The authorization may be exercised one or more times either in whole or in part by the Company or by a third party for the account of the Company in pursuit of one or more objectives.
- c) The purchase shall be carried out at the Executive Board's option either on the open stock market or by making a public purchase offer or a public solicitation to tender such an offer.

\_ If the shares are purchased on the open stock exchange, then the value per share paid by the Company (excluding any incidental costs of purchase) shall not be more than 5% more or less than the price for the Company shares as established on the trading date through the opening auction in the electronic XETRA Trading System of Deutsche Börse AG (or a functionally comparable system that replaces it).

\_ If the purchase is made through a public purchase offer or a public solicitation to tender a purchase offer, then the offered purchase price or the limits of the offered purchase price range per share (excluding any incidental costs of purchase) shall not be more than 5% more or less than the average closing price quoted for the Company shares in the electronic XETRA Trading System of Deutsche Börse AG (or a functionally comparable system that replaces it) during the three trading days before the publication date of the offer or before the public solicitation to tender a purchase offer. If, after the publication of a purchase offer or the public solicitation to tender a purchase offer, substantial deviations from the applicable price arise, then the offer or the solicitation to tender such an offer can be adjusted. In that case, the basis will be the average price of the three trading days prior to the publication of any adjustment. The purchase offer and the solicitation to tender such an offer may stipulate additional terms and conditions. If the purchase offer is over-subscribed or if not all of the offers, which are made in connection with a solicitation to tender an offer and which are of equivalent value, are not accepted, then the offer must be

accepted on a pro rata basis. Provision may be made to allow for a preferential acceptance of a smaller number of up to 100 of the offered shares.

- d) The Executive Board is authorized to sell the Company's shares, which had been acquired on the basis of this or an earlier authorization or on some other basis, for all legally permissible purposes, and to specifically use such shares for the following purposes:
  - aa) The shares may be redeemed and cancelled without requiring an additional Annual General Meeting resolution to approve the redemption/cancellation or its implementation. The shares may also be redeemed and cancelled through a simplified procedure (without reducing capital) by adjusting the pro rata theoretical value of the other no-par value shares of the Company's registered share capital. The Company is authorized to cancel only some of the redeemed shares. The authorization to redeem and cancel shares may be used multiple times. If the share redemption and cancellation is carried out using a simplified procedure, then the Executive Board will be authorized to adjust the number of no-par value shares in the Company's Articles of Association.
  - bb) The shares may also be sold in a manner other than through the stock market or through offers made to the shareholders, if the shares are sold in exchange for a cash payment at a price, which is not significantly below the stock market price of the Company shares having the same features at the time of the sale. In that case, the proportional amount of the registered capital that is made up by the shares to be sold may not exceed a total of 5% of the Company's registered share capital either at the time when this becomes effective nor – if this value is lower – at the time when this authorization is used. Included in the aforementioned 5% limit are: (i) shares that have been issued since the granting of this authorization as part of a capital increase with an exclusion of pre-emptive rights either directly pursuant to § 186 (3) sentence 4 AktG or in conjunction with § 203 (1) AktG; as well as (ii) shares with respect to which there is a conversion right or option or a conversion duty or option duty based on warrant-linked bonds and/or convertible bonds, which were issued during the term of this authorization while excluding pre-emptive rights pursuant to §§ 221 (4), 186 (3) sentence 4 AktG.
  - cc) The shares may also be sold in exchange for non-cash capital contributions, specifically in connection with the acquisition of companies, divisions of companies or company holdings and with mergers of companies.
  - dd) The shares may also be issued in order to satisfy any conversion rights under convertible bonds that are issued by the Company or group enterprises affiliated with it.
  - ee) As part of employee and executive compensation, the shares may also be offered and/or issued to employees of the Company or enterprises affiliated with the Company and to managing directors of affiliated enterprises. The shares acquired pursuant to the foregoing authorization may also be transferred to a credit institution or another entity that meets the requirements set forth in § 186 para. 5 sentence 1 AktG, which will take the shares with the obligation of using them exclusively to grant shares to employees of the Company and enterprises affiliated with it



and to managing directors of affiliated enterprises. The Executive Board may obtain the shares to be granted to the employees of the Company and enterprises affiliated with it and to managing directors of affiliated enterprises by way of a securities loan from a credit institution or another entity that meets the requirements set forth in § 186 para. 5 sentence 1 AktG and use the shares acquired pursuant to the foregoing authorization to pay back these securities loans.

