



Commentary on Item 1 of the Agenda according to Section 53 SE Regulation, Section 124a Subsection 1 No. 2 German Stock Corporation Act (*Aktiengesetz*)

Item 1 of the agenda merely provides for submission of the annual financial account and the consolidated financial statements of the company for the fiscal year and does not provide for passing of resolution. The annual financial statement and the consolidated financial statement have been approved by the board of directors. Therefore, annual financial statement has been determined. The determination of the annual financial statement and approval of the consolidated financial statements by the shareholders' meeting become inapplicable.

Notes on shareholders' rights pursuant to Section 56 SE Regulation, Section 50 subsection 2 SE Implementation Act, Section 122, Subsections 1 and 2, Section 126, Subsection 1, Section 127, and Section 131, Subsection 1 of the German Stock Corporation Act (*Aktiengesetz*) in connection with Section 126 of the German Civil Code

1. Requests for additions to the Agenda pursuant to Section 122, Subsection 1 and 2 of the German Stock Corporation Act (*Aktiengesetz*)

Shareholders whose shareholdings together add up to the twentieth part of the share capital or the proportionate amount of EUR 500,000 of the share capital of the company (equivalent to 500.000 shares) can request that items are placed on the Agenda and are announced as such. Each new item must be accompanied by a reason or a proposed resolution. Such requests on addition to the agenda are to be addressed in writing (section 126 of the German Civil Code) to the Board of Management of Deufol AG and must be received by the Company at least 30 days before the Annual Meeting of the Shareholders, i.e., at the latest by 12:00 p.m. (midnight) on June 3, 2014, whereby the day of receipt does not count. Please send such additional requests to the following address:

Deufol SE

Administrative Board
c/o Haubrok Corporate Events GmbH
Landshuter Allee 10
80637 München
Germany

Additions to the Agenda that are to be announced, if not already announced when the Annual Meeting of the Shareholders was convened, are published without delay after the corresponding request is received in the electronic version of the Federal Gazette (*Bundesanzeiger*) and are passed on for publication to such media which can be expected to disseminate the information in the entire European Union. They are also published on the Internet at www.deufol.com in the sector "Investor & Public Relations" under the topic "Annual General Meeting".

These shareholder rights are based on the following provisions of the SE Regulation and section 50 (2) of the German SE Implementation Act:

Art. 56 of the SE Regulation

One or more shareholders who together hold at least 10 % of an SE's subscribed capital may request that one or more additional items be put on the agenda of any general meeting. The procedures and time limits applicable to such requests shall be laid down by the national law of the Member State in which the SE's registered office is situated or, failing that, by the SE's statutes. The above proportion may be reduced by the statutes or by the law of the Member State in which the SE's registered office is situated under the same conditions as are applicable to public limited-liability companies.

§ 50 (2) of the German SE Implementation Act

(2) One or more shareholders who hold at least 5 per cent of the share capital or a pro rata amount of EUR 500,000 may request that one or more additional items be put on the agenda of any annual general meeting."

These shareholder rights are based on the following provisions of the German Stock Corporation Act, mutatis mutandis for an SE within the scope of a one-tier system:

§ 122 Convening a meeting at the request of a minority (excerpts)

- (1) A shareholders' meeting shall be called if shareholders jointly representing at least one-twentieth of the capital stock request such meeting in writing, stating the purpose and the reasons of such meeting; such request shall be addressed to the managing board. The articles may provide that the right to request a shareholders' meeting shall require another form and the holding of a lower portion of the capital stock. § 142 (2), sentence 2, shall apply mutatis mutandis.
- (2) In the same manner shareholders jointly representing at least one-twentieth of the capital stock or a proportionate ownership of at least EUR 500,000 may request that items be placed on the agenda and be disclosed. Each request must be accompanied by supporting information or a formal resolution proposal. The request within the meaning of sentence 1 must be received by the company no later than 24 days, in the case of stock exchange listed companies no later than 30 days, prior to the meeting, excluding the day of receipt.

§ 142 Appointment of special auditors (excerpts)

(2) ...²The parties requesting the motion shall furnish evidence that they have been holders of such shares for not less than three months prior to the date of the shareholders' meeting and that they will hold the shares until a decision on the motion.

2. **Countermotions and election proposals pursuant to Section 126, Subsection and Section 127 of the German Stock Corporation Act (Aktiengesetz)**

Moreover, shareholders of the Company can submit countermotions to proposals of the Board of Management and/or Supervisory Board concerning certain items of the Agenda and can submit election proposals. Countermotions, election proposals and other inquiries from shareholders regarding the Annual Meeting of the Shareholders are to be sent solely to the following address:

Deufol SE

c/o Haubrok Corporate Events GmbH

Landshuter Allee 10

80637 München

Fax. +49 (89) 210 27 298

E-Mail: info@haubrok-ce.de

Any countermotions and election proposals that are otherwise addressed need do not to be accessible.

