



**SNP Schneider-Neureither & Partner AG**  
**Heidelberg, Germany**

- ISIN DE0007203705 -  
- WKN 720370 -

**Invitation to the Annual General Meeting**

We would like to invite the shareholders of our company to the **Annual General Meeting** in the Grand Hall of the Portland Forum am Herrenberg, Festhallenstrasse 1, 69181 Leimen, Germany, at **10:00 a.m. on Wednesday, May 31, 2017** (doors open at 9:00 a.m.).

**Agenda**

- 1. Presentation of the adopted annual financial statements, the approved consolidated financial statements, the management report and the Group management report (including the explanatory report of the Executive Board on the disclosures required under Sections 289 (4) and 315 (4) of the German Commercial Code [HGB]) for SNP Schneider-Neureither & Partner AG, for the 2016 fiscal year, and presentation of the report of the Supervisory Board**

As of the convocation of the Annual General Meeting, the aforementioned documents are available online for viewing and downloading <http://www.snp-ag.com/de/Investor-Relations/Hauptversammlung/Hauptversammlung-2017/>.

On March 13, 2017, the Supervisory Board approved the annual financial statements and consolidated financial statements prepared by the Executive Board in accordance with Section 172 of the German Stock Corporation Act (AktG). The annual financial statements were thereby adopted. Consequently, it is not necessary for the Annual General Meeting to adopt the annual financial statements or approve the consolidated financial statements under Section 173 of the AktG.

- 2. Resolution on the appropriation of profit**

The Executive Board and the Supervisory Board propose to appropriate the distributable profit of the company for the 2016 fiscal year, amounting to € 4,323,345.16, as follows:

- Distribution of a dividend of € 0.39 per no-par-value share (ISIN DE0007203705) on 4,954,904 no-par-value shares entitled to dividends € 1,932,412.56

- Balance to be carried forward	€ 2,390,932.60
Distributable profit	€ 4,323,345.16

The proposal for the appropriation of net profit takes into account the 21,882 treasury shares held by the company on the date of notice of this Annual General Meeting, which under Section 71b of the AktG are not entitled to dividends

The number of shares entitled to dividends is subject to change before the Annual General Meeting resolution on the appropriation of distributable profit. Should this occur, a suitably amended proposal will be submitted to the Annual General Meeting for a vote that includes an unchanged dividend of € 0.39 per share entitled to dividends and a suitably amended profit carried forward.

**3. Resolution on the approval of the actions of the members of the Executive Board for the 2016 fiscal year**

The Supervisory Board and Executive Board propose to grant approval of the actions of the members of the Executive Board for the 2016 fiscal year.

**4. Resolution on the approval of the actions of the members of the Supervisory Board for the 2016 fiscal year**

The Executive Board and Supervisory Board propose to grant approval of the actions of the members of the Supervisory Board for the 2016 fiscal year.

**5. Resolution on the selection of the auditor of the annual financial statements and the consolidated financial statements, as well as the auditor for the audit review of the half-year financial report**

The Supervisory Board proposes to appoint Rödl & Partner GmbH, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart,

- a) as auditor of the annual and consolidated financial statements for the 2017 fiscal year and
- b) as auditor for the audit review of the condensed financial statements and the half-year financial report for the first half of the 2017 fiscal year, should such an audit be commissioned

**6. Resolution on consent to the control and profit-and-loss transfer agreement between SNP Schneider-Neureither & Partner AG and SNP Applications EMEA GmbH**

SNP Schneider-Neureither & Partner AG is the sole shareholder of SNP Applications EMEA GmbH domiciled in Heidelberg. On March 13, 2017, SNP Schneider-Neureither & Partner AG and SNP Applications EMEA GmbH concluded a control and profit-and-loss transfer agreement. In the control and profit-and-loss transfer agreement, SNP Applications EMEA GmbH agreed to transfer all of its profits to SNP Schneider-Neureither & Partner AG. SNP

Schneider-Neureither & Partner AG has agreed to absorb the losses of SNP Applications EMEA GmbH under Section 302 of the AktG.

The control and profit-and-loss transfer agreement is further explained and justified in the joint report of the Executive Board of SNP Schneider-Neureither & Partner AG and the management of SNP Applications EMEA GmbH under Section 293 a (1) of the AktG. No review of the control and profit-and-loss transfer agreement by an auditor under Section 293 b of the AktG is required. No settlement payments or severance shall be paid to external shareholders.

The control and profit-and-loss transfer agreement requires consent of the Annual General Meeting of SNP Schneider-Neureither & Partner AG to be effective.

The Executive Board and Supervisory Board propose to make the following resolution:

*“The control and profit-and-loss transfer agreement between SNP Schneider-Neureither & Partner AG and SNP Applications EMEA GmbH dated March 13, 2017, is approved.”*

The control and profit-and-loss transfer agreement reads as follows:

### **Control and profit-and-loss transfer agreement**

between

**SNP Schneider-Neureither & Partner AG**,  
Dossenheimer Landstrasse 100, 69121 Heidelberg, Germany,  
listed in the Commercial Register of the Local Court (Amtsgericht) of Mannheim under  
HRB 335155,

- hereinafter “**Controlling Company**” -

and

**SNP Applications EMEA GmbH**,  
Dossenheimer Landstrasse 100, 69121 Heidelberg, Germany,  
listed in the Commercial Register of the Local Court (Amtsgericht) of Mannheim under  
HRB 726246

- hereinafter “**Controlled Company**” -

### **Section 1 Current situation**

- (1) The Controlling Company is the sole shareholder of the Controlled Company and has held the sole share with the nominal value of € 100,000.00 since its establishment on November 7, 2016.
- (2) The Controlled Company is also financially part of the Controlling Company.

## **Section 2 Control**

- (1) The Controlled Company is managed by the Controlling Company.
- (2) The Controlling Company is authorized by its Executive Board or a party appointed by it to give the management of the Controlled Company general or specific instructions, particularly in organizational, economic, technical, financial and personal aspects. The Controlled Company is obliged to follow the instructions of the Controlling Company in all cases unless otherwise required by mandatory corporate, trade or accounting law. The amendment, maintenance or termination of this Agreement is not covered by the right to give instructions.
- (3) The Controlling Company must be informed at all times of all key matters of the Controlled Company and its business development. The Controlled Company is obliged to provide the representative bodies of the Controlling Company and its officers with full information and to allow them to review the books, documents and other paperwork of the Controlled Company beyond the shareholders' rights.

## **Section 3 Profit transfer**

- (1) The Controlled Company undertakes to transfer all of its profits to the Controlling Company under all regulations of Section 301 of the AktG as amended from time to time.
- (2) With consent of the Controlling Company, the Controlled Company can transfer amounts from net income generated for the year into the retained earnings under Section 272 (3) of the HGB if this is permitted by commercial law and is financially justified following reasonable commercial evaluation.
- (3) Retained earnings created during the term of this Agreement under Section 3 (2) are to be liquidated at the request of the Controlling Company and used to balance out an annual net loss or loss carryforward or to be transferred as profit.
- (4) The transfer of amounts from the Controlled Company from the liquidation of free, pre-contractual reserves and pre-contractual profit carryforwards is prohibited.
- (5) The entitlement to a profit transfer will arise at the end of the fiscal year of the Controlled Company. It will become due when the amount is set at that time.

## **Section 4 Loss absorption**

- (1) The Controlling Company is obliged to absorb the losses of the Controlled Company in line with all regulations of Section 302 of the AktG as amended from time to time.
- (2) Section 3 (5) applies accordingly.

## **Section 5 Annual financial statements of the Controlled Company**

To implement the profit transfer or loss absorption, the Controlled Company must review its annual financial statements with the Controlling Company before

adoption and perform the calculation of profits or losses with the Controlling Company so that this calculation is already accounted for in the annual financial statements. The calculation of profit or loss allocations between the two companies will be made with the valuation as of the day of approval of the annual financial statements; for any loss to be netted out, the Controlling Company will owe the legal interest from the date of the end of the reporting period for the annual financial statements onward.

## **Section 6**

### **Entry into force and term of Agreement**

- (1) This Agreement will take effect when entered in the Commercial Register for the Controlled Company.
- (2) The effectiveness of this Agreement is subject to the consent of the Supervisory Board and the Annual General Meeting of the Controlling Company and the consent of the Annual General Meeting of the Controlled Company.
- (3) This Agreement applies with regard to the provisions on profit transfer and loss absorption with effect from the start of the fiscal year in which this Agreement takes effect under Paragraph 1 (retroactive effect of profit transfer and loss absorption) and otherwise when entered in the Commercial Register.
- (4) This Agreement is entered into until December 31, 2021, or for five years after the start of the fiscal year for which the special agreement establishing the relationship between two companies with their own legal personalities under corporate tax and business tax laws was first acknowledged under this Agreement, whichever is longer. If the Agreement is not terminated in writing six months before the term of the Agreement has ended, it will be extended by another year.
- (5) In the event of extraordinary termination without notice for due cause by a party to this Agreement, this Agreement will no longer apply to the fiscal year in which the extraordinary termination is issued if this can be agreed in a legally permissible manner. In particular, if the Controlling Company no longer holds the majority of voting rights in the Controlled Company; the Controlling Company sells or contributes the shares in the Controlled Company; the Controlling Company or Controlled Company is merged, split or liquidated; or an outside partner holds a stake in the Controlled Company for the first time in the sense of Section 307 of the AktG, due cause will be considered to apply.

