

# INVITATION

**TO THE ANNUAL GENERAL MEETING 2019  
OF GRAMMER AG**

at 10:00 am on Friday, July 12, 2019  
ACC – Amberger Congress Centrum,  
Schießstätteweg 8, 92224 Amberg, Germany



# KEY FIGURES ACCORDING TO IFRS

## GRAMMER GROUP

IN EUR M

	2018	2017
<b>Group revenue</b>	<b>1,861.3</b>	<b>1,786.5</b>
Automotive revenue	1,312.6	1,291.2
Commercial Vehicles revenue	599.8	540.2
<b>Income statement</b>		
EBITDA	101.0	116.0
EBIT margin (in %)	5.4	6.5
EBIT	48.7	66.5
EBIT margin (in %)	2.6	3.7
Operating EBIT	75.8	80.2
Operating EBIT margin (in %)	4.1	4.5
Profit/loss (-) before income taxes	34.5	55.9
Net profit/loss (-)	23.2	32.4
<b>Statement of Financial Position</b>		
Total assets	1,441.4	1,107.0
Equity	314.8	337.7
Equity ratio (in %)	22	31
Net financial debt	253.3	92.2
Gearing (in %)	80	27
Investments (without M&A)	73.9	59.1
Depreciation and amortization	52.3	49.5
<b>Employees (December 31)</b>	<b>14,657</b>	<b>12,947</b>
<b>Key share data</b>		
Share price (XETRA closing price, in EUR)	37.70	51.85
Market capitalization (in EUR m)	475.3	653.7
Dividend (in EUR)	0.75 <sup>1</sup>	1.25
Earnings per share (in EUR)	1.90	2.67

<sup>1</sup> Proposed.

# **GRAMMER AKTIENGESELLSCHAFT AMBERG**

**WKN: 589540**

**ISIN: DE0005895403**

## **INVITATION TO THE ANNUAL GENERAL MEETING**

We hereby invite the shareholders of our Company  
to the Annual General Meeting

**at 10:00 am on Friday, July 12, 2019**

at

**ACC – Amberger Congress Centrum,  
Schießstätteweg 8,  
92224 Amberg, Germany**

## MEETING AGENDA

### **1. Presentation of the approved GRAMMER AG annual financial statements and the approved consolidated financial statements, the management report of GRAMMER AG and the GRAMMER Group, the explanatory report of the Executive Board with respect to the disclosures in accordance with sections 289a and 315a of the German Commercial Code (“Handelsgesetzbuch” – HGB) and the report of the Supervisory Board for fiscal year 2018**

No resolution will be passed on the first item of the agenda. Section 175 (1) sentence 1 of the German Stock Corporation Act (“Aktengesetz” – AktG) merely requires the Executive Board to convene the Annual General Meeting for the presentation of the approved annual financial statements and management report as well as, in the case of a parent company, the presentation of the consolidated financial statements and group management report approved by the Supervisory Board. In accordance with section 175 (2) and section 176 (1) sentence 1 AktG, the Executive Board must submit to the Annual General Meeting documentation including the annual financial statements, the management report, the report of the Supervisory Board, the Management Board’s proposal concerning the appropriation of net retained profits and – in the case of a company listed on a stock exchange – an explanatory report on the disclosures provided in accordance with sections 289a and 315a HGB and, in the case of a parent company, the consolidated annual financial statements, the group management report and the related report of the Supervisory Board.

### **2. Resolution on the appropriation of net retained profits as of December 31, 2018**

The Executive Board and Supervisory Board propose the following appropriation of GRAMMER AG’s net retained profits, totaling EUR 41,558,834.75 as of December 31, 2018:

- (a) distribution of EUR 9,207,803.25 as a dividend of EUR 0.75 per dividend-entitled share, and
- (b) carry-forward of the balance of EUR 32,351,031.50.

The above proposal for the appropriation of the Company’s profit takes into account that, at the time of convocation of the Annual General Meeting, the company holds 330,050 own shares which are not dividend-entitled. The number of dividend-entitled shares may change by the time the Annual General Meeting takes place. In this case, the dividend proposal will be adjusted accordingly to result in an unchanged dividend of EUR 0.75 per dividend-entitled share and submitted to the Annual General Meeting.