- e) The Supervisory Board is authorized to use the treasury shares, which were acquired under this or any previous authorizations or on some other basis, for purposes of servicing any rights or obligations to purchase Company shares, which had been granted to members of the Company's Executive Board. The provisions of paragraph d) subparagraph ee) sentence 2 and 3 apply by analogy.
- f) The authorizations granted under paragraphs d) and e) also include the use of Company shares acquired on the basis of § 71d sentence 5 AktG.
- g) The authorizations granted under paragraphs d) and e) may be exercised individually or collectively, one or more times, either in whole or in part, and the authorizations under paragraph d) subparagraphs bb) through ee) may also be exercised by companies that are controlled or majority owned by the Company or for their account or the account of third parties acting for the account of the Company.
- h) The shareholders' pre-emptive rights to such treasury shares will be excluded to the extent such shares are used under the foregoing authorizations under paragraph d) subparagraphs bb) through ee) and paragraph e).
- i) The Supervisory Board may stipulate that actions taken by the Executive Board based on this shareholder resolution would require its prior approval.

**Report of the Executive Board regarding Agenda Item 6 pursuant to § 71 (1) no. 8 AktG in connection with § 186 (3) and (4), sentence 2 AktG**

GILDEMEISTER Aktiengesellschaft adopted a resolution at the Annual General Meeting of 14 May 2010 authorizing the acquisition of its own shares, but the authorization is limited until 13 May 2012. Due to the expiration of this authorization the Annual General Meeting is to adopt a new resolution, which also has a term of two years.

The aforementioned provision should afford the Company the opportunity of purchasing its own shares through a public tender offer or a public solicitation to tender a sales offer. The principle of equal shareholder treatment (*aktienrechtlicher Gleichbehandlungsgrundsatz*) must be observed in this respect. In case of a public solicitation to tender a sale offer, any shareholder willing to sell may decide how many shares to sell and, in case a price range is set, at which price he wishes to offer these shares. If the overall acceptance of a tender offer or those equal-value offers made by the shareholders following such solicitation exceeds the designated volume, then the purchase or acceptance must be in proportion to the amount of the offered shares. In this case, however, it must be possible to provide for a preferential acceptance of smaller individual increments of shares up to a maximum of 100 shares per shareholder. This option serves the purpose of avoiding

fractional amounts when setting the quota to be purchased and small remainders, and in this way simplifies the technical settlement.

The Executive Board will be authorized to redeem and cancel the Company's own shares without any further resolution by the Annual General Meeting (§ 71 (1) no. 8 sentence 6 AktG). The proposed authorization provides that, pursuant to § 237 (3) no. 3 AktG, the Executive Board can redeem and cancel shares without a capital reduction. Where shares are redeemed and cancelled without reducing capital, the proportionate amount of the remaining no par value shares of the Company's registered share capital is increased. In this regard, the Executive Board is authorized to amend the Articles of Association to reflect the changing number of no par value shares.

The sale of the Company's own shares ("*treasury shares*"), which were acquired based on this or an earlier authorization or in some other manner, will be possible in the following cases while excluding pre-emptive rights:

- a) By authorizing the sale of the acquired shares to a third party and the sale of the acquired treasury shares by means other than on the stock market or through an offer made to all shareholders, to the extent that the selling price is not materially less than the stock market price, the Company shall use the opportunity provided by law to exclude the pre-emptive rights pursuant to § 71 (1) no. 8 sentence 5 AktG in conjunction with § 186 (3) sentence 4 AktG. The final determination of the selling price for treasury shares shall be made immediately before the sale of the treasury shares. This opportunity serves the interests of the Company and the shareholders since it affords the Company greater flexibility. The Company is thereby able to compete for new domestic and foreign shareholder groups. It affords the Company the opportunity, above all, to sell its own treasury shares for example to institutional investors. The statutory option to exclude pre-emptive rights places the Company in a position to make fast and flexible use of opportunities arising from new stock market situations, without requiring the time-consuming and costly settlements of pre-emptive rights trading. The proposed authorization therefore serves to ensure a sustained and reasonable equity capitalization for the Company. There are currently no specific plans to exercise this authority. The Executive Board shall report each use of authorized capital at the next Annual General Meeting.

The property and voting interests of the shareholders will be suitably protected during the sale of the treasury shares to third parties while excluding pre-emptive rights pursuant to § 71 (1) no. 8 sentence 5 in conjunction with § 186 (3) sentence 4 AktG. The authorization is limited to a maximum of 5% of the Company's registered capital.

Included in the aforementioned limit are shares that have been issued during the period of this authorization in connection with a capital increase while excluding pre-emptive rights either directly pursuant to § 186 (3) sentence 4 AktG or as part of the use of the authorized capital account in conjunction with § 203 (1) AktG. Also included in the threshold are shares with respect to which there is a conversion right or option or a conversion duty or option duty based on warrant-linked bonds and/or convertible bonds, which were issued during the term of this authorization while excluding pre-emptive rights pursuant to §§ 221 (4), 186 (3) sentence 4 AktG. The inclusion of these shares in calculating the aforementioned threshold effectively limits the possibility of pre-emptive rights exclusion.