## **Section 7**

### **Final provisions**

If individual provisions of this Agreement are or become invalid, this will not affect the validity of the remaining Agreement. In this case, the affected parties are obliged to find a valid replacement provision that comes closest to the intent of the relevant provision instead of the invalid one.

Heidelberg, Germany, March 13, 2017

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Dr. Andreas Schneider-Neureither  
for SNP Schneider-Neureither & Partner AG

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Achim Westermann  
for SNP Applications EMEA  
GmbH

The following documents will be available at <http://www.snp-ag.com/de/Investor-Relations/Hauptversammlung/Hauptversammlung-2017/> starting at the time the Annual General Meeting is convened:

- The control and profit-and-loss transfer agreement between SNP Schneider-Neureither & Partner AG and SNP Applications EMEA GmbH
- The joint report of the Executive Board of SNP Schneider-Neureither & Partner AG and the management of SNP Applications EMEA GmbH issued under Section 293 a (1) of the AktG
- The annual financial statements and management reports of SNP Schneider-Neureither & Partner AG for the 2014, 2015 and 2016 fiscal years
- The consolidated financial statements of SNP Schneider-Neureither & Partner AG for the 2014, 2015 and 2016 fiscal years
- The annual financial statements of SNP Applications EMEA GmbH for the 2016 fiscal year
- The declaration under Section 289a of the HGB for company management of SNP Schneider-Neureither & Partner AG

**7. Resolution on the creation of the 2017 Authorized Capital with the option of excluding the subscription rights of shareholders and an amendment to the articles of incorporation and a corresponding amendment to the articles of incorporation**

The Executive Board and Supervisory Board propose to make the following resolution:

The Executive Board is authorized with the approval of the Supervisory Board to increase the share capital of the company by May 31, 2022, once or several times up to a total of € 995,357.00 (in words, nine hundred ninety-five thousand three hundred fifty-seven euros) against cash or in-kind contributions through the issuance of new no-par-value shares (2017 Authorized Capital). The execution of individual utilizations can be done in individual tranches. In the event of cash contributions, the new shares may also be taken over by one or more banks or by another entity fulfilling the requirements of Section 186 (5) (1) of the AktG with the obligation to offer them exclusively to shareholders for purchase (indirect subscription right).

The Executive Board is authorized, with the approval of the Supervisory Board ...

aa) To exclude the subscription rights of shareholders in order to exclude fractional amounts from the shareholders' subscription right

bb) To exclude the shareholders' subscription rights in the event of any capital increases against contributions in cash up to a proportional amount of share capital totaling € 497,678.00 (in words: four hundred ninety-seven thousand six hundred seventy-eight euros) in order to issue the new shares at an issue price that is not significantly lower than the market price (Sections 203 (1) and (2), 186 (3) (4) of the AktG); with respect to the question of utilizing the 10% limit, the exclusion of subscription rights as a result of other authorizations under Section 186 (3) (4) of the AktG is to be considered; the applicable market price shall be the volume-weighted average price of no-par-value shares of the company in XETRA trading on the Frankfurt Stock Exchange (or a comparable successor system) over the last five trading days preceding the date when the Executive Board determines the issue price

cc) To exclude the subscription rights of shareholders in the event of capital increases against contributions in kind, particularly for the purpose of acquiring companies, investments in companies, industrial property or other product rights (e.g., licenses, patents, etc.)

dd) To exclude the subscription rights of shareholders in the event of capital increases against contributions in cash to the extent it is necessary to ensure the holders of warrants, convertible bonds or warrant-linked bonds issued by the company and its subsidiaries can be granted subscription rights to new shares to the extent that they will or would be entitled if they exercised their options or conversion rights

The Executive Board may make use of the authorizations granted to exclude subscription rights cited above under clause bb) only to such an extent that the pro rata amount of the total shares issued under the exclusion of subscription rights does not exceed 10% of the share capital (10% limit), neither at the time of the resolution regarding this authorization nor at the time of its utilization. Provided that, during the term of the authorized capital until its utilization, use is made of other authorizations to issue or sell shares of the company or to issue rights that allow or oblige their holder to subscribe for shares in the company and this is done under exclusion of subscription rights, this is to be counted toward the previously cited 10% limit.

The Executive Board is authorized with the approval of the Supervisory Board to determine further details regarding capital increases from the 2017 Authorized Capital. The Supervisory Board is authorized to amend the wording of the articles of incorporation in the event of utilization of the 2017 Authorized Capital.

The following paragraph 6 is being inserted in the articles of incorporation of the company under Section 3:

“Section 3 (6):

The Executive Board is authorized with the approval of the Supervisory Board to increase the share capital of the company by May 31, 2022, once or several times up to a total of € 995,357.00 (in words, nine hundred ninety-five thousand three hundred fifty-seven euros) against cash or in-kind contributions through the issuance of new no-par-value shares (2017 Authorized Capital). The execution of individual utilizations can be done in individual tranches. In the event of cash contributions, the new shares may also be taken over by one or more banks or by another entity fulfilling the requirements of Section 186 (5) (1) of the AktG with the obligation to offer them exclusively to shareholders for purchase (indirect subscription right).

The Executive Board is authorized, with the approval of the Supervisory Board ...

aa) To exclude the subscription rights of shareholders in order to exclude fractional amounts from the shareholders' subscription right

bb) To exclude the shareholders' subscription rights in the event of any capital increases against contributions in cash up to a proportional amount of share capital totaling € 497,678.00 (in words: four hundred ninety-seven thousand six hundred seventy-eight euros) in order to issue the new shares at an issue price that is not significantly lower than the market price (Sections 203 (1) and (2), 186 (3) (4) of the AktG); with respect to the question of utilizing the 10% limit, the exclusion of subscription rights as a result of other authorizations under Section 186 (3) (4) of the AktG is to be considered; the applicable market price shall be the volume-weighted average price of no-par-value shares of the company in XETRA trading on the Frankfurt Stock Exchange (or a comparable successor system) over the last five trading days preceding the date when the Executive Board determines the issue price

cc) To exclude the subscription rights of shareholders in the event of capital increases against contributions in kind, particularly for the purpose of acquiring companies, investments in companies, industrial property or other product rights (e.g., licenses, patents, etc.)

dd) To exclude the subscription rights of shareholders in the event of capital increases against contributions in cash to the extent it is necessary to ensure the holders of warrants, convertible bonds or warrant-linked bonds issued by the company and its subsidiaries can be granted subscription rights to new shares to the extent that they will or would be entitled if they exercised their options or conversion rights

The Executive Board may make use of the authorizations granted to exclude subscription rights cited above under clause bb) only to such an extent that the pro rata amount of the total shares issued under the exclusion of subscription rights does not exceed 10% of the share capital (10% limit), neither at the time of the resolution regarding this authorization nor at the time of its utilization. Provided that, during the term of the authorized capital until its utilization, use is made of other authorizations to issue or sell shares of the company or to issue rights that allow or oblige their holder to subscribe for shares in the company and this is done under exclusion of subscription rights, this is to be counted toward the previously cited 10% limit.



The Executive Board is authorized with the approval of the Supervisory Board to determine further details regarding capital increases from the 2017 Authorized Capital. The Supervisory Board is authorized to amend the wording of the articles of incorporation in the event of utilization of the 2017 Authorized Capital.

#### **8. Resolution on the conversion of the company into a European stock corporation (*Societas Europaea*, SE)**

The Executive Board and Supervisory Board propose that a resolution be adopted as follows: In this regard, in accordance with Section 124 (3) (1) of the AktG, only the Supervisory Board will put forward a proposal to appoint the auditor for the first fiscal year of the future SNP Schneider-Neureither & Partner SE (Section X of the conversion plan) as well as a proposal to appoint the members of the Board of Directors of the future SNP Schneider-Neureither & Partner SE (Section V of the conversion plan).

“The conversion plan of March 30, 2017, (deed No. 273/2017 of the notary public Ihrig in Heidelberg) regarding the conversion of SNP Schneider-Neureither & Partner AG into a European public limited company (*Societas Europaea*, SE) is approved; the articles of incorporation of SNP Schneider-Neureither & Partner SE attached as an appendix are approved.”

The conversion plan and the articles of incorporation of SNP Schneider-Neureither & Partner SE are worded as follows:

### **Conversion plan**

#### **I. General**

SNP Schneider-Neureither & Partner AG is a stock corporation under German law with headquarters in Heidelberg. Its business address is Dossenheimer Landstr. 100, 69121 Heidelberg, Germany. The objective of the company is to perform business consulting services in the area of data processing as well as the development and sales of hardware and software. According to the articles of incorporation, the company is entitled to conduct all types of business and to take all steps which appear to be necessary or suitable to achieve its business mission. It may also realize its objective completely or in part in an indirect manner. It can establish domestic or foreign companies or invest as a holding company in such companies that have the same or a similar business objective, specifically as a personally liable partner or shareholder. It can set up domestic or foreign branch offices. The company is entitled to enter into intercompany agreements, particularly control and profit transfer agreements.