In accordance with section 58 (4) sentence 2 of the German Stock Corporation Act (“Aktengesetz” – AktG), the dividend will become due for payment on the third business day following the date on which the resolution is passed at the Annual General Meeting, i.e. on July 17, 2019.

**3. Resolution on the ratification of the actions of the members of the Executive Board in fiscal year 2018**

The Executive Board and Supervisory Board propose that the actions of the members of the Executive Board in fiscal year 2018 be ratified.

**4. Resolution on the ratification of the actions of the members of the Supervisory Board in fiscal year 2018**

The Executive Board and Supervisory Board propose that the actions of the members of the Supervisory Board in fiscal year 2018 be ratified.

**5. Resolution on the selection of the auditor and the group auditor as well as the auditor of the interim financial statements for fiscal year 2019**

Based on the recommendation of the Audit Committee, the Supervisory Board proposes the appointment of

ERNST & YOUNG GmbH  
Wirtschaftsprüfungsgesellschaft  
Nuremberg

as auditor and group auditor for fiscal year 2019, and to review, as needed, the abridged financial statements and interim management report contained in the semi-annual financial report as of June 30, 2019.

The Audit Committee has declared that its recommendation is free of any undue third-party influence and that no clause restricting its choice as defined in Art. 16 (6) of the EU regulation on specific requirements regarding the statutory audit of public-interest entities and repealing Commission Decision 2005 /909/ EC Text (Regulation (EU) No. 537 / 2014 of the European Parliament and the Commission of April 16, 2014) has been imposed on it.

## **6. Resolution on the creation of new authorized capital – with the possibility for excluding the shareholders' preemptive subscription rights – and amendments to the Articles of Association**

The Authorized Capital 2011 created at the Annual General Meeting of May 26, 2011 in accordance with article 5 (3) of the Articles of Association expired on May 25, 2016. At the Company's Annual General Meeting on June 13, 2018, a resolution was passed to postpone a resolution concerning the creation of new authorized capital (item 8 of the agenda (resolution on the creation of new authorized capital – with the possibility for excluding the shareholders' preemptive subscription rights – and corresponding amendments to the Articles of Association)).

Consequently, a proposal will be made at this year's Annual General Meeting to pass a resolution approving the creation of new authorized capital. With the exception of the modified authorization period, the proposed authorized capital corresponds to the authorized capital proposed in item 8 of the agenda of the Company's Annual General Meeting of June 13, 2018.

The Executive Board and the Supervisory Board therefore propose the following resolution:

(a) The Executive Board is authorized to increase the Company's share capital once or repeatedly by a total of up to EUR 9,682,268.16 by issuing bearer shares on a cash or non-cash basis on or before July 11, 2024 subject to the Supervisory Board's approval (Authorized Capital 2019). In this connection, the shareholders are fundamentally granted preemptive subscription rights. The statutory preemptive subscription rights may also be granted in such a way that the shares are underwritten by one or more banks or institutions with an equivalent standing as defined in section 186 (5) sentence 1 AktG subject to an obligation to offer them for subscription to shareholders. However, the Executive Board is authorized to exclude the shareholders' preemptive subscription rights subject to the approval of the Supervisory Board in the following cases:

- as far as this is necessary to avoid fractional amounts; if the shares are issued on a non-cash basis for the purpose of acquiring companies, parts of companies or for settling any amounts owed by the Company;
- as far as this is necessary to grant bearers or creditors of bonds to which option or conversion rights or obligations are attached which are issued by the Company or any subordinate Group Companies a right to subscribe to new shares in a quantity to which they are entitled after the exercise of the option or conversion rights or after the settlement of the option or conversion obligations;

- in the event of cash capital issues provided that the issue amount of the new shares is not materially less than the market price of the equivalent listed shares in the Company on the date on which the issue amount is determined. The shares issued subject to the exclusion of the shareholders' preemptive subscription rights in accordance with section 203 (i) section 186 (3) sentence 4 AktG on the basis of this authorization may not exceed a total of 10% of the Company's share capital as of the date on which it takes effect or – if this figure is lower – upon the date on which this authorization is exercised. The maximum threshold of 10% of the Company's share capital will be reduced by the proportionate amount of the share capital constituted by that part of the Company's treasury stock which is sold during the term of Authorized Capital 2019 subject to the shareholders' preemptive subscription rights in accordance with section 71 (1) number 8, sentence 5 and section 186 (3) sentence 4 AktG. Moreover, the maximum threshold will be reduced by the proportionate amount of the share capital constituted by the shares which must be issued to settle option or convertible bonds with an option or conversion right or an option or conversion obligation provided that the bonds are issued during the term of Authorized Capital 2019 subject to the shareholders' preemptive subscription rights in accordance with section 186 (3) sentence 4 AktG with the necessary modifications.