We will publish countermotions and election proposals from shareholders that are to be made accessible, including the shareholders' names and reasons that are to be made accessible, after they are received on the Internet at www.deufol.com in the sector "Investor & Public Relations" under the topic "Annual General Meeting". Countermotions and election proposals on the items of the Agenda that are to be made accessible and that are received at the above mentioned address at least 14 days before the Annual Meeting of the Shareholders, i.e., by 12:00 p.m. (midnight) on June 19, 2014, will be taken into consideration, whereby the day of receipt and the day of the shareholders' meeting do not count. Any statements of position by the Management will also be published at the same Internet address.

Under certain conditions, the Company is not obliged to make a countermotion and its reason accessible. This is the case, pursuant to Section 126, Subsection 2 of the German Stock Corporation Act (*Aktiengesetz*), if

- the Board of Management would commit an offence by making such matters accessible,
- the countermotion would lead to a resolution of the Annual Meeting of the Shareholders in violation of applicable law or of the Articles of Incorporation,
- main points of the reason obviously contain false or misleading or insulting statements,
- a countermotion of the shareholder relating to the same subject matter has already been made accessible to an Annual Meeting of the Shareholders pursuant to Section 125 of the German Stock Corporation Act (*Aktiengesetz*),

- the same counterproposal of the shareholder with materially the same reason has already been made accessible to at least two of the Annual Meetings of the Shareholders of the Company in the past five years pursuant to Section 125 of the German Stock Corporation Act (*Aktiengesetz*) and less than one twentieth of the share capital represented at the Annual Meeting of the Shareholders voted in its favor,
- the shareholder indicates that he will not attend or be represented at the Annual Meeting of the Shareholders, or
- in the past two years at two Annual Meetings of the Shareholders, the shareholder notified the Company of a counterproposal but did not present that counterproposal and did not have it presented.

Moreover, the reason for a permissible counterproposal need not be made accessible if it is longer than 5,000 characters in total.

The Board of Management reserves the right according to Section 126, Subsection 3 of the German Stock Corporation Act (*Aktiengesetz*) to combine counterproposals and their reasons if several shareholders present counterproposals on the same subject matter.

In addition to the reasons stated in Section 126, Subsection 2 of the German Stock Corporation Act (*Aktiengesetz*) and listed above, an election proposal also does not need to be made accessible if it does not include the proposed candidate's name, current profession and place of residence. Proposals for the election of Supervisory Board members also do not need to be made accessible if they are not accompanied by details of the proposed candidate's memberships of other statutory supervisory boards as defined by Section 125, Subsection 1, Sentence 5 of the German Stock Corporation Act (*Aktiengesetz*). Details on their membership in similar controlling boards of enterprises in Germany and abroad have to be included.

These shareholder rights are based on the following provisions of the German Stock Corporation Act, *mutatis mutandis* for an SE within the scope of a one-tier system:

§ 124 Publication of requests for supplements; proposals for resolutions (excerpts)

(3) ...⁴The proposal for the election of members of the supervisory board or auditors shall state their name, profession and place of residence. ...

§ 125 Communications to shareholders and members of the supervisory board

(1) The executive board shall, at least 21 days prior to the meeting, notify credit institutions and shareholders' associations which have exercised voting rights on behalf of shareholders at the preceding annual general meeting or which have requested such communication of the convocation of the annual general meeting. The date of the notice shall not be taken into account. If the agenda is to be amended pursuant to § 122 (2), such amended agenda shall be communicated in the case of stock-exchange listed

companies. Such communication shall point out that this voting right may be exercised by an authorized representative or by a shareholders' association. In case of stock-exchange listed companies, details of membership of other supervisory boards required by law must be added to any proposal for the election of supervisory board members; details of such persons' membership of similar German or foreign supervisory bodies of business enterprises should be added.

- (2) The executive board shall provide the same information to shareholders who make such request or are entered as shareholders in the company's share register at the beginning of the 14th day prior to the meeting. The Articles of Association may limit transmission to electronic communication.
- (3) Each member of the supervisory board may request that the executive board send the same communication to him.
- (4) Each shareholder and each member of the supervisory board may request that the executive board advise him of the resolutions adopted at an annual general meeting.
- (5) Financial services institutions and enterprises operating under § 53 (1) clause 1 or § 53b (1) clause 1 or (7) of the German Banking Act are to be treated as credit institutions.