The share capital of the company amounts to € 4,976,786.00. It is divided into 4,976,786 shares. The shares are no-par-value shares. The pro rata portion of share capital of SNP Schneider-Neureither & Partner AG attributable to each share is € 1.00.

For several years, SNP Schneider-Neureither & Partner AG has already had subsidiaries governed by the law of other member states of the European Union. It holds direct or indirect investments in a variety of subsidiaries (together with the “**SNP Group**” company), of which many have their headquarters abroad, particularly in other signatory states of the European Union. (The member states of the European Union as well as other signatory states of the European Economic Area are together the “**member states.**”) They have, for example, included since 2003 SNP Austria GmbH in Pasching, Austria – at that time still operating under the name EINS GmbH – and Schneider-Neureither & Partner Iberica S.L., Madrid, Spain, since 2013. As a result, the company fulfills the prerequisites for conversion in accordance with Art. 37 para. 1, Art. 2 para. 4 SE-VO.

In the view of the Executive Board of SNP Schneider-Neureither & Partner AG, the change in corporate form represents a logically consistent step in the company’s development, given the successful expansion of the international business activities of SNP Schneider-Neureither & Partner Group from Germany. The corporate form of the SE is the only supranational corporate form based on European law that is available to a publicly traded corporation with headquarters in Germany. In addition, the change in corporate form from a stock corporation under German law into a European stock corporation provides a public expression of SNP Schneider-Neureither & Partner AG’s self-conception as a European and globally oriented company. Furthermore, the corporate form of the European stock corporation offers the option of further developing the previous corporate structure of SNP Schneider-Neureither & Partner AG.

## **II. Conversion of SNP Schneider-Neureither & Partner AG into SNP Schneider-Neureither & Partner SE**

The company shall be converted into a European stock corporation (*Societas Europaea*, SE) in accordance with Art. 2 para. 4 (37) SE-VO.

The conversion of SNP Schneider-Neureither & Partner AG into an SE does not lead to either the liquidation of the company nor the formation of a new legal entity, according to Art. 37 para. 2 SE-VO. No transfer of assets will take place, given the identity of the legal entity. The involvement of shareholders in the company continues unchanged.

Shareholders who object to the conversion will not be offered any compensation in cash, as this is not provided for by law.

## **III. Effective date of the conversion**

In accordance with Art. 16 para. 1 SE-VO, the conversion will become effective upon its entry into the Commercial Register with jurisdiction over the company of the Local Court of Mannheim (“**time of conversion**”).

## **IV. Company name, registered office, share capital and articles of incorporation of SNP Schneider-Neureither & Partner SE**

The company name of the SE shall be SNP Schneider-Neureither & Partner SE.

The registered office of SNP Schneider-Neureither & Partner SE shall be in Heidelberg. That is also the location of its main administrative offices. The registered office and main administrative office are to remain in Germany.

The share capital of the company in the amount existing at the time of conversion (currently € 4,976,786.00) will become the share capital of SNP Schneider-Neureither & Partner SE.

On May 20, 2010, the Annual General Meeting authorized SNP Schneider-Neureither & Partner SE to acquire for the coming five years treasury shares up to a total of 10% of the outstanding share capital at the time of the resolution. In the course of two share repurchase programs, a total of 7,294 shares were bought back via the stock exchange at an average price of € 56.85 by February 21, 2013. The authorization was renewed by a resolution on May 12, 2016. Currently SNP Schneider-Neureither & Partner AG holds 21,882 treasury shares.

The persons and organizations that are shareholders of the company on the date of conversion will become shareholders of SNP Schneider-Neureither & Partner SE by law. They will have an interest in the share capital of SNP Schneider-Neureither & Partner SE in the same volume and with same number of shares as they held in the share capital of the company immediately before the conversion. Therefore, each shareholder of the company will receive, in exchange for a share of the company with an interest in the share capital of SNP Schneider-Neureither & Partner AG in the amount of € 1.00, a share of SNP Schneider-Neureither & Partner SE with an interest in share capital in the amount of € 1.00.

The conversion has no effect on the participation in dividends. SNP Schneider-Neureither & Partner SE will maintain without change the accounting carrying amounts of the converting SNP Schneider-Neureither & Partner AG. The rights of third parties to shares of the company immediately before conversion continue with the shares of SNP Schneider-Neureither & Partner SE.

SNP Schneider-Neureither & Partner SE will adopt the articles of incorporation attached as an *appendix* (“**SE-articles of incorporation**”). This is part of this conversion plan. The following shall apply at the time of conversion:

- The number of units of share capital and the division of share capital of SNP Schneider-Neureither & Partner SE in accordance with Section 4.1 of the SE articles of incorporation correspond to the number of units of share capital and the division of share capital of SNP Schneider-Neureither & Partner AG in accordance with Section 3 (1) of the AG articles of incorporation of SNP Schneider-Neureither & Partner AG.
- The amount of authorized capital according to Section 4.4 and Section 4.6 of the SE articles of incorporation corresponds to the amount of authorized capital according to Section 3 (4) (2015 Authorized Capital) and Section 3 (6) (2017 Authorized Capital) of the articles of incorporation of SNP Schneider-Neureither & Partner AG, in accordance with the following paragraphs.
- The amount of contingent capital according to Section 4.5 of the SE articles of incorporation corresponds to the amount of the available contingent capital

according to Section 3 (5) of the articles of incorporation of SNP Schneider-Neureither & Partner AG.

The Supervisory Board of SNP Schneider-Neureither & Partner AG (and alternatively the Board of Directors of SNP Schneider-Neureither & Partner SE) is authorized to make any amendments to the wording of the SE articles of incorporation prior to the conversion.

In addition, the following stipulations are made:

The existing authorized capital of the AG (2015 Authorized Capital) is governed by Section 3 (4) of the articles of incorporation of SNP Schneider-Neureither & Partner AG. It is taken over without any change to its contents in Article 4.4 of the SE articles of incorporation.

A further provision is to propose a resolution to the Annual General Meeting of the company on May 31, 2017, under agenda item 7 to create new authorized capital (2017 Authorized Capital) through a corresponding amendment to the articles of incorporation of SNP Schneider-Neureither & Partner AG by inserting a new Section 3 (6).

Provided that the 2017 Authorized Capital is approved by the Annual General Meeting on May 31, 2017, with the requisite majority and the 2017 Authorized Capital and the associated adoption of Section 3 (6) of the articles of incorporation of SNP Schneider-Neureither & Partner AG having already become effective by the date of conversion through entry in the Commercial Register of the company, the articles of incorporation of SNP Schneider-Neureither & Partner SE, according to Section 4.6 of the articles of incorporation of SNP Schneider-Neureither & Partner SE, corresponds on the date of conversion in scope and design to the authorized capital of SNP Schneider-Neureither & Partner AG, according to the newly revised Article 3 (6) of the articles of incorporation of SNP Schneider-Neureither & Partner AG (2017 Authorized Capital), which is worded – subject to any utilization prior to the date of conversion and a related reduction in the scope of the 2017 Approved Capital – as stated in the appendix.

If the 2017 Authorized Capital and the adoption of Section 3 (6) of the articles of incorporation of SNP Schneider-Neureither & Partner AG have not (yet) become effective through entry in the Commercial Register of the company by the date of conversion, the articles of incorporation of SNP Schneider-Neureither & Partner AG will not include any Approved Capital 2017 or Section 3 (6) so that the SE articles of incorporation also will not contain any Section 4.6. But other than that, the SE articles of incorporation will also be worded as stated in the appendix. The Executive Board is instructed upon conversion to register the entry of Section 4 of the SE articles of incorporation without Section 4.6. In this case, only Section 4 (1) through (5) of the SE articles of incorporation will be registered on the date of conversion. The authorized capital of SNP Schneider-Neureither & Partner SE, according to Section 4.4 of the articles of incorporation of SNP Schneider-Neureither & Partner SE, corresponds at the time of conversion in scope and design to the authorized capital of SNP Schneider-Neureither & Partner AG according to Section 3 (4) of the articles of incorporation of SNP Schneider-Neureither & Partner AG in their currently valid wording (2015 Authorized Capital).

Any amendments regarding the amount and division of the share capital of SNP Schneider-Neureither & Partner AG that occur prior to the date of conversion, and/or any changes in the authorized capital and/or in the contingent capital of SNP Schneider-Neureither & Partner AG prior to the date of conversion, due to the previous issuance of

shares from the authorized capital or contingent capital of SNP Schneider-Neureither & Partner AG also apply to SNP Schneider-Neureither & Partner SE.

The modification of authorized capital due to the planned resolution of the Annual General Meeting on May 31, 2017, on the revision of the authorized capital of SNP Schneider-Neureither & Partner AG also applies to SNP Schneider-Neureither & Partner SE. The latter also applies if the approved scope and/or design of the new 2017 Authorized Capital should differ from the wording of Section 4.6 in the appendix as a result of the revision of authorized capital by the Annual General Meeting.

The Board of Directors of SNP Schneider-Neureither & Partner SE (as well as alternatively the Supervisory Board of SNP Schneider-Neureither & Partner AG) is authorized and at the same time instructed to make any amendments to the wording of the articles of incorporation enclosed as an appendix that result from the aforementioned before entry of the change in corporate form in the Commercial Register.