The proportionate amount of the share capital accounted for by shares which are issued on a cash or non-cash basis subject to the exclusion of the shareholders' preemptive subscription rights must not exceed a total of 20% of the Company's share capital as of the date on which the resolution is passed at the Annual General Meeting. This also includes shares which are issued or sold during the period of this authorization under other authorization subject to the exclusion of the shareholders' preemptive subscription rights or which relate to financial instruments with conversion and option rights or obligations which are issued during the period of this authorization under other authorization subject to the exclusion of the shareholders' preemptive subscription rights.

The Executive Board is authorized to determine the further details of the capital increase and its execution subject to the Supervisory Board's approval. The Supervisory Board is authorized to revise the Articles of Association to reflect the exercise of Authorized Capital 2019.

(b) Article 5 (3) of the Articles of Association is revised as follows:

“(3) The Executive Board is authorized to increase the Company's share capital once or repeatedly by a total of up to EUR 9,682,268.16 by issuing bearer shares on a cash or non-cash basis on or before July 11, 2024 subject to the Supervisory Board's approval (Authorized Capital 2019). In this connection, the shareholders shall be fundamentally granted preemptive subscription rights. The statutory preemptive subscription rights may also be granted in such a way that the shares are underwritten by one or more banks or institutions with an equivalent standing as defined in section 186 (5) sentence 1 AktG subject to an obligation to offer them for subscription to shareholders. However, the Executive Board is authorized to exclude the shareholders' preemptive subscription rights subject to the approval of the Supervisory Board in the following cases:

- as far as this is necessary to avoid fractional amounts;
- if the shares are issued on a non-cash basis for the purpose of acquiring companies, parts of companies or for settling any amounts owed by the Company;
- as far as this is necessary to grant bearers or creditors of bonds to which option or conversion rights or obligations are attached which are issued by the Company or any subordinate Group Companies a right to subscribe to new shares in a quantity to which they are entitled after the exercise of the option or conversion rights or after the settlement of the option or conversion obligations;
- in the event of cash capital issues provided that the issue amount of the new shares is not materially less than the market price of the equivalent listed shares in the Company on the date on which the issue amount is determined. The shares issued subject to the exclusion of the shareholders' preemptive subscription rights in accordance with section 203 (1) section 186 (3) sentence 4 AktG on the basis of this authorization may not exceed a total of 10% of the Company's share capital as of the date on which it takes effect or – if this figure is lower – upon the date on which this authorization is exercised. The maximum threshold of 10% of the Company's share capital will be reduced by the proportionate amount of the share capital constituted by that part of the Company's treasury stock which is sold during the term of Authorized Capital 2019 subject to the shareholders' preemptive subscription rights in accordance with section 71 (1) number 8, sentence 5 and section 186 (3) sentence 4 AktG. Moreover, the maximum threshold will be



reduced by the proportionate amount of the share capital constituted by the shares which must be issued to settle option or convertible bonds with an option or conversion right or an option or conversion obligation provided that the bonds are issued during the term of Authorized Capital 2019 subject to the shareholders' preemptive subscription rights in accordance with section 186 (3) sentence 4 AktG with the necessary modifications.

The proportionate amount of the share capital accounted for by shares which are issued on a cash or non-cash basis subject to the exclusion of the shareholders' preemptive subscription rights must not exceed a total of 20% of the Company's share capital as of the date on which the resolution is passed at the Annual General Meeting. This also includes shares which are issued or sold during the period of this authorization under other authorization subject to the exclusion of the shareholders' preemptive subscription rights or which relate to financial instruments with conversion and option rights or obligations which are issued during the period of this authorization under other authorization subject to the exclusion of the shareholders' preemptive subscription rights.

