

Complete text of **Memorandum and
Articles of Association of
GILDEMEISTER Aktiengesellschaft
Bielefeld**

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Status: 11 April 2011

§ 1

- (1) The name of the company is GILDEMEISTER Aktiengesellschaft.
- (2) The registered office of the company is in Bielefeld.

§ 2

- (1) The object of the Company is the manufacturing, purchase and sale of machine tools and other machinery, apparatuses, their components and fittings as well as the processing and machining of metals and plastics and the retrieval, storage, sale and distribution of energy, specifically in renewable form, including the development, the production, the acquisition, the sale, the maintenance and the operation of systems related thereto.
- (2) The company is entitled to establish branches, to participate in other companies, to acquire and found similar companies, as well as to conduct any other business activities which are conducive to the furtherance of the business purposes of the company.

§ 3

The financial year corresponds to the calendar year.

§ 4

The company shall publish its announcements in the electronic Federal Bulletin.

§ 5

- (1) The share capital of the company amounts to € 156,437,431.80 (in words: one hundred and fifty-six million four hundred and thirty-seven thousand four hundred and thirty-one Euros and eighty cents).
- (2) It is divided into 60,168,243 individual share certificates issued in the name of the bearer. The right of the shareholders for the certificated evidence of their shares is excluded.

(3) The Executive Board is authorized, during the period up to and including 13 May 2015 and with the consent of the Supervisory Board, to increase the registered share capital up to a nominal amount of € 21,332,376.00 by issuing up to 8,204,760 new no-par value bearer shares in exchange for cash or non-cash capital 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; and

d) in the event of a capital increase against cash capital contributions, if the issue price of the new shares is not “significantly” (within the meaning of §§ 203 (1) and (2), 186 (3) sentence 4 AktG) below the stock market price on the date the final issue price is set by the Executive Board and the pro rata amount of the registered share capital attributable to the new shares, for which the pre-emptive rights are excluded, does not in total exceed 10% of the registered share capital at the time the new shares are issued. Included in this 10% threshold of the registered share capital are those shares, which are sold during the period of the authorized capital subject to the exclusion of the shareholders’ pre-emptive rights pursuant to §§ 71 (1) no. 8, sentence 5, 186 (3) sentence 4 AktG as well as those 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 on the basis of the shareholder resolution of 14 May 2004 while excluding pre-emptive rights pursuant to §§ 221 (4), 186 (3) sentence 4 AktG.

The Executive Board is authorized, with the consent of the Supervisory Board, to stipulate additional details regarding the capital increase and its implementation.

- (4) The registered capital may be conditionally increased by up to € 37,500,000.00 through the issuance of up to 14,423,076 new no par bearer shares (conditional capital). The conditional capital increase facilitates the granting of new no par bearer shares to the holders of option or convertible bonds, which are issued by the Company (or one of the group companies under management of the Company) in return for cash payment on the basis of the authorization granted pursuant to the resolution under Agenda Item 7 of the Annual General Meeting dated 15 May 2009 and which grant a conversion or option right to the holder to new no par bearer shares or stipulate a conversion duty.

The new shares shall be issued at the option price or conversion price to be determined in accordance with the authorization resolution described above.

The capital increase may be carried out only to the extent necessary for the holders of the option rights or conversion rights or those obligated to convert bonds or exercise options to utilize their option rights or conversion right or, to the extent they are obligated to convert bonds or exercise options, they discharge their conversion / option exercise duty and pre-existing shares or the cash payments are not utilized.

The new shares, which are issued on the basis of the exercising of the option right or conversion right or the discharging of the conversion duty or option duty shall participate in profits from the beginning of the financial year in which they are formed.

§ 6

The form of the shares, bonds, dividend and interest warrants is determined by the Management Board in accordance with the Supervisory Board.

§ 7

- (1) The Management Board is composed of several members, including a Management Board member who is responsible for personnel and social matters (Director of Labour Relations).
- (2) The Supervisory Board appoints the Management Board members, specifies their number and organizes the allocation of duties. It can also appoint a Management Board Chairman.