## **V. Company organs, Managing Directors**

SNP Schneider-Neureither & Partner SE has a monistic corporate governance structure, according to Section 5.1 of the SE articles of incorporation. The organs of SNP Schneider-Neureither & Partner SE are the Board of Directors (administrative organ) and the Annual General Meeting, according to Section 5.2 of the SE articles of incorporation.

According to Section 6.1 of the SE articles of incorporation, the Board of Directors is comprised of at least three (3) members, who are selected by the Annual General Meeting without being bound by election proposals.

Appointed as members of the first Board of Directors are the following:

- Mr. Gerhard A. Burkhardt, Chief Executive Officer of Familienheim Rhein-Neckar eG, resident of Schriesheim-Altenbach
- Dr. Michael Drill, Chief Executive Officer / Managing Director Lincoln International AG, resident of Starnberg
- Mr. Rainer Zinow, Senior Vice President SAP SE, resident of Neustadt /Weinstrasse
- Dr. Andreas Schneider-Neureither, Chief Executive Officer of SNP Schneider-Neureither & Partner AG, resident of Heidelberg

The first three individuals currently belong to the Supervisory Board of the company. Dr. Andreas Schneider-Neureither currently belongs to the Executive Board of the company. In case of their appointment as members of the first Board of Directors, the current Chief Executive Officer of SNP Schneider-Neureither & Partner AG, Dr. Andreas Schneider-Neureither, shall be proposed as a candidate for the Chairmanship of the Board of Directors of SNP Schneider-Neureither & Partner SE, and the current Chairman of the Supervisory Board of SNP Schneider-Neureither & Partner AG, Dr. Michael Drill, shall be proposed as the Deputy Chairman of the Board of Directors of SNP Schneider-Neureither & Partner SE.

According to Section 12.1 of the SE articles of incorporation, the Board of Directors appoints one or more Managing Directors. Members of the Board of Directors may be appointed as Managing Directors, provided that the majority of the Board of Directors still is comprised of non-Managing Directors. According to Section 12.4 of the SE articles

of incorporation, the Managing Directors manage the company's affairs in accordance with applicable law, the SE articles of incorporation, the bylaws for Managing Directors and the instructions of the Board of Directors.

Each member of the Board of Directors receives a fixed annual remuneration of € 20,000.00. The Chairman receives a fixed annual remuneration of € 30,000.00, while the Deputy Chairman receives a fixed annual remuneration of € 25,000.00. Furthermore, each Board of Directors member receives – in addition to the reimbursement of documented, required expenses – € 1,000.00 for each meeting of the Board of Directors. The company arranges a loss and liability insurance policy to cover the members of the Board of Directors in the performance of their duties. This policy provides maximum coverage of € 6,000,000.00 for each individual insurance claim and for total insurance claims in the period of insurance coverage. No deductible is arranged.

Insofar and as long as a member of the Board of Directors simultaneously serves as a Managing Director of SNP Schneider-Neureither & Partner SE, their remuneration as a member of the Board of Directors is withheld.

The offices of members of the Executive Board and members of the Supervisory Board of SNP Schneider-Neureither & Partner AG end on the date of conversion.

Resolutions of the Annual General Meeting of SNP Schneider-Neureither & Partner AG continue to apply without change in SNP Schneider-Neureither & Partner SE insofar as they are still pending as of the date of conversion.

## **VI. Special rights**

Any special rights at SNP Schneider-Neureither & Partner AG are preserved without any change in substance at Schneider-Neureither & Partner SE. No special measures are planned for the holders of these rights.

According to Section 3 (5) of the AG articles of incorporation, the share capital of SNP Schneider-Neureither & Partner AG is conditionally increased by up to € 1,869,030.00, divided into up to 1,869,030 no-par-value shares (Contingent Capital 2015). The Executive Board is authorized by resolution of the Annual General Meeting on May 21, 2015, to execute the capital increase.

The backdrop is the authorization of the Executive Board by the Annual General Meeting on May 21, 2015, with the approval of the Supervisory Board, to issue by May 20, 2020, on one or more occasions bearer or registered warrant bonds and/or convertible bonds in a total nominal amount of up to € 100,000,000.00 with or without term restrictions and to grant or impose conversion rights or obligations representing a pro rata share of share capital of up to € 1,869,030.00.

The contingent capital increase will be executed only to the extent that the owners or creditors of warrant or conversion rights or warrant-linked bonds or convertible bonds issued for cash contributions and subject to conversion obligations that were issued or guaranteed until May 20, 2020, by the company by virtue of the authorization of the Executive Board and the resolution of the General Meeting on May 21, 2015, exercise their warrant or conversion rights or fulfill their conversion obligations if applicable, or

if the company exercises an option to grant shares in the company in full or in part instead of paying the amount of money due, provided that a cash contribution is not granted or the company's treasury shares are not used for this purpose. The new shares will be issued in accordance with the aforementioned authorization at option and conversion prices to be determined. The new shares participate in profits from the beginning of the fiscal year in which they arise. The Executive Board is authorized with the approval of the Supervisory Board to determine further details regarding the execution of the contingent capital increase.

The contingent capital increase has not been carried out so far. Until now, no warrant bonds or convertible bonds have been issued.

The 2015 Contingent Capital of SNP Schneider-Neureither & Partner AG continues to exist in corresponding form in SNP Schneider-Neureither & Partner SE, according to Section 4.5 of the SE articles of incorporation. The beneficiaries receive shares of SNP Schneider-Neureither & Partner SE in place of shares of SNP Schneider-Neureither & Partner AG. The number of subscription rights or shares and the conditions for the issuance do not change as a result of the conversion.

At the end of the September 2015, the Executive Board of SNP Schneider-Neureither & Partner AG approved a program in the form of a shareholding premium. The central element of this program was to pay all members of the SNP Group what's known as a shareholding premium of € 1.40 for each SNP share that was acquired beginning on October 1, 2015, and was held for at least twelve months. By doing so, the aim was to make a further contribution to strengthening the employees' loyalty to the company, while also enabling them to participate in the company's success to an even greater extent. The premium program applied to the acquisition of shares through March 31, 2016. With the exception of the Executive Board and the Supervisory Board, all employees were eligible to participate. The employees acquired the shares for their own account in the market. The one-year period for holding shares under these preferential conditions expired on March 31, 2017. The conversion of corporate form has no impact on the shareholding premium. In particular, the length of share ownership continues to be calculated according to the period during which they were initially held as shares in SNP Schneider-Neureither & Partner AG.

Any amendments regarding the amount and division of the share capital of SNP Schneider-Neureither & Partner AG, which occur prior to the time of conversion, and/or any changes in the authorized capital and/or in the contingent capital of SNP Schneider-Neureither & Partner AG prior to the time of conversion, due to the previous issuance of shares from the authorized capital or contingent capital of SNP Schneider-Neureither & Partner AG, also apply to SNP Schneider-Neureither & Partner SE.

In February 2017, SNP Schneider-Neureither & Partner AG and investors agreed to the issuance of a borrower's note with a total volume of € 40 million. The volume is spread across fixed and variable tranches in terms of three to seven years. The average yield at the time of issuance of the borrower's note loan amounted to 1.41% per annum. Due to the high level of investor interest and the favorable financing conditions, the original target volume was increased from € 30 million to € 40 million.

Effective March 27, 2017, the corporate bond, a partial bearer bond (ISIN: DE000A14J6N4/WKN A14J6N), was redeemed early. It was divided into 10,000 partial bonds each with a nominal value of € 1,000.00. It had a term of five years. The partial

bonds were offered to qualified investors in Germany and abroad as part of a private placement. The corporate bond featured an interest rate of 6.25% per annum and matures in March 2020. In accordance with the bond conditions, the notice of redemption was published in the German Federal Gazette and on the company's website. The bond with a total amount issued of € 10 million (total nominal value of up to € 20 million) was fully redeemed at a price of 103% of the nominal value plus interest accrued by March 27, 2017.

Beyond the rights stipulated in this Section VI, no rights are granted to the individuals specified in Art. 20 para. 1 clause f) SE-VO, and no measures are planned for these individuals.

## **VII. No special benefits**

In the course of the conversion, no special benefits are granted to shareholders of SNP Schneider-Neureither & Partner AG, members of the Executive Board or the Supervisory Board of SNP Schneider-Neureither & Partner AG, members of the Board of Directors or Managing Directors of SNP Schneider-Neureither & Partner SE or experts who review the conversion process.

As a precautionary measure, it is pointed out in this connection that, notwithstanding the legal power of the Board of Directors of SNP Schneider-Neureither & Partner SE to appoint Managing Directors, it is assumed that the thus far presiding members of the Executive Board of SNP Schneider-Neureither & Partner AG will be appointed as Managing Directors of SNP Schneider-Neureither & Partner SE.

Furthermore, it is pointed out as a precautionary measure that the current members of the Supervisory Board and/or the Executive Board of SNP Schneider-Neureither & Partner AG specified in Section V shall be appointed as members of the first Board of Directors of SNP Schneider-Neureither & Partner SE.

Similarly as precautionary measure, it is pointed out that, in case of their appointment as members of the first Board of Directors, the current Chief Executive Officer of SNP Schneider-Neureither & Partner AG, Dr. Andreas Schneider-Neureither, shall be proposed as a candidate for the Chairmanship of the Board of Directors of SNP Schneider-Neureither & Partner SE and the current Chairman of the Supervisory Board of SNP Schneider-Neureither & Partner AG, Dr. Michael Drill, shall be proposed as the Deputy Chairman of the Board of Directors of SNP Schneider-Neureither & Partner SE.