The Executive Board is authorized to determine the further details of the capital issue and its execution subject to the Supervisory Board's approval. The Supervisory Board shall be authorized to revise the Articles of Association to reflect the exercise of Authorized Capital 2019."

**Report by the Executive Board in accordance with section 203 (2) sentence 2 in connection with section 186 (4) sentence 2 AktG on the exclusion of the shareholders' preemptive subscription rights as provided for in item 6 of the agenda**

The Authorized Capital 2011 created at the Annual General Meeting of May 26, 2011 in accordance with article 5, paragraph 3 of the Articles of Association expired on May 25, 2016. At the Company's Annual General Meeting on June 13, 2018, a resolution was passed to postpone a resolution concerning the creation of new authorized capital (item 8 of the agenda (resolution on the creation of new authorized capital – with the possibility for excluding the shareholders' preemptive subscription rights – and corresponding amendments to the Articles of Association)).

Consequently, a proposal will be made at this year's Annual General Meeting to pass a resolution approving the creation of new authorized capital. With the exception of the modified authorization period, the proposed authorized capital corresponds to the authorized capital proposed in item 8 of the agenda of the Company's Annual General Meeting of June 13, 2018.

Using the proposed authorization, the Executive Board will be able to adjust the Company's capital resources in the light of business requirements within the scope provided for under Authorized Capital 2019. With the proposed Authorized Capital 2019, the Executive Board will be authorized to increase the Company's share capital once or repeatedly by a total of up to EUR 9,682,268.16 by issuing bearer shares on a cash and/or non-cash basis on or before July 11, 2024 subject to the Supervisory Board's approval. Authorized Capital 2019 is capped at 30% of the Company's current share capital.

As a general rule, the shareholders will have preemptive subscription rights if Authorized Capital 2019 is utilized. However, it is proposed that the Executive Board should be authorized to exclude the shareholders' statutory subscription rights subject to the approval of the Supervisory Board,

- as far as this is necessary to avoid fractional amounts.

The authorization to exclude the shareholders' preemptive subscription rights for fractional amounts ensures that the amount of the new capital to be issued results in a practical subscription ratio. If the shareholders' preemptive subscription rights are not excluded for fractional amounts, the technical execution of the issue is rendered more difficult particularly in the case of even amounts. The fractional amounts of shares for which the shareholders' pre-emptive subscription rights are excluded will be eliminated as efficiently as possible for the Company by selling them on the stock market or in some other manner. Accordingly, the Executive Board and the Supervisory Board consider this authorization to exclude the shareholders' preemptive subscription rights to be appropriate.

- if the shares are issued on a non-cash basis for the purpose of acquiring companies, parts of companies or for settling any amounts owed by the Company.

This authorization to exclude shareholders' preemptive subscription rights allows the Company to acquire other companies, parts of other companies or investments in other companies by providing consideration in the form of the Company's own shares or to merge with other companies. This gives the Company a means of executing possible

acquisitions with the assistance of a flexible funding instrument while preserving its liquidity. The possibility of reacting swiftly and successfully to advantageous offers or opportunities also preserves and enhances the Company's competitiveness. The authorization particularly covers the acquisition of investments in the form of "share deals", i.e. the acquisition of shares in another company, or "asset deals", i.e. the acquisition of another company or part of another company by acquiring its core assets, rights, contracts and the like. The possibility of settling amounts owed by the Company by issuing shares in individual cases has a further advantage in that it preserves the Company's liquidity. As in such cases fresh equity must be issued at short notice, it is generally not practicable for a resolution to be passed to this effect at the Annual General Meeting, which takes place only once a year. It is not practical to convene an extraordinary shareholder meeting for each individual transaction in such cases due to cost and time reasons. In order to ensure swift action, it is in the Company's interests to be able to issue new shares on a cash basis subject to the exclusion of shareholders' preemptive subscription rights.

- as far as this is necessary to grant bearers or creditors of bonds to which option or conversion rights or obligations are attached which are issued by the Company or any subordinate Group companies a right to subscribe to new shares in a quantity to which they are entitled after the exercise of the option or conversion rights or after the settlement of the option or conversion obligations.