§ 8

- (1) The company is represented by two Management Board members or jointly by one Management Board member and a prokurist (holder of a special statutory authority).
- (2) The Supervisory Board can decide that individual Management Board members shall have sole representation of the company.

§ 9

- (1) As stipulated by § 96 subsection 1 AktG in connection with §§ 7, 15 MitbestG (Codetermination Act), the Supervisory Board is composed of 12 members. The Supervisory Board members are elected by the General Meeting of Shareholders and remain in office until the end of the General Meeting of Shareholders which passes formal approval of the directors' report for the fourth financial year following commencement of the term of office. In this case, the financial year in which the term of office commences, is not taken into account.

The election of the employee representatives in the Supervisory Board is conducted in accordance with the legislation on codetermination of employees (MitbestG); they are elected for the same term as the Supervisory Board members elected by the General Meeting of Shareholders.

- (2) If, in the absence of a substitute member, a Supervisory Board member is elected to replace a member retiring prematurely, he shall hold office for the remainder of the term of office of the retiring member.

§ 10

- (1) Immediately after entering into its term of office, the Supervisory Board shall hold a meeting, to which the members have been invited in writing, to elect, following the procedure stipulated in § 27 MitbestG, a Supervisory Board Chairman and a Deputy Chairman from amongst its members for its term of office, as well as members who shall belong to the committee in accordance with § 27 subsection 3 MitbestG.

If the Supervisory Board Chairman or the Deputy Chairman retires prior to the end of the term of office, any individual Supervisory Board member can demand that an election is held immediately to replace the retiring member. This also applies if the Supervisory Board Chairman or the Deputy Chairman is prevented from fulfilling his duties for a long period of time.

The Supervisory Board can appoint further deputies to the Chairman from amongst its members subject to a simple majority of the votes cast.

- (2) The Supervisory Board meeting is called by the Supervisory Board Chairman.

- (3)** The Supervisory Board is competent to pass a resolution if all the members have been sent prior notification to the address last given by them and if at least half of the total number of members required to form the Supervisory Board participate in passing the resolution.

Resolutions passed by the Supervisory Board, even if they are passed without calling a meeting in accordance with clause (4), shall always be subject to a simple majority of the votes cast unless otherwise provided for by legislation or the Memorandum and Articles of Association. The ballot procedure and agenda are determined by the Chairman.

If there is a tie in the Supervisory Board ballot, any individual Supervisory Board member is entitled to demand a new ballot on the same subject matter; this new ballot is to be preceded by another deliberation on the matter. If there is also a tie in the new ballot, the Supervisory Board Chairman shall have two votes.

§ 108 subsection 3 AktG is also applicable to the second vote cast by the Supervisory Board Chairman.

- (4)** A resolution can also be passed at the request of the Chairman by voting in writing, by post or by telephone, provided no objections are raised by any of the members to this form of voting. Such resolutions shall be confirmed by the Chairman in writing and recorded in the minutes on the deliberations of the following meeting.
- (5)** The Chairman makes the declaration of intention of the Supervisory Board and the committees. If the Deputy Chairman assumes the duties of the Chairman, he is not obliged to provide proof to third parties that the Chairman has been prevented from fulfilling his duties.
- (6)** The Supervisory Board is authorized to form committees from amongst its members and to determine their duties. The committees can be assigned the right to take decisions insofar as this is permitted by law.
- (7)** In other respects, the Supervisory Board shall determine its own rules of procedure.
- (8)** The Supervisory Board is authorized to adopt amendments to the Memorandum and Articles of Association only if they concern the wording thereof.