The regulations of the Germany Stock Corporation Act (Aktiengesetz) on which these shareholders' rights are based are as follows:

Section 126 AktG Motions by shareholders

(1) Motions by shareholders, including shareholders' names, supporting information and, if any, management's discussion shall be made accessible to the eligible persons referred to in Section 125 para. 1 through para. 3, subject to the conditions specified therein, provided that the shareholder has submitted at least 14 days prior to the meeting a counterproposal to a proposal of the managing board and the supervisory board regarding a specific item on the agenda, together with supporting information, to the address designated for this purpose in the shareholders' meeting notice. The day of receipt shall not be counted. In the case of Additional Information on Shareholders Rights 4/7 listed companies, the required accessibility shall be provided over the Internet website of the company. Section 125 para. 3 shall apply mutatis mutandis.

- (2) A counterproposal and supporting information need not be made accessible if:*
- 1 the managing board would by reason of such accessibility become criminally liable;*
 - 2 the counterproposal would result in a resolution of the shareholders' meeting that would be illegal or would violate the articles;*
 - 3. the reasons contain statements which are manifestly false or misleading in material respects or which are libelous;*

4. *a counterproposal of such shareholder based on the same facts has already been made accessible pursuant to Section 125 for the purpose of a shareholders' meeting of the company;*
5. *the same counterproposal of such shareholder based on essentially identical supporting information has already been made available pursuant to Section 125 to at least two shareholders' meetings of the company within the past five years and at such shareholders' meetings less than one-twentieth of the capital stock represented has voted in favor of such counterproposal;*
6. *the shareholder indicates that he/she will neither attend nor be represented at the shareholders' meeting; or*
7. *within the past two years at two shareholders' meetings the shareholder has failed to make or cause to be made on his/her behalf a counterproposal communicated by him/her. The supporting information need not be made accessible if it exceeds a total of 5,000 characters.*

(3) If several shareholders make counterproposals for resolution in respect of the same subject matter, the managing board may combine such counterproposals and the respective supporting information.

Section 127 AktG Election nominations by shareholders

Section 126 shall apply mutatis mutandis to a nomination by a shareholder for the election of a member of the supervisory board or external auditors. Such nomination need not be supported by a statement of the reasons therefor. Furthermore, the managing board need not make such nomination accessible also if it fails to contain information pursuant to Section 124 para. 3, sent. 3 and Section 125 para. 1, sent. 5.

3. Right of information pursuant to Section 56 SE Regulation, Section 131, Subsection 1 of the German Stock Corporation Act (Aktiengesetz)

Upon request, each shareholder is to be given information during the Annual Meeting of the Shareholders by the Board of Management concerning the affairs of the Company and the legal and business relations of the Company with its subsidiaries, as well as the situation of the Group and of the companies included in the consolidated financial statements, provided that such information is required to make a proper appraisal of subject matter of the Agenda. This information must be provided diligently and in good faith.

The articles of association and the rules of procedure according to Section 129 German Stock Corporation Act (Aktiengesetz) may authorize the Chairman of the Annual Meeting to restrict the time allocated to questions and speeches by shareholders appropriately and to stipulate further rules in this regard.

According to Section 131 Subsection 3 German Stock Corporation Act (Aktiengesetz) the Board of Management may refuse to give information

- if, according to a reasonable commercial judgment, disclosing the information is likely to result in material disadvantage to the Company or one of its subsidiaries;

- that relates to the estimation of amounts for tax purposes or the amounts of individual taxes;
- concerning the difference between the amounts at which items are entered in the year-end balance sheet and any higher value of those items;
- concerning accounting and valuation methods, if the information on these methods given in the notes to the financial statements is sufficient to provide a view of the actual situation of the Company's financial position, liquidity and capital resources, and profitability in accordance with Section 264, Subsection 2 of the German Commercial Code (Handelsgesetzbuch);
- if the Board of Management would commit an offence by providing such information; or
- if the information is fully accessible on the Company's Internet website for at least seven days before the beginning of the Annual Meeting of the Shareholders and is also accessible during the Annual Meeting.

The information may not be refused for any other reasons.

If information has been given to a shareholder outside the Annual Meeting of the Shareholders because of that person or entity being a shareholder, this information is also to be provided to each other shareholder, upon demand, in the Annual Meeting of the Shareholders, even if it is unnecessary for a proper appraisal of the relevant item of the Agenda. In such a case, the Board of Management may only refuse to give the information if it would commit an offence by doing so or if the information is fully accessible on the Company's Internet website for at least seven days before the beginning of the Annual Meeting of the Shareholders and is also accessible during the Annual Meeting.

If information is refused to a shareholder, he can demand that his question and the reason for which the information was refused are stated in the minutes of the Meeting of the Shareholders.

Furthermore, the Chairman of the Annual Meeting is authorized to take various measures with respect to conduct and order at the Annual Meeting, also regarding the right on questions and speeches. The underlying provisions of the rules of procedure for the Annual Meeting are as follows:

Section 7 Subsection 1 of the Rules of Procedures for the AGM is stated as follows: The Chairman of the Annual Meeting has the leadership and disciplinary authority during the Annual Meeting. The task of the Chairman is to work toward assuring that the Annual General Meeting proceeds smoothly and at an appropriate pace.