The purpose of the authorization to exclude the shareholders' preemptive subscription rights in favour of the holders of bonds issued by the Company or its Group members with option or conversion rights or obligations is to avoid the need to reduce the option or conversion price in accordance with the dilution protection clauses included in the option or conversion conditions if this authorization is exercised. Instead, the holders of the bonds with option or conversion rights or obligations are also to be offered subscription rights to the extent to which they are entitled to these after the exercise of the option or conversion rights or settlement of the option or conversion obligations. With this authorization, the Executive Board will be able to select from these two alternatives subject to careful consideration of the respective interests when it utilizes Authorized Capital 2019.

- in the event of cash capital issues provided that the issue amount of the new shares is not materially less than the market price of the equivalent listed shares in the Company on the date on which the issue amount is determined.

Finally, the authorization provides for the shareholders' preemptive subscription rights be excluded subject to the Supervisory Board's approval in cases in which the issue amount of the new shares is not materially less than the market price of equivalent already listed shares. This will permit the Executive Board to make use of favorable conditions in the equity market at short notice and to achieve the highest possible issue amount close to the market price in order to collect the greatest possible amount of equity. The authorization to exclude the shareholders' preemptive subscription rights is capped at 10% of the Company's share capital. This is determined on the basis of the Company's share capital as of the date on which the authorization takes effect or – if lower – on the date on which the authorization is exercised. Shares which are sold during the term of this authorization under authorization to sell treasury stock in accordance with section 71 (1) number 8, sentence 5 and section 186 (3) sentence 4 AktG subject to the exclusion of the shareholders' preemptive subscription rights will count towards this cap. Moreover, shares which must be issued to settle option or convertible bonds with an option or conversion right or an option or conversion obligation will also count towards this cap provided that the bonds are issued during the term of this authorization subject to the shareholders' preemptive subscription rights in accordance with section 186 (3) sentence 4 AktG with the necessary modifications. If the Executive Board makes use of this possibility for issuing capital, it will limit any discount on the issue price over the market price to an expected 3%, however no more than 5%. Shareholders wishing to maintain their relative share can buy further shares in the stock exchange on conditions that do not materially differ from those on which the new shares are issued. For this reason, the utilization of the proposed authorization to exclude the shareholders' preemptive subscription rights in accordance with section 186 (3) sentence 4 AktG will not result in a dilution of the shareholders' shares in the Company either in absolute or relative terms.

The proportionate amount of the share capital accounted for by shares which are issued on a cash or non-cash basis after authorization subject to the exclusion of the shareholders' preemptive subscription rights must not exceed a total of 20% of the Company's share capital as

of the date on which the resolution is passed at the Annual General Meeting. This cap provides the shareholders with additional protection from the dilution of their shares. Subject to new authorization to be granted at a future Annual General Meeting, the Executive Board will additionally take account of the issue or sale of shares or bonds with conversion or option rights or obligations executed on the basis of other authorization granted to it subject to the exclusion of the shareholders' preemptive subscription rights such that it will use the authorization granted to it subject to the exclusion of the shareholders' preemptive subscription rights to increase the Company's share capital by only a maximum of 20% of the amount existing as of the date on which the resolution is passed at the Annual General Meeting. Subject to a resolution passed at a future Annual General Meeting to grant authorization to exclude the shareholders' preemptive subscription rights, the Executive Board will therefore include in the maximum amount by which it may increase the Company's share capital those shares which are issued or sold during the period of this authorization under other authorization subject to the exclusion of the shareholders' preemptive subscription rights or which relate to financial instruments with conversion and option rights or obligations which are issued during the period of this authorization under other authorization subject to the exclusion of the shareholders' preemptive subscription rights. This will also include the issue or sale of shares or bonds subject to the exclusion of the shareholders' preemptive subscription rights in direct or corresponding application of section 186 (3) sentence 4 AktG.

After considering all relevant factors – including the dilution effects arising to the detriment of the shareholders – the Executive Board considers the exclusion of the shareholders' pre-emptive subscription rights in the aforementioned cases to be objectively justified and equitable for the shareholders.

