



Statement issued by the Executive Board

**Countermotion re: agenda item 3 no. 1 by
Cascade International Investment GmbH dated May 9, 2017**

The Executive Board continues to recommend voting in favor of the resolution proposed by the Executive Board and Supervisory Board on agenda item 3 and to ratify the actions of the members of the Executive Board for fiscal 2016 and thus to reject the countermotion.

The Executive Board expresses the following statement on the countermotion re: agenda item 3, no. 1 by Cascade International Investment GmbH ("Cascade") of May 9, 2017 and the reasons put forward:

The Executive Board explicitly and categorically rejects the complaints raised to the effect that the Executive Board and Mr. Müller had *"not only violated their obligations to the Company on several occasions during and after the ratification period but also committed a number of evident, serious violations of law..."*. These complaints are completely untenable and lack any actual and legal foundations at all. Specifically:

1. The Executive Board of GRAMMER AG was always and still remains willing to engage in dialogue with Cascade or other representatives from the Hastor side without specifying any preliminary conditions. Contrary to the allegation that the meeting scheduled for November 23, 2016 had been canceled by GRAMMER, in actual fact it was Cascade that had arranged to have this appointment canceled. This was accompanied by a statement that there was no further interest in a meeting at the time; the same response followed in reaction to the request by GRAMMER to have the meeting postponed by one to two weeks – even though alternative dates for an appointment had previously been coordinated – as early as November 2016 without any further reasons being necessary.

In letters dated January 12, January 18 and January 25, February 16 and March 20, 2017, GRAMMER offered to arrange meetings, in some instances indicating specific dates, without any condition precedent. Cascade rejected all these offers, stating that it would be prepared to attend a meeting only if GRAMMER first convened a further extraordinary general meeting in addition to the AGM scheduled to be held on May 24, 2017 in any event. The abuse of law in the demand to convene an extraordinary general meeting was confirmed both by the Local Court of Amberg as well as by the Higher Regional Court of Nuremberg. Accordingly, it is simply wrong when Cascade purports to claim that it had made serious offers to arrange a meeting. On the contrary, such serious offers to hold meetings have exclusively been made by the GRAMMER side, namely five times since the beginning of the year.

Therefore there is not even the slightest indication that the Executive Board could have violated any obligations to the company, not to mention serious violations of the law.

2. The allegation that the "placement of the convertible bond issue" was unlawful cannot gather any validity no matter how frequently it is repeated. Both the placement of the mandatory convertible bonds and the resolution to exclude subscription rights are legally valid and lawful. Both actions were taken in the company's interests and, obviously, within the scope of the authorization expressed at the AGM on May 28, 2014 and within the statutory parameters of the German Stock Corporation Act (*AktG*). In order to avoid superfluous repetitions, the Executive Board explicitly refers to its report on making use of

the authority conferred at the AGM of May 28, 2014 to issue mandatory convertible bonds subject to the exclusion of the stockholders' subscription rights in February 2017.

3. The allegation by Cascade of "a high degree of detrimental public relations work" likewise illustrates yet again how much Cascade ignores the actual current situation; this applies above all to the consequences of last year's disputes between the companies of the Hastor group and major customers of GRAMMER and the stoppages of conveyor belts caused in this context. In particular, these disputes have led to immense concerns among GRAMMER's major customers with regard to the participation by Cascade and its affiliate Halog GmbH & Co. KG, triggering a general reluctance to place any further orders.

These large-scale customers have clearly also expressed these concerns in public; for example reference is made to statements by such customers in the relevant articles published in the newspaper *FAZ* on February 5 and in the car magazine *Automobilwoche* on April 3. In view of these public statements, there can be no indication whatsoever of this information being treated with strict secrecy.

Finally, the Executive Board wishes to take the liberty to point out the following: Cascade ignores the actual facts and circumstances and accuses the Executive Board of GRAMMER absolutely unjustly of "unlawful disclosure of business and trade secrets", whereas representatives of Cascade conversely have become liable under criminal law by "violating the duty of confidentiality" pursuant to Section 404 of the German Stock Corporation Act (*AktG*).

Accordingly, the Executive Board continues to recommend voting in favor of the resolution proposed by the Executive Board and Supervisory Board on agenda item 3 and to ratify the actions of the members of the Executive Board for fiscal 2016 and thus to reject the counter-motion.

Amberg, May 2017

GRAMMER Aktiengesellschaft
The Executive Board

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