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

- Issue warnings and give orders to individuals causing a disturbance;
- Order such individuals from the room should they not have followed orders or reacted to two warnings;
- Have such individuals removed from the room should they significantly disrupt the

orderly procession of the Annual General Meeting through persistent disturbances.

Section 8 Subsection 4 of the Rules of Procedures for the AGM is stated as follows:
The Chairman of Annual Meeting determines the order of speeches, whereby generally the representatives of the association of shareholders shall be called in alternating annually.

Section 8, Subsection 5 of the Company's Rules of Procedure for the AGM reads as follows:

The Chairman has the right to set an appropriate standard time allotment for questions and remarks at the start of the Annual General Meeting. Alternatively, the Chairman may shorten time allotments for questions and remarks during the Annual General Meeting for the course of the entire assembly, for single agenda items or for individual speakers, or even eliminate time allotments altogether when the number of requests from the floor is too great to permit concluding the Annual General Meeting in a reasonably timely manner. The Chairman is also permitted to cut off the list of speakers and order the conclusion of debate when the methods described above are insufficient for ending the Annual General Meeting within a reasonable period of time.

These shareholder rights are based on the following provisions of the German Stock Corporation Act, mutatis mutandis for an SE within the scope of a one-tier system:

Section 131 AktG Right of shareholders to obtain information

- (1) Each shareholder shall upon request be provided with information at the shareholders' meeting by the managing board regarding the company's affairs, to the extent that such information is necessary to allow for a proper evaluation of the relevant item on the agenda. The duty to provide information shall also extend to the company's legal and business relations with any affiliated enterprise. If a company makes use of the simplified procedure pursuant to Section 266 para 1, sent. 2, Section 276 or Section 288 of the German Commercial Code, each shareholder may request that the annual financial statements be presented to him at the shareholders' meeting on such annual financial statements in the form that would have been used if such provisions on the simplified procedure had not been applied. The duty of the managing board of a parent company to provide information (Section 290 para. 1 and para. 2 of the German Commercial Code) at the shareholders' meeting at which the consolidated financial statements and group management report are presented also extends to the consolidated group's situation and the affiliated enterprises included in the consolidated financial statements.*

- (2) The information provided shall comply with the principles of conscientious and accurate accounting. The articles or the bylaws pursuant to Section 129 may Additional Information on Shareholders Rights 6/7 authorize the chairman of the meeting to reasonably limit a shareholder's time to speak and ask questions and may provide relevant details in this respect.*

- (3) The managing board may refuse to provide information:*

1. *to the extent that providing such information is, according to sound business judgment, likely to cause material damage to the company or an affiliated enterprise;*
2. *to the extent that such information relates to tax valuations or the amount of certain taxes;*
3. *with regard to the difference between the value at which items are shown in the annual balance sheet and the higher market value of such items, unless the shareholders' meeting is to approve the annual financial statements;*
4. *with regard to the methods of accounting and valuation, if disclosure of such methods in the notes suffices to provide a true and fair view of the actual condition of the company's assets, financial position and profitability within the meaning of Section 264 para. 2 of the German Commercial Code; the foregoing shall not apply if the shareholders meeting is to approve the annual financial statements;*
5. *if provision of such information would render the managing board criminally liable;*
6. *insofar as, in the case of credit institutions or financial services institutions, information need not be provided on the methods of accounting and valuation applied and setoffs made in the annual financial statements, management report, consolidated financial statements or group management report;*
7. *if the information is continuously accessible on the Internet website of the company for at least seven days prior to the beginning and during the shareholders' meeting.*

The provision of information may not be refused for other reasons.

(4) If information has been provided to a shareholder by reason of his/her status as a shareholder outside a shareholders' meeting, such information shall upon request be provided to any other shareholder at the shareholders' meeting, even if such information is not necessary to permit a proper evaluation of an item on the agenda. The managing board may not refuse to provide such information on the grounds of para. 3, sent. 1, no. 1 through 4. Sentences 1 and 2 shall not apply if a subsidiary (Section 290 para. 1 and para. 2 of the German Commercial Code), a joint venture (Section 310 para. 1 of the German Commercial Code) or an associated company (Section 311 para. 1 of the German Commercial Code) provides information to a parent company (Section 290 para. 1 and para 2 of the German Commercial Code) for the purpose of inclusion of the company in the consolidated financial statements of the parent company and such information is needed for such purpose.

(5) A shareholder who has been denied information may request that his/her question and the reason for which the information was denied be recorded in the minutes of the meeting.