There are currently no plans to utilize the new Authorized Capital 2019. The Executive Board will consider the individual circumstances carefully in each case before deciding whether to make use of this authorization to issue new capital subject to the exclusion of the shareholders' preemptive subscription rights. It will only do this and the Supervisory Board will only grant its approval if after due consideration the Executive Board and the Supervisory Board are satisfied that this is in the best interests of the Company and its shareholders.

The Executive Board will report to the next Annual General Meeting on the utilization of Authorized Capital 2019.

# TERMS AND CONDITIONS OF ATTENDANCE

## **1. Requirements for attending the Annual General Meeting and exercising voting rights**

In accordance with article 22 of the Articles of Association, only those shareholders who register for the Annual General Meeting and provide proof of share ownership are entitled to participate in the Annual General Meeting and exercise their voting rights. Proof of share ownership shall be true as of the beginning of the 21st day prior to the date of the Annual General Meeting, i.e. 00.00 hours on June 21, 2019 (“record date”). In accordance with section 126b of the German Civil Code (BGB – “Bürgerliches Gesetzbuch”), the proof of share ownership must be provided in the form of written confirmation issued by the custodian bank at which the shares are held. The confirmation must be in German or English. Registration and proof of share ownership must be received by the Company at the following address on or before the end of the day on July 5, 2019:

GRAMMER AG  
c/o Computershare Operations Center  
80249 Munich, Germany

Fax: +49 89 30903-74675  
E-Mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

### **Significance of the record date**

For the purpose of relations with the Company, only those persons who have provided proof that they hold shares in its share capital may attend the Annual General Meeting and exercise voting rights. Entitlement to attend the shareholder meeting and the extent to which voting rights may be exercised are determined solely on the basis of the shares held by the shareholder on the record date. The record date does not entail any block on the sale of the shares. Notwithstanding the fact that they may have been sold in full or in part after the record date, the shares held by the shareholder on the record date are solely decisive for determining eligibility for attending the Annual General Meeting and the scope of the voting rights accruing to the shareholder. In other words, the sale of shares after the record date does not prejudice eligibility to attend the Annual General Meeting and the extent to which voting rights may be exercised. This applies equally if shares are acquired after the record date. For example, anyone who is not a shareholder on the record date but purchases shares in the Company prior to the Annual General Meeting has no right to attend the Annual General Meeting or exercise any voting rights. The record date does not have any relevance for determining dividend entitlement.

## **2. Procedure for proxy voting**

### (a) Procedure for proxy voting

Shareholders may also vote by proxy at the Annual General Meeting by authorizing an agent such as a bank, a shareholder association or any other person of their choice to exercise their voting rights on their behalf. In this case as well, it is necessary to register and provide proof of share ownership within the specified period. If the shareholder issues voting authorization to more than one person, the Company may reject one or more of them in accordance with section 134 (3) sentence 2 AktG.

Proxies, notice of revocation of proxies and proof of authorization must be served on the Company in text form (section 126b BGB).

Shareholders intending to authorize a bank, an association of shareholders or any institutions or persons within the meaning of section 135 AktG should note that in such cases the relevant institution or person may require a particular form of authorization as they must retain a record of the authorization in accordance with section 135 AktG. We therefore advise such shareholders to enquire with their chosen proxies as to the proper form of authorization.

Proof of authorization may be submitted by the proxy representative at the meeting venue on the day of the Annual General Meeting. In addition, proof of authorization or notice of revocation of authorization may be submitted to the Company at the following address, fax number or e-mail address:

GRAMMER AG  
c/o Computershare Operations Center  
80249 Munich, Germany

Fax: +49 89 30903-74675  
E-Mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

(b) Procedure for proxy voting through a voting representative nominated by the Company

The Company also offers shareholders the option of exercising their voting rights by proxy through a voting representative nominated by the Company but bound by the shareholder's instructions. Proxies, notice of revocation of proxies and proof of authorization must be served on the Company in text form (section 126b BGB). The form sent to shareholders with their admission tickets may be used to authorize and instruct a voting representative nominated by the Company. A form can be also be downloaded from the Company's website at <https://www.grammer.com/en/investor-relations/annual-general-meeting/2019.html>. Please note that, if a voting representative nominated by the Company is utilized, it is still necessary to register for the Annual General Meeting and to submit proof of share ownership. The authorization and instructions to the voting representative must be received by 24:00 hours on July 11, 2019, exclusively at the following address:

GRAMMER AG  
c/o Computershare Operations Center  
80249 Munich, Germany

Fax: +49 89 30903-74675  
E-Mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

We also offer attending shareholders who have duly registered within the requisite period the option of authorizing at the time of the meeting voting representatives nominated by the Company to exercise their voting rights.