§ 11

- (1) Without prejudice to the power conferred on the Supervisory Board by law or by the Memorandum and Articles of Association, the following actions require its approval:
- a) the appointment of fully authorized representatives and prokurists;
 - b) the engagement of employees who receive a fixed annual salary which exceeds the limit determined by the Supervisory Board or whose employment is not subject to termination for over three years;
 - c) the authorization of shares in the profit and of retirement pensions for employees of the company;
 - d) the purchase and sale of real property and the mortgaging thereof;
 - e) the establishment and cessation of branches;
 - f) the participation in other companies, including the acquisition of shares or equity interests in other companies and the disposal thereof;
 - g) the conclusion and termination of company and joint venture agreements.
- (2) The Supervisory Board can also determine other business operations which require its approval.

§ 12

- (1) Every member shall receive – subject to the provisions of para. 3 hereinafter – in addition to the reimbursement of his expenses and including the value-added tax (VAT) applicable to the Supervisory Board compensation, a fixed remuneration of € 24,000.00, which shall be payable at the end of the financial year.
- (2) This compensation shall increase in each case – subject to the provisions of para. 3 below – in line with the long-term success, by € 250.00 for each € 0.01 of average earnings per share for the financial year and for the two previous financial years. The earnings per share is the diluted earnings per share calculated on the basis of the Company's consolidated financial statements pursuant to the applicable version of IAS 33 (International Accounting Standards).

This portion of the compensation is payable after the Annual General Meeting at which a resolution on the ratification of the acts of the Supervisory Board for the respective financial year is passed. It shall be paid only if the average earnings per share for the financial year and the two previous financial years equals at least € 0.15.

This portion of the compensation is limited to € 24,000.00 p.a. for each member of the Supervisory Board.

- (3) The chairman of the Supervisory Board shall receive 2½ times and each deputy shall receive 1½ times the compensation set forth in para. 1 and 2. The limitation of compensation set forth in the foregoing para. 2 shall increase accordingly.
- (4) Members of committees – with the exception of the committee governed by § 27 para. 3 of the Co-Determination Act [Mitbestimmungsgesetz] and the nomination committee – shall receive an additional fixed remuneration of € 12,000.00 for every committee membership, and furthermore, committee chairmen shall receive an additional fixed remuneration of € 12,000.00 for each chairmanship and deputy chairman of committees shall receive an additional € 6,000.00 for each deputy chairmanship. The compensation pursuant to the foregoing sentence 1 is payable annually at the end of the financial year.
- (5) Members of the Supervisory Board and committee members who were Supervisory Board members or committee members merely for a portion of the financial year shall receive compensation on a pro rata temporis basis.
- (6) The Company may take out liability insurance to the benefit of the members of the Supervisory Board to cover the statutory liability of the members of the Supervisory Board. Furthermore, it may take out legal protection insurance to cover the risks of prosecution and defense arising in connection with the Supervisory Board work conducted by the members of the Supervisory Board.
- (7) This provision shall apply for the first time for financial year 2009.

§ 13

- (1) The Management Board shall submit, immediately after preparation, the annual financial statements and annual management report as well as the consolidated financial statements and consolidated management report to the Supervisory Board and auditor. At the same time, the Management Board shall submit to the Supervisory Board its proposal to be put forward to the General Meeting of Shareholders on the appropriation of the net profit. The Supervisory Board shall audit the documentation submitted by the Management Board. On receipt of the Supervisory Board report on the result of the audit, the Management Board shall immediately call an ordinary General Meeting of Shareholders.
- (2) On approving the annual financial statements, the Management Board and Supervisory Board are authorized to allocate, after deduction of the amounts to be allocated to the statutory reserve, up to 75% of the annual net income remaining to other revenue reserves (§ 266 subsection 3 A. III. no. 4 HGB [Commercial Code]). The allocation of more than half of the net income is not permissible if the other reserves were to exceed half of the share capital after allocation.
- (3) The ordinary General Meeting of Shareholders shall take place in the first eight months of each financial year.

§ 14

The General Meeting of Shareholders is convened in accordance with statutory provisions either by the Management Board or by the Supervisory Board. The Annual General Meeting shall be held at the Company's registered place of business (Bielefeld) or in another German city with at least 100,000 residents. Official notice of the Annual General Meeting shall be made at least 30 days prior to the day of the meeting. The notice period is extended by the number of days making up the registration deadline (§ 15).