To protect the shareholders, it is further provided that the Supervisory Board may stipulate that actions taken by the Executive Board on the basis of this authorization will still require the prior approval of the Supervisory Board. At the same time, for purposes of protecting the shareholders, it is provided that the acquired shares, when sold by means other than on the stock market or by making an offer to all shareholders, may be sold only at a price that is not significantly, i.e. in no event more than 5%, lower than the stock market price of Company shares at the time of the sale.

- b) The Company should furthermore be in a position to have its own treasury shares at its disposal for use as consideration in connection with corporate mergers or for the acquisition of companies, divisions of companies, shareholdings and other assets. International competition and globalization demand, more than ever, the flexibility to offer this type of consideration. The proposed authorization will provide the Company with the necessary flexibility to engage in fast and flexible action regarding new opportunities for acquiring companies or investments. No specific plans to use this authorization presently exist.

In exercising its authority hereunder, the Executive Board shall ensure that the shareholders' interests are reasonably safeguarded. As a rule, it will use the stock market price as a benchmark in valuing the transferred Company shares which will be used as consideration. A schematic link to the stock market price is not, however, envisaged, in order to avoid, above all, compromising previously achieved negotiations due to fluctuations in the stock market price. The Executive Board shall report on any use of the authority at each next Annual General Meeting.

- c) The authorization also provides that the treasury shares may be used to satisfy the conversion rights under the issued convertible bonds while excluding the shareholder's pre-emptive rights. It may in some cases be practicable to use treasury shares to satisfy the conversion rights instead of relying on new shares that are issued as part of a capital increase.
- d) Treasury shares will also be offered to employees of the Company and enterprises affiliated with the Company. The issuance of treasury shares to employees – generally subject to a reasonable lock-up period covering several years – is in the interests of the Company and its shareholders since such a measure promotes the employees' association and identification with their Company and thereby improves enterprise value.

The authorization also creates the legal possibility of offering and/or granting existing treasury shares as a component of compensation to members of the Executive Board. The decision whether to make use of this possibility is taken by the Supervisory Board alone, as the body responsible for determining the Executive Board's compensation.

The treasury shares may also be transferred to a credit institution or another entity that meets the requirements set forth in § 186 para. 5 sentence 1 of the German Stock Corporation Act, which will take the shares with the obligation of offering and/or granting them to the members of the Company's Executive Board and employees and its affiliated companies, as well as members of the management of affiliated companies. The Supervisory Board can obtain the shares to be granted to the members of the



Executive Board of the Company, or the Executive Board can obtain the shares to be granted to the employees of the Company or its affiliated companies and the members of management of affiliated companies by means of securities loans from a credit institution or from another entity that meets the requirements set forth in § 186 para. 5 sentence 1 of the German Stock Corporation Act and use the shares acquired pursuant to the foregoing acquisition authorization to pay back these securities loans.

The decision as to how the authorization will be used in a specific case will be made by the proper governing bodies of the Company; they will make this decision in the best interests of the Company's shareholders and report on their decisions at the next Annual General Meeting pursuant to § 71 para. 3 sentence 1 of the German Stock Corporation Act. Currently there are no concrete plans for the use of the authorization.

## **7. Creation of new authorized capital and the related amendment to the Articles of Association**

The current authorized capital account (§ 5 (3) of the Articles of Association) expires on 13 May 2015, but most of it has already been used up. Thus, a new authorized capital account expiring on 17 May 2017 is to be created to replace the existing account.

The Executive Board and Supervisory Board recommend amending § 5 (3) of the Articles of Association as follows:

*"The Executive Board is authorized, during the period up to and including 17 May 2017 and with the consent of the Supervisory Board, to increase the registered share capital up to a nominal amount of € 78,218,714.60 by issuing up to 30,084,121 new no-par value bearer shares in exchange for cash or in-kind contributions (authorized capital). The authorization may be exercised one or more times for all or part of the foregoing amount.*

*The shares may be subscribed by one or more credit institutions designated by the Executive Board, subject to the obligation that such institutions must offer the shares to the shareholders (indirect pre-emptive right).*

*With respect to a portion of the authorized amount (namely, up to € 5,000,000.00), the Executive Board is authorized to issue shares to employees of the Company and enterprises affiliated with the Company and to that extent, the shareholders' statutory pre-emptive rights shall be excluded.*

*The Executive Board is further authorized, with the consent of the Supervisory Board, to exclude the shareholders' statutory pre-emptive rights in the following cases:*

*a) in the event of a non-cash capital increase in exchange for contributions-in-kind for purposes of acquiring in appropriate situations other companies, divisions of companies or shareholdings in companies in exchange for shares,*

*b) where such exclusion is required to protect against dilution, in order to grant to the holders of warrants or the creditors under convertible bonds, which are issued by the Company or one of its affiliates under an authorization granted to the Executive Board*

*by the Annual General Meeting, a pre-emptive right to the new shares to the same extent such warrant holders or creditors would be entitled to such shares after exercising their option or conversion right or after discharging their conversion duties*