## **VIII. Negotiations over the involvement of employees**

In the course of conversion of the company into an SE, the Executive Board conducts a negotiating process in accordance with the Directive on the Involvement of Employees in an SE (SE-Beteiligungsgesetz, "**SE Directive**"). The objective of the negotiations is the involvement of employees in the SE. In this regard, involvement of employees characterizes any mechanism – including information, consultation and codetermination – through which employees' representatives may exercise influence on decision-making within the company (Section 2 (8) of the SE Directive).



The goal of negotiations is the conclusion of a written agreement about the involvement of employees in the SE (the “**involvement agreement**”). The Executive Board conducts the negotiations with what is known as the Special Negotiating Body (SNB) of the employees.

The negotiations can lead alternatively to the following results:

- An involvement agreement between the Executive Board of SNP Schneider-Neureither & Partner AG and the Special Negotiating Body is completed.

In this case, the involvement rights of employees at SNP Schneider-Neureither & Partner SE will be governed by this agreement. In this regard, Section 21 of the SE Directive sets certain minimum content for the involvement agreement. Among other things, Section 21 (1) of the SE Directive provides, in case the parties agree to the establishment of an SE works council, for the determination of its composition, the number of its members and the allocation of seats, including the impact of significant changes in the number of SE employees, the functions and procedures for the information and consultation of the SE works council, the frequency of its meetings and the financial and material resources to be made available to it.

If no SE works council is established, the parties must arrange for implementation of the procedure or procedures for the appropriate scope of information and consultation (Section 21 (2) of the SE Directive). According to Section 21 (6) of the SE Directive, the involvement agreement must provide for at least the same level of all elements of employee involvement that exists in SNP Schneider-Neureither & Partner AG as a company changing its corporate form.

- In the course of the negotiating process, if it should happen that no agreement is reached during the negotiating period, which according to Section 20 of the SE Directive amounts to six months from the establishment of the Special Negotiating Body and can be extended by mutual consent to twelve months,

then the statutory default provision applies according to Sections 22 et seq. of the SE Directive. Accordingly, an SE works council would be set up at SNP Schneider-Neureither & Partner SE by law, according to Section 22 (1) (2) of the SE Directive, if no agreement should be reached during the specified period and the Special Negotiating Body has adopted no resolution under Section 16 of the SE Directive. The establishment of the SE works council is determined particularly according to Section 23 of the SE Directive (see also information on its composition there).

In this case, the Board of Directors of SNP Schneider-Neureither & Partner SE would be comprised, as with the Supervisory Board of SNP Schneider-Neureither & Partner AG, only of representatives of shareholders. The codetermination of employees in the Board of Directors of SNP Schneider-Neureither & Partner SE would not occur according to Section 34 (1) (1) of the SE Directive because similarly no regulations governed the codetermination of employees in the supervisory or administrative organ. In particular, the German One-Third Participation Act (Drittelbeteiligungsgesetz, “**DrittelbG**”) would not be applied to the company. Even if the employees of their domestic subsidiaries were to be assigned to the company – which is not the case according to DrittelbG regulations

– the company would still not have more than 500 employees as a rule. Therefore, the threshold of Section 1 (1) (1) of the DrittelbG would still not be reached.

According to Section 25 of the SE Directive, the management of SNP Schneider-Neureither & Partner SE would have to check every two years whether changes in the SE, its subsidiaries or offices have occurred and whether these changes require a different composition of the SE works council. In addition, four years after its establishment, the SE works council would have to adopt a resolution regarding whether negotiations should be held on an involvement agreement or the previous arrangement should continue to apply (Section 26 (1) of the SE Directive).

- According to Section 16 (1) of the SE Directive, the Special Negotiating Body resolves not to commence negotiations or to suspend any negotiations that may have begun.

Such a resolution would end the negotiating process without having the default provision apply so that no SE works council would be established at SNP Schneider-Neureither & Partner SE. Also in this case, the Board of Directors of SNP Schneider-Neureither & Partner SE would be comprised, as with the Supervisory Board of SNP Schneider-Neureither & Partner AG, only of representatives of shareholders. National regulations apply to the information and consultation of employees (Section 16 (1) p. 3 of the SE Directive).

According to Art. 12 (2) SE-VO, SNP Schneider-Neureither & Partner SE may be entered into the commercial register and the conversion thereby become effective only if either the involvement agreement has been reached or the Special Negotiating Body has adopted a resolution regarding the commencement or suspension of negotiations or the negotiating period has expired without the achievement of an involvement agreement.

The procedure for the involvement of employees would be initiated according to the provisions of the SE Directive. According to Section 4 (1) and (2) of the SE Directive, the Executive Board of SNP Schneider-Neureither & Partner AG must request the formation of the Special Negotiating Body and, since there are no employee representatives or representative bodies, inform the employees of SNP Schneider-Neureither & Partner AG and of the affected subsidiaries and offices about the conversion plan. In particular, they should be informed about the identity and structure of SNP Schneider-Neureither & Partner AG, its affected subsidiaries and affected offices and their distribution across the member states, the existing employee representatives in these companies and offices, the number of employees (both in sum and divided by company and office) as well as the number of employees entitled to codetermination rights in the organs of this company (Section 4 (3) of the SE Directive). The procedure shall be initiated by appropriate notification without special request and immediately after the Executive Board of SNP Schneider-Neureither & Partner AG has published the prepared conversion plan.

Section 11 of the SE Directive stipulates legally that the labor side elect or appoint members of the Special Negotiating Body within ten weeks after the required notification. The negotiating process also occurs if this period for the election or appointment of individual or all members of the Special Negotiating Body is exceeded for reasons for which the employees are responsible (Section 11 (2) (1) of the SE Directive). Therefore, it is in the interests of the employees to adhere to the deadline. Following expiration of

the ten-week period, elected or appointed members may participate in the negotiating process at any time, according to Section 11 (2) (2) of the SE Directive.

The Special Negotiating Body is comprised of employee representatives from all member states. The formation and composition of the Special Negotiating Body are, in principle, subject to German law (Sections 4 to 7 of the SE Directive).

Section 5 (1) of the SE Directive governs the distribution of seats in the Special Negotiating Body across the member states for the founding of an SE based in Germany. According to German guidelines, each member state can hold a seat in the Special Negotiating Body for any share of employees in this country up to 10% of total employees (per capita counting method). The number of seats allocated to a member state increases by one seat in each case where the number of employees in this member state exceeds the respective thresholds of 10%, 20%, 30%, etc. relative to the total number of employees of the SNP Schneider-Neureither & Partner in all member states.

On the basis of the number of employees in the member states as determined most recently on February 28, 2017, a total of 11 seats are allocated to the member states, according to Section 5 of the SE Directive, distributed as follows:

<b>Member State</b>	<b>Number of Employees</b>	<b>Percentage of Employees (Rounded) Relative to the Total Number of Employees in the Member States</b>	<b>Number of Seats in the Special Negotiating Body</b>
Germany	412	88.79 %	9
Austria	45	9.70%	1
Spain	7	1.5%	1
<b>Total</b>	<b>464</b>	<b>100%</b>	<b>11</b>

The election or appointment of members of the Special Negotiating Body from the individual member states is done according to the respectively applicable national regulations there.

According to Section 8 of the SE Directive, the members of the Special Negotiating Body apportionable to the workers employed in Germany by SNP Schneider-Neureither & Partner AG, its affected subsidiaries and affected offices are elected directly by secret ballot. Since there are no employee representative bodies in the companies and offices of the SNP Schneider-Neureither & Partner Group, no special election body (comprised of members of individual employee representative bodies) will be formed (cf. Section 8 (7) of the SE Directive).

Domestic employees of companies and offices as well as union representatives may be elected as members of the Special Negotiating Body (Section 6 (2) (1) of the SE Directive). Every third member is to be proposed for election by a union that is represented at SNP Schneider-Neureither & Partner AG (Section 8 (1) (2) in connection with Section 6 (3) of the SE Directive). Since more than six members from Germany will belong to the Special Negotiating Body, at least every seventh member is to be proposed for election by senior executives from the circle of senior executives (Section 8 (1) (5) and (6) in connection with Section 6 (4) of the SE Directive).

The election of a Special Negotiating Body is held through a primary election by the employees (Section 8 (7) of the SE Directive). The election of members of the Special Negotiating Body is held according to the principles of proportional representation. It is conducted according to the principles of a majority vote if only one election proposal is submitted. Every election proposal of the employees must be signed by at least one-twentieth of the election-eligible employees, but at least by three election-eligible employees and at most by 50 election-eligible employees. In offices that usually have up to 20 election-eligible employees, the signature of two election-eligible employees is sufficient. If during the period of activity of the Special Negotiating Body such changes occur in the structure or number of employees of SNP Schneider-Neureither & Partner AG, the affected subsidiaries or the affected offices that would alter the specific composition of the Special Negotiating Body, the Special Negotiating Body shall be reconstituted accordingly under Section 5 (4) (1) of the SE Directive.