§ 15

- (1) Each individual share certificate entitles the holder to one vote.
- (2) Shareholders, who wish to attend the Annual General Meeting or to exercise their vote, must register for the Annual General Meeting and prove their eligibility. The Company must receive the registration and proof of eligibility at least 6 days prior to the Annual General Meeting (registration period) at the address disclosed in the notice of the Annual General

Meeting. The Executive Board is authorized – or, in the event notice is provided by the Supervisory Board, the Supervisory Board is authorized – to stipulate in the notice of the Annual General Meeting a shorter period of registration and proof, which may be up to 3 days prior to the Annual General Meeting.

- (3) A special notice of share ownership, which is prepared in text form, as defined by law (Textform), and issued by the custodian institution, is required for proof of eligibility pursuant to subsection (2) above. The proof of share ownership must relate to the point in time prescribed under the Stock Corporation Act.

In the event there is doubt regarding the accuracy or authenticity of the eligibility proof, the Company may demand additional suitable evidence. If there is doubt regarding that evidence as well, then the Company may reject the shareholder's eligibility to attend the Annual General Meeting or to exercise a vote.

The registration and proof of eligibility must be completed in the German or English language.

- (4) The resolutions are passed by the General Meeting of Shareholders subject to a simple majority of votes and, insofar as a majority of the share capital is required, subject to a simple majority of the share capital, unless otherwise required by law. In the case of a tie in the voting, the motion proposed shall be deemed denied.
- (5) The Chairman shall determine the voting procedure. He can decide to change the order of the subject matter of the meeting. The Chairman can impose a reasonable time limit on the right of the shareholders to put questions or speak. In particular, he is authorized to set a reasonable time limit at the beginning or in the course of the General Meeting of Shareholders for the entire course of the General Meeting of Shareholders, for an individual subject on the agenda or for an individual speaker.
- (6) If, in the case of an election, no majority is obtained on the first ballot, the two candidates who obtained most votes shall be short-listed for a second ballot. In the case of a tie, it shall be decided by drawing lots.
- (7) The grant of proxy, its revocation and proof of the authority granted vis-a-vis the Company must be in text form (Textform), as defined under German law. Notice of the Annual General Meeting shall contain the details about the grant of proxy, its revocation and its proof vis-a-vis the Company and may also include a simplified procedure. Section 135 of the German Stock Corporation Act remains applicable.

- (8) The Executive Board is also authorized to provide that shareholders may participate at the Annual General Meeting even without physically attending the meeting, either himself or through a proxy, and that they may exercise any or all of their rights either in whole or in part via electronic communication (online participation). The Executive Board may set specific rules regarding the scope and procedure for online participation.
- (9) The Executive Board is authorized to provide that shareholders may also cast their votes in writing or via electronic communication without actually physically attending the Annual General Meeting (so-called “postal voting”). It may issue specific rules regarding the procedure for postal voting.

§ 16

The General Meeting of Shareholders is chaired by the Supervisory Board Chairman or another Supervisory Board member appointed by him. In the event that neither the Supervisory Board Chairman nor a Supervisory Board member appointed by him takes the chair, the Chairman of the General Meeting of Shareholders shall be elected subject to a simple majority of the votes cast from amongst the attending Supervisory Board members of the equity holders.

The shareholders meeting may be broadcast in whole or in part in sound and image, and may be recorded. The broadcast may occur in a form which gives unlimited access to the public. The details are regulated by the board of directors (with approval of the supervisory board) as well as – during the shareholders meeting – by the chairperson. If a public broadcast is to take place, this and the relevant details need to be announced on the invitation to the shareholders meeting.

§ 17

- (1) Insofar as the General Meeting of Shareholders does not decide on different appropriation, the net profit shall be divided between the shareholders.
- (2) If new shares are issued, commencement of the entitlement to profit can diverge from the relevant statutory provision.

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