*c) in order to eliminate any fractional amounts from the pre-emptive right.*

*All the shares issued pursuant to the foregoing authorization with exclusion of pre-emptive rights in accordance with paragraph a) may not exceed 20 % of the capital at the time when the authorization takes effect nor at the time when it is used. Shares that are issued during the term of the foregoing authorization with exclusion of pre-emptive rights from any other authorized capital count towards this 20 % limit, as do any shares that are to be issued following the exercise of an option or convertible bond if the related options or convertible bonds are issued during the term of this authorization with exclusion of pre-emptive rights; however, exclusions of pre-emptive rights to settle fractional amounts and/or to protect against dilution of owners or creditors of options or conversion rights under options or convertible bonds do not count towards the 20 % limit.*

*The Executive Board is authorized, with the consent of the Supervisory Board, to stipulate additional details regarding the capital increase and its implementation. The Supervisory Board is authorized to amend the articles of association as the authorized capital is used or, if the authorized capital has not be used up by 17 May 2017 or not used up in full, the Board may revoke this deadline."*

**Report of the Executive Board on Agenda Item 7 pursuant to § 203 para. 2 sentence 2, § 186 para. 4 sentence 2 AktG**

The Executive Board and Supervisory Board propose to the Annual General Meeting that the current authorized capital in the amount of € 21,332,376.00 be dissolved and that new authorized capital be created in the amount of € 78,218,714.60. The current authorized capital was used up in spring 2011 in the amount of € 37,924,224.00 through the issue of 14,586,240 bearer shares.

By creating a new authorization with an amount adapted to the current authorized capital, the Company is to retain its flexibility so that it can react to strategic options in the future and raise the capital on the capital markets needed for the Company's growth and quickly take advantage of favourable market conditions to cover a future need for funding.

A new total authorized capital of € 78,218,714.60 is to be created. The Executive Board is authorized, with the consent of the Supervisory Board, to increase the Company's capital on one or more occasions by 17 May 2017 by up to a total of € 78,218,714.60 by issuing up to 30,084,121 new bearer shares in exchange for contributions in cash and/or in kind (authorized capital). The shares may be subscribed by one or more credit institutions designated by the Executive Board, subject to the obligation that such institutions must offer the shares to the shareholders (indirect pre-emptive right).

In addition to the principle in § 186 para. 1 AktG, which also applies to authorized capital pursuant to § 203 para. 1, every shareholders is entitled, upon demand, to new shares in proportion to his holding in the existing share capital (pre-emptive right).

Pursuant to § 203 para. 2 sentence 1 AktG in conjunction with § 186 para. 3 sentence 1, the Executive Board is further authorized, with the consent of the Supervisory Board, to exclude the shareholders' statutory pre-emptive rights in the following cases:

- a) With regard to a partial amount of € 5,000,000.00 the Executive Board is to be authorized to exclude the pre-emptive right with the Supervisory Board's consent, in order to issue shares to employees of the Company and enterprises affiliated with the Company. This is to allow the authorized capital to be used to issue shares to employees of the Company and enterprises affiliated with the Company. These shares can be issued, for example, in the context of a stock option plan, in the interests of the Company and its shareholders since such a measure promotes the employees' association and identification with their Company and thereby improves enterprise value.
- b) The Executive Board will be authorized to exclude pre-emptive rights, with the Supervisory Board's consent, when the capital is increased by way of contributions in kind, in order to acquire companies, divisions of companies or shareholdings or other assets in exchange for shares. This will allow the Executive Board to acquire companies, divisions of companies, stakes in other companies or other assets from third parties in exchange for shares without recourse to the capital markets.

The Company competes with businesses around the world. It must be in a position at all times to act quickly and flexibly on the international markets, in the interests of its shareholders. This includes the ability to acquire companies, divisions of companies or stakes in the companies or other appropriate assets to improve the Company's competitive position. The best way to exercise this option in the interests of the shareholders and the Company may in certain cases be to acquire a company, a division of a company or a stake in a company or other appropriate assets by granting shares in the acquiring company. The ability to issue shares significantly increases the Executive Board's room to manoeuvre in international competition. Practice shows that particularly the owners of attractive target companies frequently demand voting shares in the acquiring company as the consideration for the sale. As the company divisions involved in this sort of transaction become increasingly larger, it is often not possible to pay for the acquisition in cash without exhausting the Company's liquidity or increasing its indebtedness to an undesirable degree.

In order to use authorized capital for these purposes, pre-emptive rights must be excluded. Therefore, the Executive Board must be authorized to exclude pre-emptive rights in such cases. Authorized capital with the ability to exclude pre-emptive rights allows the Company to react quickly and without the delay that would be caused if a shareholders' resolution were required, and this ability to act quickly is often important or even decisive in being able to carry out an acquisition and to hold one's own in competition with other competitors interested in the acquisition.