The election or appointment of the members as well as the constitution of the Special Negotiating Body are fundamentally the responsibility of the employees, their affected representative bodies or the responsible unions. The election is initiated and conducted by an election committee, which is initially elected in a meeting of employees organized on invitation by the company or office management (cf. Section 8 (7) (2) of the SE Directive).

Costs arising from the formation and activities of the Special Negotiating Body are borne by SNP Schneider-Neureither & Partner AG and, following conversion, by SNP Schneider-Neureither & Partner SE.

## **IX. Other effects of the conversion on the employees and their representatives**

Aside from the involvement of employees in the SE described under Section VIII, the conversion does not result in any changes for the employees of the SNP Schneider-Neureither & Partner Group.

The working conditions of the employees of the company are maintained without change by SNP Schneider-Neureither & Partner SE.

The company does not belong to any employer associations. The company is not subject to any collective bargaining agreements. The rules and opportunities for the election of employee representations at the office or company level are unaffected. No employee representation exists at the office, company or Group level, nor does a European works council.

The above statements apply similarly to work conditions in the affected subsidiaries and the affected offices of employees.

No further measures are foreseen or planned in connection with or due to the conversion that could affect employees or their representatives.

## **X. Auditor**

Rödl & Partner GmbH, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Friedrichstrasse 6, 70174 Stuttgart, Germany, is appointed as auditor for the first fiscal year of SNP Schneider-Neureither & Partner SE.

## **XI. Costs**

The company bears the costs arising from the notarization of this conversion plan and its implementation up to the fixed amount of € 500,000.00, which is established in Section 21.2 of the SE articles of incorporation.

## **Appendix to the Conversion Plan: SE Articles of Incorporation**

ARTICLES OF INCORPORATION  
of  
SNP Schneider-Neureither & Partner SE  
with headquarters in Heidelberg, Germany

As of:

Following resolution by the Annual General Meeting on May 31, 2017

### **CHAPTER I GENERAL PROVISIONS**

#### **Section 1 NAME, REGISTERED OFFICE AND FISCAL YEAR**

- 1.1 The company is a European stock corporation (*Societas Europaea*, SE). The name of the company is SNP Schneider-Neureither & Partner SE.
- 1.2 Its registered office is in Heidelberg.
- 1.3 The fiscal year of the company is the calendar year.

#### **Section 2 OBJECTIVE OF THE COMPANY**

- 2.1 The objective of the company is to perform business consulting services in the area of data processing as well as the development and sales of hardware and software.
- 2.2 The company is entitled to conduct all types of business and to take all steps that appear to be necessary or suitable to achieve its business mission. It may also realize its objective completely or in part in an indirect manner. It can establish domestic or foreign companies or invest as a holding company in such companies that have the same or a similar business objective, specifically as a personally liable partner or shareholder. It can set up domestic or foreign branch offices.

2.3 The company is entitled to enter into intercompany agreements, particularly control and profit transfer agreements.

### **Section 3 ANNOUNCEMENTS**

Announcements by the company shall be made in the electronic German Federal Gazette. Information for shareholders may also be transmitted electronically.

## **CHAPTER II SHARE CAPITAL AND SHARES**

### **Section 4 SHARE CAPITAL**

- 4.1 The share capital of the company amounts to € 4,976,786 (four million nine hundred seventy-six thousand seven hundred eighty-six euros) and is divided into 4,976,786 no-par-value shares. The share capital was provided by way of the conversion of SNP Schneider-Neureither & Partner AG into a European stock corporation (SE).
- 4.2 The Board of Directors determines the form and contents of share certificates, profit shares and new coupons to the extent that such certificates are issued.
- 4.3 A uniform certificate may be issued for various shares of a shareholder (collective certificate). A shareholder's claim to individual certification of his shares is excluded. The redemption of shares is permitted.
- 4.4 The Board of Directors is authorized to increase the share capital of the company by May 20, 2020, once or several times up to a total of € 630,304 (in words, six hundred thirty thousand three hundred and four euros) against cash or in-kind contributions through the issuance of new no-par-value shares (2015 Authorized Capital). The execution of individual utilizations can be done in individual tranches. The Board of Directors is authorized ...
- a) To exclude the subscription rights of shareholders in order to exclude fractional amounts from the shareholders' subscription right
  - b) To exclude the shareholders' subscription rights in the event of any capital increases against contributions in cash up to a proportional amount of share capital totaling € 373,806 (in words: three hundred seventy-three thousand eight hundred and six euros) in order to issue the new shares at an issue price that is not significantly lower than the market price (Sections 203 (1) and (2), 186 (3) (4) of the AktG); with respect to the question of utilizing the 10% limit, the exclusion of subscription rights as a result of other authorizations under Section 186 (3) (4) of the AktG is to be considered; the applicable market price shall be the volume-weighted average price of no-par-value shares of the company in XETRA trading on the Frankfurt Stock Exchange (or a comparable successor system) over the last five trading days preceding the date when the Board of Directors determines the issue price
  - c) To exclude the subscription rights of shareholders in the event of capital

increases against contributions in kind, particularly for the purpose of acquiring companies or investments in companies or industrial property or other product rights (e.g., licenses, patents, etc.)

- d) To exclude the subscription rights of shareholders in the event of capital increases against contributions in cash to the extent it is necessary to ensure the holders of warrants, convertible bonds or warrant-linked bonds issued by the company and its subsidiaries can be granted subscription rights to new shares to the extent that they would or will be entitled if they exercised their options or conversion rights

The Board of Directors may make use of the authorizations granted to exclude subscription rights cited above under clause b) only to such an extent that the pro rata amount of the total shares issued under the exclusion of subscription rights does not exceed 10% of the share capital (10% limit), neither at the time of the resolution regarding this authorization nor at the time of its utilization. Provided that, during the term of the authorized capital until its utilization, use is made of other authorizations to issue or sell shares of the company or to issue rights that allow or oblige their holder to subscribe for shares in the company and this is done under exclusion of subscription rights, this is to be counted toward the previously cited 10% limit.

The Board of Directors is authorized to determine further details regarding capital increases from the 2015 Authorized Capital. The Board of Directors is authorized to amend the wording of the articles of incorporation in the event of utilization of the 2015 Authorized Capital.

- 4.5 The share capital is conditionally increased by up to € 1,869,030.00, divided into up to 1,869,030 no-par-value shares (Contingent Capital 2015). The contingent capital increase will be executed only to the extent that the owners or creditors of warrant or conversion rights or warrant-linked bonds or convertible bonds issued for cash contributions and subject to conversion obligations that were issued or guaranteed until May 20, 2020, by the company by virtue of the authorization of the Board of Directors and the resolution of the General Meeting on May 21, 2015, exercise their warrant or conversion rights or fulfill their conversion obligations if applicable, or if the company exercises an option to grant shares in the company in full or in part instead of paying the amount of money due, provided that a cash contribution is not granted or the company's treasury shares are not used for this purpose. The new shares will be issued in accordance with the aforementioned authorization at option and conversion prices to be determined. The new shares participate in profits from the beginning of the fiscal year in which they arise. The Board of Directors is authorized to determine further details regarding the execution of the contingent capital increase.
- 4.6 The Board of Directors is authorized to increase the share capital of the company by May 31, 2022, once or several times up to a total of € 995,357.00 (in words, nine hundred ninety-five thousand three hundred fifty-seven euros) against cash or in-kind contributions through the issuance of new no-par-value shares (2017 Authorized Capital). The execution of individual utilizations can be done in individual tranches. In the event of cash contributions, the new shares may also be taken over by one or more banks or by another entity fulfilling the requirements of Section 186 (5) (1) of the AktG with the obligation to offer them exclusively to shareholders for purchase (indirect subscription right). The Board of Directors is

authorized ...

- a) To exclude the subscription rights of shareholders in order to exclude fractional amounts from the shareholders' subscription right
- b) To exclude the shareholders' subscription rights in the event of any capital increases against contributions in cash up to a proportional amount of share capital totaling € 497,678.00 (in words: four hundred ninety-seven thousand six hundred seventy-eight euros) in order to issue the new shares at an issue price that is not significantly lower than the market price (Sections 203 (1) and (2), 186 (3) (4) of the AktG); with respect to the question of utilizing the 10% limit, the exclusion of subscription rights as a result of other authorizations under Section 186 (3) (4) of the AktG is to be considered; the applicable market price shall be the volume-weighted average price of no par value shares of the company in XETRA trading on the Frankfurt Stock Exchange (or a comparable successor system) over the last five trading days preceding the date when the Board of Directors determines the issue price
- c) To exclude the subscription rights of shareholders in the event of capital increases against contributions in kind, particularly for the purpose of acquiring companies or investments in companies or industrial property or other product rights (e.g., licenses, patents, etc.)
- d) To exclude the subscription rights of shareholders in the event of capital increases against contributions in cash to the extent it is necessary to ensure the holders of warrants, convertible bonds or warrant-linked bonds issued by the company and its subsidiaries can be granted subscription rights to new shares to the extent that they will or would be entitled if they exercised their options or conversion rights

The Board of Directors may make use of the authorizations granted to exclude subscription rights cited above under clause b) only to such an extent that the pro rata amount of the total shares issued under the exclusion of subscription rights does not exceed 10% of the share capital (10% limit), neither at the time of the resolution regarding this authorization nor at the time of its utilization. Provided that, during the term of the authorized capital until its utilization, use is made of other authorizations to issue or sell shares of the company or to issue rights that allow or oblige their holder to subscribe for shares in the company and this is done under exclusion of subscription rights, this is to be counted toward the previously cited 10% limit.