### 3. Procedure for absentee voters

Shareholders who do not intend to take part in the Annual General Meeting have the option of voting by absentee ballot, using the appropriate form found on the back of their ticket. Shareholders will receive the absentee ballot form together with the admission ticket to the meeting, which is sent to them when they duly register within the requisite period and in the form described above. A form will be available for downloading from the Company's website at <https://www.grammer.com/en/investor-relations/annual-general-meeting/2019.html> no later than from the record date (see "1 Requirements for attending the Annual General Meeting and exercising voting rights"). Please note that, if an absentee ballot is utilized, it is still necessary to register for the Annual General Meeting and to submit proof of share ownership.

Absentee ballots may be submitted, changed or withdrawn on or before 24:00 hours on July 11, 2019, using the address stated under section "2 a) Procedure for proxy voting through an authorized voting representative". Personal attendance at the Annual General Meeting will also be deemed to constitute withdrawal of previously submitted absentee ballots.

Further details are available to shareholders in the instructions on the admission ticket or on the form available for downloading from the Company's website.

### 4. Information on shareholder rights under sections 122 (2), 126 (1), 127 and 131 (1) AktG

(a) Additions to the agenda (section 122 (2) AktG)

Shareholders whose combined shares amount to at least one-twentieth of the Company's share capital, which equates to 630,357 shares as of the date on which the Annual General Meeting is convened, or a proportionate ownership of at least EUR 500,000 (195,313 shares as of the date on which the Annual General Meeting is convened) may request that items be placed on the agenda and published. Each new item must be accompanied by an explanation or a proposed motion. This request must be served on the Executive Board in writing. Requests for additions to the agenda must be received by the Company at least 30 days prior to the Annual General Meeting, i.e. by 24.00 hours on June 11, 2019 at the following address:

Executive Board of GRAMMER AG  
– Annual General Meeting –  
Georg-Grammer-Str. 2  
92224 Amberg, Germany

The persons requesting such addition must prove that they have held the minimum required number of shares for at least 90 days prior to the date of receipt of the request and that they have continued to hold them up to and including the day on which the Executive Board makes a decision on such request.

Immediately upon receipt of a request for publication of an addition to the agenda, the Company will publish it in the electronic Federal Gazette and forward the information to media sources that can be expected to disseminate it throughout the entire European Union. In addition, they will be disclosed on the Company's website at <https://www.grammer.com/en/investor-relations/annual-generalmeeting/2019.html> and made available to the shareholders.

(b) Countermotions and voting proposals (section 126 (1), 127 AktG)

In accordance with section 126 (1) AktG, every shareholder may submit resolution proposals on the items in the agenda. Countermotions must be backed up by reasons. Countermotions must be received no later than 14 days prior to the Annual General Meeting, i.e. by 24:00 hours on June 27, 2019:

GRAMMER AG  
– Annual General Meeting –  
Georg-Grammer-Str. 2  
92224 Amberg, Germany

Fax: +49 9621 66-32000  
E-Mail: [hv@grammer.com](mailto:hv@grammer.com)

Countermotions and voting proposals sent to any other address will not be accepted.

Subject to section 126 (2) and (3) AktG, countermotions submitted by shareholders including the name of the shareholder and supporting information as well as any statements by the Executive Board will be made available at the Company's website at <https://www.grammer.com/en/investor-relations/annual-general-meeting/2019.html>.

Pursuant to section 127 AktG, the same rules apply with respect to shareholder proposals for the election of members of the Supervisory Board or the statutory auditors. No grounds, however, must be given for such nominations. In addition to the reasons mentioned in section 126 (2) AktG, the Executive Board is not required to disclose any voting proposals that do not contain the name, current profession and place of residence of the candidate.