When pre-emptive rights are excluded, the existing shareholders' percentage ownership and their relative voting rights are reduced, but if pre-emptive rights were granted, it would not be possible to acquire companies, divisions of companies or stakes in companies in exchange for shares, which would make it impossible to achieve the related advantages for the Company and its shareholders. As a rule, the Executive Board will use the market price as the basis for its valuation of the shares to be provided as

consideration. However, there are no plans to systematically tie the valuation to the market price, so that fluctuations in the market price will not jeopardize the results of negotiations.

The Executive Board will only use the authorization to exclude pre-emptive rights when the planned acquisition in exchange for Company shares is in the clear interest of the Company. Only when this prerequisite is met will the Supervisory Board give its consent.

- c) In addition, the Executive Board is to be authorized to exclude pre-emptive rights, with the Supervisory Board's consent, when this is necessary to protect against dilution, in order to grant to the holders of options or convertible bonds that were issued by the Company or its affiliates as part of an authorization given to the Executive Board by the shareholders' meeting the subscription rights that they would be entitled to after the exercise of the option or conversion right or after satisfaction of the conversion obligations.

The terms and conditions of convertible bonds and options regularly provide that protection against dilution will be granted in the event of a capital increase either by reducing the price of the option or convertible bond or by granting subscription rights. In order not to be limited to the alternative of reducing the option or convertible bond price right from the start, an authorization is to be given for the use of authorized capital whereby the pre-emptive rights of shareholders to the new shares can be excluded when it is necessary to give the holders of options and convertible bonds subscription rights to the same extent as the shareholders would be entitled to. This protection against dilution also makes it easier to place the bond on the capital market and thus serves the shareholders' interest in achieving the optimal finance structure for the Company. The exclusion of rights in favour of option holders and holders of convertible bonds allows them to participate in the capital increase to the same extent as they would be entitled to if they had received shares from exercising their options or convertible bonds. This protects them from dilution as a result of a capital increase.

- d) The Executive Board is also to be authorized to exclude pre-emptive rights, with the Supervisory Board's consent, for capital increases where shareholders would normally have pre-emptive rights, in order to except fractional amounts from the pre-emptive rights. The authorization to exclude pre-emptive rights for fractional amounts makes it possible to establish simple, practical subscription ratios in a capital increase where there is entitlement to pre-emptive rights. Fractional amounts arise when the subscription ratio or the amount of the capital increase means that all new shares cannot be equally distributed among the shareholders. The pre-emptive rights for these fractional amounts must be excluded in order to create a subscription ratio that can actually be implemented. Shareholders whose fractional amounts are excluded from pre-emptive rights will be compensated either through a sale on the stock market or in another manner to the best of the Company's ability. Any possible dilution effect resulting from the limitation on fractional amounts is minimal because the fractional amounts represent such a small portion of the overall capital increase.

All the shares issued pursuant to the foregoing authorization in the case of a capital increase by way of contributions in kind and with exclusion of pre-emptive rights, may not exceed 20% of the capital at the time when the authorization takes effect

nor at the time when it is used. Shares that are issued during the term of the foregoing authorization with exclusion of pre-emptive rights from any other authorized capital count towards this 20 % limit, as do any shares that are to be issued following the exercise of an option or convertible bond if the related options or convertible bonds are issued during the term of this authorization with exclusion of pre-emptive rights; however, exclusions of pre-emptive rights to settle fractional amounts and/or to protect against dilution of owners or creditors of options or conversion rights under options or convertible bonds do not count towards the 20% limit. This 20 % ceiling limits the overall scope of an issue of shares from authorized capital without pre-emptive rights, thereby further protecting the shareholders from dilution of their holdings.

Considering all the circumstances, the Executive Board and the Management Board believe that the authorization to exclude pre-emptive rights in the cases indicated above for the reasons stated, are justified and appropriate, even given the potential dilution effect on shareholders. In each instance, the Executive Board will carefully examine the use of the authorization to increase the capital and exclude pre-emptive rights and will consider the interests of the existing shareholders to determine whether it is in the best interests of the Company; the Supervisory Board will grant its consent after reviewing the situation on its own. The Executive Board will inform the next shareholders' meeting of any use of the authorized capital.

#### **8. Resolution to supplement and amend § 12 of the Articles of Association (remuneration of the Supervisory Board)**

The Management Board and the Supervisory Board propose amending § 12 of the articles of association as follows:

After § 12 (5) of the current version of § 12 of the articles of association a new subsection 6 as follows is inserted:

*“The members of the Supervisory Board and its committees will receive a remuneration for attending meetings of the Supervisory Board and meetings of committees of the Supervisory Board in an amount of € 800.– for each meeting attended by them as members.”*

The current subsection 6 will become subsection 7.