The Board of Directors is authorized to determine further details regarding capital increases from the 2017 Authorized Capital. The Board of Directors is authorized to amend the wording of the articles of incorporation in the event of utilization of the 2017 Authorized Capital.

### **CHAPTER III CORPORATE GOVERNANCE**

#### **SECTION 5**



## **MONISTIC SYSTEM, ORGANS OF THE COMPANY**

- 5.1 The company has a monistic corporate governance and control structure.
- 5.2 The organs of the company are ...
  - a) The Board of Directors and
  - b) The Annual General Meeting
- 5.3 The Board of Directors directs the company, determines the basic standards for its activities and supervises their implementation.
- 5.4 The Managing Directors manage the company's affairs by implementing the basic standards and guidelines established by the Board of Directors.

## **CHAPTER IV THE BOARD OF DIRECTORS**

### **Section 6 COMPOSITION OF THE BOARD OF DIRECTORS**

- 6.1 The Board of Directors is comprised of at least three members.
- 6.2 The Board of Directors members who are not simultaneously Managing Directors of the company ("non-Managing Director members of the Board of Directors") must always constitute the majority of the members of the Board of Directors.
- 6.3 The members of the Board of Directors are appointed by the Annual General Meeting. Art. 43 para. 3 (3) SE-VO remains unaffected.
- 6.4 Provided that the Annual General Meeting does approve a shorter term in the election for individual members or the entire Board of Directors, each member of the Board of Directors will be appointed until the end of the Annual General Meeting that approves discharge in the fifth fiscal year after the beginning of the term of office but for no longer than six years after the time of appointment. The fiscal year in which the term of office begins is not included. If a member of the Board of Directors departs prior to the end of his or her term in office, an election is held for a successor for the remainder of the term subject to Section 6.7, provided that the Annual General Meeting does not approve a longer term. Reelection is permitted on one or more occasions.
- 6.5 The members of the Board of Directors who were appointed by the Annual General Meeting without being bound by election proposals can be recalled by resolution of the Annual General Meeting by three quarters of the votes cast.
- 6.6 The members and the replacement members of the Board of Directors can resign their office in writing; however, the resignation may not occur at an inopportune moment. Notice of termination up to four weeks prior to the end of the month applies. The explanation must be submitted by registered letter or by fax to the Chairman of the Board of Directors or his Deputy.

- 6.7 The Annual General Meeting is entitled to appoint for each member of the Board of Directors a replacement member, who becomes a member of the Board of Directors if the member leaves prior to the expiration of his or her term in office. The office of the replacement member ends at the end of the Annual General Meeting that appoints a successor but no later than upon expiration of the term in office of the departing member of the Board of Directors. The appointment of replacement members for those members of the Board of Directors who were appointed by binding election proposals is also done by binding election proposals.

### **Section 7**

#### **CHAIRMAN AND DEPUTY CHAIRMAN**

- 7.1 The Board of Directors elects a Chairman and a Deputy Chairman.
- 7.2 The terms in office of the Chairman and Deputy Chairman correspond to their respective terms in office as members of the Board of Directors unless shorter terms were established during the election. If the Chairman or Deputy Chairman leaves office prematurely, the Board of Directors must hold a new election for the remaining term of the departed individual immediately.

### **Section 8**

#### **RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

- 8.1 The Board of Directors directs the company, determines the basic standards for its activities and supervises their implementation. The Board of Directors acts according to applicable law, these articles of incorporation and its bylaws.
- 8.2 The Board of Directors supervises the Managing Directors, can issue instructions to them and issues bylaws for them.
- 8.3 The Board of Directors is authorized to approve changes to the articles of incorporation that involve only wording.

### **Section 9**

#### **INTERNAL ORDER OF THE BOARD OF DIRECTORS**

- 9.1 The Board of Directors adopts its own bylaws. The bylaws of the Board of Directors govern in particular the formalities for convening and conducting meetings, resolutions and votes of the Board of Directors.
- 9.2 Statements that the Board of Directors issues or receives in order to implement resolutions of the Board of Directors and other documents, announcements or measures of the Board of Directors are issued by the Chairman or, if they are actually or legally prevented from doing so, by the Deputy Chairman.

### **Section 10**

#### **COMMITTEES OF THE BOARD OF DIRECTORS**

- 10.1 The Board of Directors is entitled to the extent permitted by law to transfer its tasks and duties to committees appointed from among its members.
- 10.2 The Board of Directors determines the tasks and duties and the rules of procedure for the committees, e.g., by issuing the rules of procedure of the committees. To the

extent permitted by law, the Board of Directors may also transfer prerogatives to adopt resolutions to committees.

- 10.3 In case of a tie in vote in a committee, of which the Chairman of the Board of Directors is a member, the vote of the Chairman – but not of the Deputy – counts double.

### **Section 11**

#### **REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

- 11.1 Each member of the Board of Directors receives an annual remuneration, which is approved by the Annual General Meeting. In case the office ends during the year, the annual remuneration is prorated. The remuneration approved by the Annual General Meeting is valid until the Annual General Meeting changes the remuneration of the members of the Board of Directors by resolution requiring a simple majority.
- 11.2 A member of the Board of Directors is entitled to reimbursement of all reasonable expenses incurred in connection with their activities as a member of the Board of Directors (including any taxes that accrue).
- 11.3 The company can take out D&O insurance policies on behalf of the members of the Board of Directors.
- 11.4 Insofar and as long as a member of the Board of Directors simultaneously serves as a Managing Director of the company, their remuneration as a member of the Board of Directors is withheld.

## **CHAPTER V**

### **THE MANAGING DIRECTORS**

#### **Section 12**

#### **APPOINTMENT, RESPONSIBILITIES, RECALL**

- 12.1 The Board of Directors appoints one or more Managing Directors. Members of the Board of Directors may be appointed as Managing Directors, provided that the majority of the Board of Directors still is comprised of non-Managing Directors.
- 12.2 The Board of Directors may appoint a Managing Director as Chairman of the Managing Directors (Chief Executive Officer) and one or two as Deputy Chairman of the Managing Directors.
- 12.3 The Board of Directors may also appoint Deputy Managing Directors.
- 12.4 The Managing Directors conduct business in accordance with applicable law, these articles of incorporation, the bylaws for Managing Directors and the instructions of the Board of Directors.
- 12.5 Managing Directors may be recalled by resolution of the Board of Directors by a simple majority of the votes cast. Managing Directors who are members of the

Board of Directors may be recalled only for cause within the meaning of Section 84 (3) of the AktG or in case of the termination of the employment contract.

### **Section 13 TRANSACTIONS REQUIRING APPROVAL**

The Managing Directors may carry out the following types of transactions only with the prior approval of the Board of Directors:

- a) Acquisition, sale and encumbrance of real estate, rights equivalent to real estate or rights to real estate and rights equivalent to real estate and related obligation transactions
- b) Conclusion, change and termination of control, company lease, business transfer, profit transfer or other corporate agreements within the meaning of Section 292 of the AktG
- c) Transformations within the meaning of Section 1 of the German Transformation Act (UmwG)
- d) Assumption of new and the abandonment of existing lines of business
- e) Issuance of bonds and borrowings of more than € 10.0 million

### **Section 14 REPRESENTATION**

- 14.1 The company is represented by two Managing Directors or by one Managing Director and one authorized representative. If only one Managing Director is appointed, they alone represent the company. The Board of Directors may grant individual Directors exclusive power of representation and free individual Managing Directors of the restrictions of Section 181 second alternative of the German Civil Code (BGB). Section 41 (5) SE Implementation Act (SEAG) remains unaffected.
- 14.2 Deputy Managing Directors have the same rights of representation as the Managing Directors.

## **CHAPTER VI THE ANNUAL GENERAL MEETING**

### **Section 15 CONVENING**

- 15.1 The Board of Directors convenes the Annual General Meeting.
- 15.2 The Annual General Meeting is held at the company's headquarters, at a venue within a radius of 100 km from the company's headquarters or at the headquarters of a subsidiary in the European Union.
- 15.3 The Annual General Meeting is held within the first six months of a fiscal year.

Extraordinary Annual General Meetings are convened if it appears to be in the interests of the company.

- 15.4 The convening of the Annual General Meeting and the announcement of the convening comply with the respective statutory provisions.

### **Section 16**

#### **PREREQUISITES FOR THE PARTICIPATION AND EXERCISE OF VOTING RIGHTS**

- 16.1 Eligible to participate in the Annual General Meeting and to exercise voting rights are only those shareholders who have registered with the company prior to the Annual General Meeting and have demonstrated their eligibility to participate in the Annual General Meeting and to exercise their voting rights. The registration and verification of eligibility must be received by the company on time and in writing in the German or English language at the address announced in the convening notice in accordance with the statutory provisions for time limits.
- 16.2 Verification is provided in the form of a special written statement of ownership of shares by the depository bank. Verification must pertain to the beginning of the 21st day prior to the Annual General Meeting.
- 16.3 The Board of Directors may permit shareholders in the convening notice of the Annual General Meeting to participate in the Annual General Meeting without being present on site and without a proxy and to exercise all or any of their rights in whole or in part by means of electronic participation (online participation). The Board of Directors sets the details of online participation in the convening notice of the Annual General Meeting.