Counter motions and voting proposals are only deemed to have been submitted if they are announced during the Annual General Meeting. This is without prejudice to the right of all shareholders to submit counter motions and voting proposals concerning the various items of the agenda during the Annual General Meeting, notwithstanding their failure to submit them to the Company prior to the Annual General Meeting within the requisite period.

(c) Right to receive information (section 131 (1) AktG)

At the Annual General Meeting, any shareholder or shareholder representative may request from the Executive Board information on the activities of the Company, its legal and commercial relationships with affiliated companies and the situation of the group and the consolidated companies provided that such information is necessary for a proper assessment of an item of the agenda and no statutory right to withhold the information applies. All requests for information must be submitted orally at the Annual General Meeting when the floor is open for discussion. The Executive Board may refuse the request under the conditions set forth in section 131 (3) AktG.

In accordance with article 24 (3) of the Articles of Association, the chairman of the Annual General Meeting may set reasonable time limits for shareholders to exercise their right to ask questions and address the meeting. In particular, he may define the time constraints for conducting the meeting, opening the floor for discussion of any items of agenda and exercising the rights to address the assembly or ask questions on any items of the agenda or the rights of individual shareholders to address the assembly and ask questions.

More detailed information on shareholder rights to submit proposals (section 122 (2), 126 (1), 127 (1) AktG) and to request information (section 131 (1) AktG) can be viewed at the Company's website at <https://www.grammer.com/en/investor-relations/annual-general-meeting/2019.html>.

## 5. Information and documents

The following information can be viewed on the Company's website at <https://www.grammer.com/en/investor-relations/annual-general-meeting/2019.html> and will be available for inspection during the Annual General Meeting:

- The content of this invitation,
- Report by the Executive Board in accordance with section 203 (2) sentence 2 in connection with section 186 (4) sentence 2 AktG on the exclusion of the shareholders' preemptive subscription rights as provided for in item 6 of the agenda,
- The explanation of any items of the agenda on which no resolution is to be passed,
- The documentation to be made available to the shareholders,
- The total number of shares and rights on the date on which the meeting is convened,
- The forms for proxy authorization and absentee voting (available from the record date at the latest (see above)),
- Additional information on the shareholders' rights: right to make additions to the agenda, submit countermotions or voting proposals, information rights,
- Further information on the agenda and the Annual General Meeting,
- Data protection information for shareholders, shareholder representatives and guests at the Annual General Meeting.

## 6. Total number of shares and voting rights

As of the date on which the Annual General Meeting is convened, the Company's share capital is divided into 12,607,121 no-par value shares with an equal number of voting rights. Accordingly, there are 12,607,121 voting rights. As of the date on which this meeting is convened, the Company's treasury stock comprises 330,050 shares, which do not convey any voting rights.

## PRIVACY POLICY

GRAMMER AG processes the personal data of its shareholders and any shareholder representatives in order to prepare and conduct its Annual General Meeting. The purpose of processing this data is to enable shareholders and shareholder representatives to attend the Annual General Meeting and to exercise their rights before and during the Annual General Meeting.

GRAMMER AG processes this data as the controller in compliance with the provisions of the EU General Data Protection Regulation (GDPR) and all other relevant laws. Details on the handling of personal data and the rights pursuant to the GDPR can be found on the company's website at <https://www.grammer.com/en/investor-relations/annual-general-meeting/2019.html> accessible.

Amberg, May 2019

The Executive Board

## **ORGANIZATIONAL REMARKS**

### **OPENING OF THE ANNUAL GENERAL MEETING VENUE**

Friday, July 12, 2019 at 9:00 am

### **ORDER SERVICE**

We will gladly send you the current GRAMMER AG Annual Report, additional copies of this invitation and documents regarding Agenda Item 1 free of charge. Orders can be addressed to us either in writing or by means of telephone or e-mail via the contact address cited overleaf.

Further information is available at our Internet website under the heading “Investor Relations”. Annual reports, quarterly statements and half-yearly reports, among other things, are available there for downloading. There is also the opportunity of receiving corporate news regularly by e-mail. In order to make use of this information service free of charge, simply register on our website.

### **FREE PARKING**

Free car parking is available for visitors to the Annual General Meeting in the “Kurfürstenbad” garage at the Amberger Congress Centrum.



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