The current subsection 7 will become subsection 8 and is revised as follows:

*“This arrangement will for the first time apply for fiscal year 2012.”*

#### **Information**

From the date of the notice convening the Annual General Meeting, the documents, which are listed under agenda item 1 and which shall also be available at the Annual General Meeting on 18 May 2012, will be available for download by following the link "Annual General Meeting" on the Company's website: [www.gildemeister.com](http://www.gildemeister.com).

### **Additional information regarding the notice of the Annual General Meeting of shareholders**

#### **1. Total number of shares and voting rights**

At the time of the official notice of the Annual General Meeting, the Company's registered share capital is split into 60,168,243 no-par value shares. Each share entitles the holder to one vote. At the time of the official notice of the Annual General Meeting, the Company holds 1,805,048 treasury shares, which do not entitle it to any rights. Thus, at the time of the official notice of the Annual General Meeting, the total number of shares entitling the respective holders to attend and vote at the meeting is 58,363,195.

#### **2. Prerequisites for attending the Annual General Meeting and for exercising the voting rights**

Any persons, who can prove their status as shareholders of the Company on the beginning of the 21<sup>st</sup> day prior to the Annual General Meeting, i.e. as of **27 April 2012, 12.00 am, (Record Date)** and register for the Annual General Meeting, will be eligible to attend the Annual General Meeting and to cast their vote. Evidence of eligibility is provided in the form of a proof of shareholding issued by the custodian credit institution or financial service provider as of the Record Date. In relation to the Company, only persons who have provided proof of share ownership can participate as shareholders and vote at the meeting. The shareholder's right to participate and the extent of the voting rights are determined solely by the shareholder's shareholdings on the Record Date. The Record Date will not lead to a block of the sale of the shareholding. Even in the event of a full or partial sale of the shareholding after the Record Date, only the shareholding of the shareholder as on the Record Date shall be decisive for the attendance and the extent of the voting rights; i.e. sales of shares after the Record Date do not affect the entitlement to vote or the extent of the voting rights. The same shall apply to purchases or additional purchases of shares after the Record Date. Persons who do not hold any shares on the Record Date and do not become shareholders until after that date are entitled to attend or vote in accordance with their shareholding only if they obtain power of attorney or are granted authorization to exercise these rights by the person who was holding the shares on the Record Date.

The registration and proof of shareholding must be received at the registration office mentioned below on or before midnight (24.00) on **11 May 2012**. The registration and proof of shareholding must be drafted either in German or English. Proof will suffice if it is in text form, as defined by German law.

#### **Registration office:**

GILDEMEISTER Aktiengesellschaft  
c/o UniCredit Bank AG  
CBS40GM  
D-80311 München  
Germany  
Fax: +49 (0) 89 / 54 00-25 19  
E-Mail: [hauptversammlungen@unicreditgroup.de](mailto:hauptversammlungen@unicreditgroup.de)



After receipt of the registration and proof of shareholding, the registration office will send admission tickets to the shareholders to attend the Annual General Meeting. In order to ensure the timely receipt of the admission tickets, we kindly ask the shareholders to request an admission ticket from the custodian institution as soon as possible. In these cases, the custodian institution shall carry out the necessary registration and transmission of the proof of the record shareholding.

### 3. Proxy voting procedure

Any shareholders, who do not wish to attend the Annual General Meeting in person, may exercise their vote by proxy; such as a credit institution, a shareholders' association or the proxies designated by the Company. In all such cases, timely registration and timely proof of eligibility with respect to the relevant shareholdings are also required. Shareholders will receive the relevant proxy forms together with their admission ticket. The granting of proxy, its revocation and proof towards the Company shall be made in text form. Proof that a power of attorney has been granted can be provided in the form of the person who holds the power of attorney presenting the power of attorney at admission check on the day of the Annual General Meeting. If the power of attorney is granted in the form of a declaration to the Company, it is no longer necessary to provide separate proof of granting the power of attorney.

For granting or revoking a proxy vis-à-vis the Company or for submitting proof of a proxy granted to a voting representative, shareholders may use the following address:

GILDEMEISTER Aktiengesellschaft  
Investor Relations  
André Danks  
Gildemeisterstraße 60  
D-33689 Bielefeld  
Fax: +49 (0) 52 05 / 74 - 32 73

Shareholders may also electronically grant or revoke a proxy vis-à-vis the Company, or transmit proof of a proxy granted to a shareholder representative or a notification of revocation of such proxy, via the following e-mail address:

Gildemeister-HV2012@computershare.de

Special requirements may apply if power of attorney is issued to a credit institution or any association of shareholders or persons covered by Section 135 (8) of the German Stock Corporation Act (AktG) or another equivalent institute or company. Shareholders are requested in such a case to contact the authorized agent in good time to agree on the form of the power of attorney that agent may require.

The Company offers shareholders, who have duly and timely registered, as a special service to grant power of attorney to proxies designated by the Company in advance of the Annual General Meeting. Besides power of attorney shareholders must also provide instructions on how to exercise the voting rights to the proxies designated by the Company. The proxies designated by the Company are obliged to vote in accordance with their instructions. They may not use their own discretion in exercising the shareholders' voting rights.

The power of attorney and instructions must be issued in text form. Forms for granting power of attorney and issuing instructions to the proxies designated by the Company will be attached to every admission ticket. Unless the shareholder is transmitting them electronically (see below), the shareholder's power of attorney and instructions to the proxies designated by the Company must be received by the Company on or before noon on 16 May 2012 at the address set forth below:

GILDEMEISTER Aktiengesellschaft  
Investor Relations  
André Danks  
Gildemeisterstraße 60  
D-33689 Bielefeld  
Fax: +49 (0) 52 05 / 74 - 32 73

The shareholders may also issue power of attorney and instructions (and any revocation thereof) to the proxies designated by the Company in electronic form (and may do so even during the Annual General Meeting until the end of the general debate) by sending an e-mail to the following address:

Gildemeister-HV2012@computershare.de

Further details regarding the registration and the granting of power of attorney and the forms for granting power of attorney are sent out to the Shareholders and can also be downloaded from the Company's website [www.gildemeister.com](http://www.gildemeister.com) by following the link "Annual General Meeting".

#### **4. Motions for additions to the agenda at the request of a minority of shareholders pursuant to § 122 (2) AktG**

Shareholders whose combined shares amount to a proportioned ownership of at least € 500,000.00 of the Company's registered share capital, equivalent to 192,308 no-par value shares, may request that items be placed on the agenda and be published. The request must be submitted in writing to the Company's Executive Board and must be received by the Company no later than midnight (24.00) on 17 April 2012. Each new item shall be accompanied by an explanation or a draft proposal. Motions by shareholders to supplement the agenda pursuant to § 122 (2) AktG must be forwarded to the Company at the following address, to the attention of the Executive Board:

GILDEMEISTER Aktiengesellschaft  
Vorstand  
- Büro des Vorstandsvorsitzenden -  
Gildemeisterstraße 60  
D-33689 Bielefeld

Shareholders submitting such motions must furnish proof that they have held the shares for a period of at least three months prior to the date of the Annual General Meeting. We hereby expressly alert shareholders that pursuant to § 70 AktG, there are certain options for crediting time towards that period.

Additions to the agenda that have to be announced will be published throughout the European Union in the electronic Federal Gazette (*elektronischer Bundesanzeiger*) without undue delay following their receipt by the Company. They will also be made available on the Company's website at [www.gildemeister.com](http://www.gildemeister.com) following the link "Annual General Meeting" and communicated to shareholders.

#### **5. Motions and nominations by shareholders pursuant to §§ 126 (1) and 127 AktG**

The shareholders may submit countermotions to resolutions proposed by the Executive Board and/or the Supervisory Board on items on the agenda and may submit counter-proposals for the appointment of the auditors (agenda item 5). Countermotions or proposals must be directed exclusively to the address set forth below. Countermotions or proposals sent to any other address will be ignored.

GILDEMEISTER Aktiengesellschaft  
Investor Relations  
André Danks  
Gildemeisterstraße 60  
D-33689 Bielefeld  
Fax: +49 (0) 52 05 / 74 - 32 73  
E-Mail: [ir@gildemeister.com](mailto:ir@gildemeister.com)

Countermotions and proposals for election (nominations) requiring disclosure, received by the Company at the aforementioned address before midnight (24.00) on 3 May 2012 (together with proof of the shareholder's eligibility), along with the reasons for them, will be made available immediately along with the name of the shareholder, the reasons and any statement by management, on the Company's website [www.gildemeister.com](http://www.gildemeister.com) following the link "Annual General Meeting".

#### **6. Shareholders' rights to information pursuant to § 131 (1) AktG**

The Executive Board is required to furnish each shareholder with information on the Company's affairs upon request, including information on its legal and business relationships with affiliated companies and on the situation of the group and of the affiliated companies included in the group's consolidated financial statements, to the extent that such information serves to help make an informed judgement about the relevant agenda item. Requests for information must be submitted orally at the Annual General Meeting during the course of the general debate.

The Executive Board may refuse to provide information on the grounds set forth in § 131 (3) AktG, e.g., to the extent that providing such information is, according to sound business judgment, likely to cause material damage to the Company or an affiliated company (e.g., disclosure of business secrets). Pursuant to the Company's Articles of Association, the Chairman of the Annual General Meeting may set an appropriate time on questions and speeches.

## **7. Publications on the Company's website**

The content of this notice of the Annual General Meeting, including any explanatory comments (if no resolution is adopted with respect to a given item on the agenda), the documents to be made available at the meeting (including the management report, the total number of shares and voting rights on the date of the official notice of the Annual General Meeting), any requests by shareholders to supplement the agenda subject to prompt disclosure pursuant to § 122 (2) AktG, and any further information on the Annual General Meeting, are available on the Company's website at [www.gildemeister.com](http://www.gildemeister.com) following the link "Annual General Meeting".

After the conclusion of the Annual General Meeting, a recording of the speech given by the Chairman of the Executive Board will be available on the above mentioned website.

Bielefeld, March 2012

GILDEMEISTER Aktiengesellschaft  
The Executive Board

### **Please note**

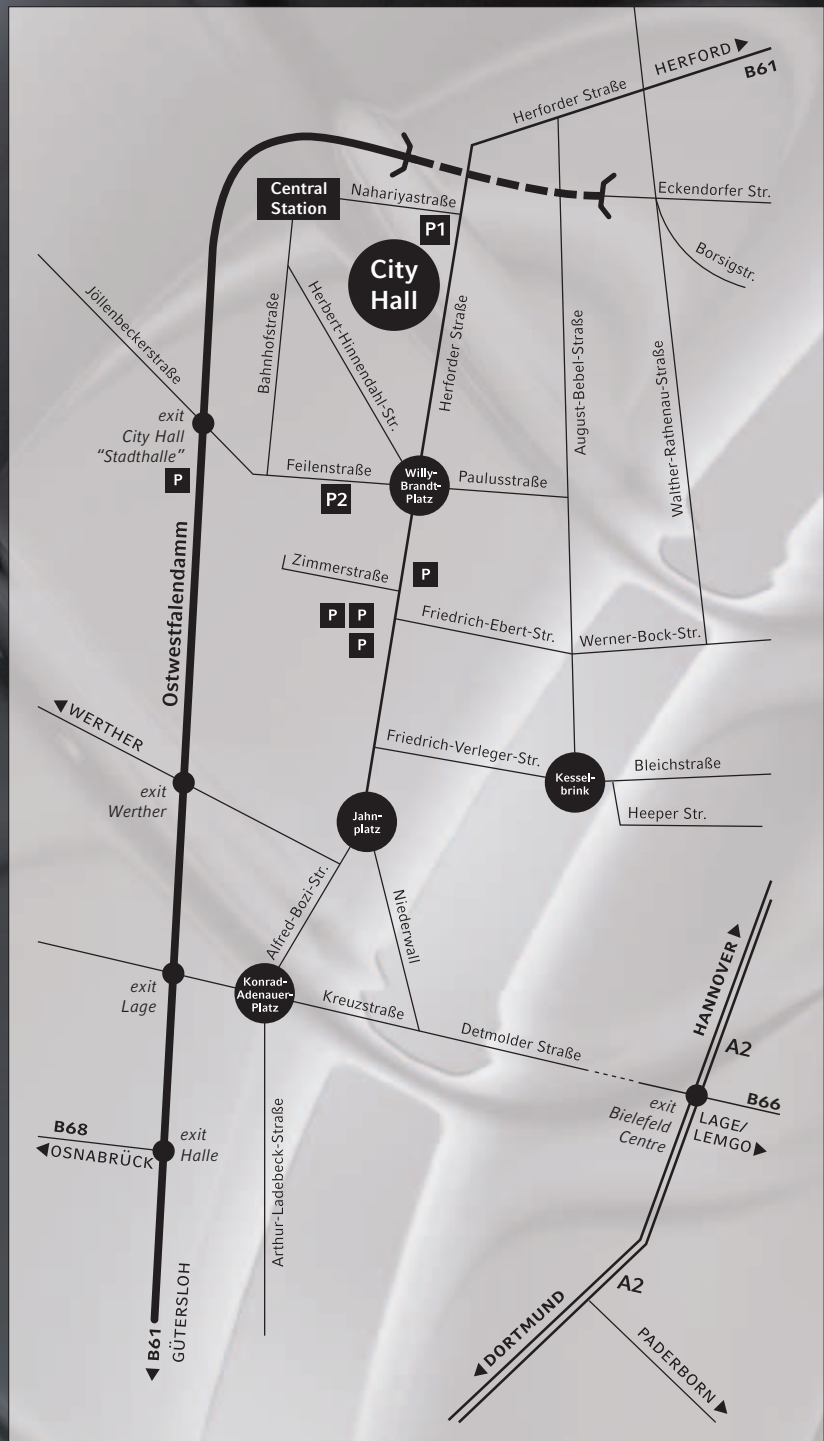
The legally binding language for the agenda of and the general information on the Annual General Meeting of GILDEMEISTER Aktiengesellschaft on May 18, 2012 is German. Accordingly, only the German version of this invitation constitutes the legally binding document while the English version is a convenience translation only.

**Venue:**

Bielefeld City Hall, close to main station

**Parking:**

Parking for visitors to the Annual General Meeting in Car Park P1 (Car Park Stadthalle) and Car Park P2 (Parkdepot CineStar – underground parking).



**Further information/organization:**

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Mr. André Danks  
Tel.: +49 (0) 52 05 / 74 - 30 28  
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ir@gildemeister.com

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