### **Section 17**

#### **ANNUAL GENERAL MEETING PROCEDURES**

- 17.1 The Board of Directors elects the Chairman of the Annual General Meeting. In case the Chairman of the Annual General Meeting is unable to serve, the Board of Directors elects a Deputy. The Chairman or the Deputy directs the Annual General Meeting (the “**Meeting Chairman**”).
- 17.2 The Meeting Chairman determines the sequence in which the agenda items are covered as well as the manner, form and sequence of votes. The Meeting Chairman is authorized to allocate or restrict the time for questions and speeches by shareholders for the entire duration of the Annual General Meeting, for the discussion of individual agenda items or for the questions or statements of individual speakers at the beginning of or at any time during the Annual General Meeting.
- 17.3 By order of the Meeting Chairman, the Annual General Meeting may be transmitted in whole or in part via audiovisuals as well as online.

### **Section 18**

#### **VOTES**

- 18.1 Each ordinary share entitles the holder to one vote. Subject to obligatory legal requirements, nonvoting preferred shares do not entitle the holder to any voting

rights. Provided that the holders of preferred shares are legally entitled to a voting rights, each preferred share grants one vote.

- 18.2 Voting rights may be exercised by a proxy.
- 18.3 Provided that share certificates are not issued, the requirements under which shareholders can exercise their voting rights in the Annual General Meeting are set out in the invitation to the Annual General Meeting. Section 135 of the AktG remains unaffected.
- 18.4 The Board of Directors may permit shareholders in the convening notice of the Annual General Meeting to cast their votes in writing or by means of electronic communication without having to be present at the location of the Annual General Meeting and without a proxy. The Board of Directors sets out the details of voting in the convening notice of the Annual General Meeting according to Section 18.4 (1).
- 18.5 The resolutions of the Annual General Meeting are adopted by a simple majority of the votes cast provided that the law or the articles of incorporation do not mandate a different majority. If the law also requires for a resolution that a majority of the capital be represented in the resolution, a simple majority of the represented capital suffices, provided that this is legally permitted.
- 18.6 In the event of a tied vote, a motion shall be deemed as rejected except in case of elections.
- 18.7 In case no majority is achieved in elections on the first ballot, the two contenders with the most votes advance to a runoff election. If the votes are still equal on the second ballot, the result is decided by lot.
- 18.8 The Annual General Meeting resolves in particular on the appropriation of profit, the selection of the auditor, the discharge of members of the Board of Directors, the appointment of members of the Board of Directors, provided that the law of these articles of incorporation do not require otherwise, and in cases provided by law for the approval of the annual financial statements.

## **CHAPTER VII ANNUAL FINANCIAL STATEMENTS, APPROPRIATION OF PROFIT**

### **Section 19 ANNUAL FINANCIAL STATEMENTS**

- 19.1 In the first three months of the fiscal year, the Managing Directors shall prepare the annual financial statements and the management report for the past fiscal year and present them immediately to the Board of Directors and the auditor. At the same time, the Managing Directors shall present the proposal to the Board of Directors that it intends to make to the Annual General Meeting for the appropriation of profit.
- 19.2 The Board of Directors shall review the annual financial statements, management report and the proposal for the appropriation of profit and report in writing about the result. The Board shall send the report to the Managing Directors within a month of receipt of the documents. If the Board of Directors approves the annual financial

statements, they are adopted provided that the Board of Directors does not resolve to leave the adoption of the annual financial statements to the Annual General Meeting.

## **Section 20 APPROPRIATION OF PROFIT**

If the Board of Directors adopts the annual financial statements, then it may transfer up to 100% of profit for the year that remains after deducting allocations to statutory reserves or any loss carryforward to other retained earnings. The Annual General Meeting may resolve to allocate additional amounts to retained earnings and carry them forward as profit.

## **CHAPTER VIII FORMATION EXPENSES**

### **Section 21 FORMATION EXPENSES**

- 21.1 The company bears formation-related expenses (consulting costs, notary public and court costs, publication costs) up to an amount of DM 10,000.00. The founders bear any additional costs.
- 21.2 The company bears formation expenses related to the conversion of SNP Schneider-Neureither & Partner AG into SNP Schneider-Neureither & Partner SE in an amount up to € 500,000.00.

The following documents will be available on the company's website at <http://www.snp-ag.com/investor-relations/annual-general-meeting/2017/> starting at the time the Annual General Meeting is convened: the conversion plan, including the articles of incorporation enclosed as an appendix; the conversion report; the certification of the court-appointed independent expert according to Art. 37 (6) of the European Council Regulation (EC) 2157/2001 of October 8, 2001, on the Statute for a European Company (SE) (SE Regulation); the annual financial statements for SNP Schneider-Neureither & Partner AG; the annual financial statements for the SNP Schneider-Neureither & Partner Group; and the management reports for SNP Schneider-Neureither & Partner AG and the SNP Schneider-Neureither & Partner Group for the 2014, 2015 and 2016 fiscal years. They will also be available at the Annual General Meeting itself.

### **Report of the Executive Board on the Agenda Item 7 regarding the authorization with the option to exclude subscription rights (Section 186 (4) (2) in conjunction with Section 203 (1), (2) of the AktG)**

The authorized capital until now has been partially consumed. In order to remain financially flexible in the future, the Annual General Meeting will propose new authorized capital representing 20 percent of current share capital, thereby totaling up to € 995,357.00. The new authorized capital shall be available for cash and in-kind capital increases and eligible for utilization on one or more occasions in partial amounts.

### **1. Past utilization of existing authorized capital**

The 2015 Authorized Capital, which was adopted by the Annual General Meeting on May 21, 2015, under Agenda Item 6 and is governed by Section 3 (4) of the articles of incorporation, has been partially utilized.

On June 13, 2016, the company announced a cash capital increase, as a result of which the company's share capital was increased through partial utilization of authorized capital by € 1,238,726, divided into 1,238,726 no-par-value shares, to a total of € 4,976,786, divided into 4,976,786 shares. The new shares were issued at a price of € 25.00 per share. Through the successful cash capital increase, the company generated gross issue proceeds of € 30.97 million.

The cash capital increase was completed subject in principle to the granting of legal subscription rights. According to the subscription ratio of 3:1, all shareholders were able to obtain a new share in exchange for three old shares at the subscription price. To the extent that this subscription ratio led to notional claims by shareholders to fractional shares, however, the legal subscription rights of shareholders were excluded and the shareholders had no claim to the subscription of new shares or cash compensation regarding the fractional amounts that arose.

The proceeds generated by the issuance drove the targeted growth as well as the further business development of the SNP Schneider-Neureither & Partner Group and substantially financed the inorganic growth strategy. For example, the proceeds were used to purchase approximately 90% of the shares in London-based Harlex Management Ltd., including its wholly owned subsidiary Harlex Consulting Ltd., London, a consulting firm in the SAP field with a clear focus on implementing IT data migration projects. The total purchase price for the shares was in the mid-single-digit million euro range.

### **2. New authorized capital**

With the new authorized capital (2017 Authorized Capital), the company shall be enabled to acquire additional equity quickly and flexibly, as needed, without executing a capital increase by resolution of the Annual General Meeting, which may not be possible for reasons of time.

The authorization should be issued for the legally permissible period of five years.

The authorization is restricted to a maximum amount of 20 percent of the current share capital and thereby a volume totaling up to € 995,357.00. As a result of the authorization, the share capital can be increased by this amount against cash or in-kind contributions through the issuance on one or more occasions of new no-par-value shares.

In principle, the new shares shall be offered to shareholders for subscription. However, the Executive Board is authorized with the approval of the Supervisory Board to exclude the subscription rights in certain cases.

The proposed exclusion of subscription rights for fractional amounts is required in order to facilitate a practical subscription ratio. The fractions of shares excluded from the subscription rights of shareholders will be realized either by sale on the stock exchange or in another manner so as best to further the company's interests. The potential dilutive effect is minimal due to the restriction of fractional amounts.



Furthermore, the Executive Board is authorized according to Section 186 (3) (4) of the AktG, with the approval of the Supervisory Board, to exclude the subscription rights of shareholders for any increase that does not exceed 10 percent of the share capital if the new shares are issued at an issue price that is not significantly lower than the market price. With respect to the question of utilizing the 10% limit, the exclusion of subscription rights as a result of other authorizations under Section 186 (3) (4) of the AktG is to be considered.

The authorization applies with the provision that, according to Section 186 (3) (4) of the AktG, the shares sold under exclusion of subscription rights may not exceed a total of 10 percent of the share capital, neither at the time of the resolution nor at the time of exercise of this authorization. Provided that, during the term of the authorized capital until its utilization, use is made of other authorizations to issue or sell shares of the company or to issue rights that allow or oblige their holder to subscribe for shares in the company and this is done under exclusion of subscription rights, this is to be counted toward the previously cited 10% limit.

In the process, the applicable market price shall be the volume-weighted average price of no-par-value shares of the company in XETRA trading on the Frankfurt Stock Exchange (or a comparable successor system) over the last five trading days preceding the date when the Executive Board determines the issue price.

This authorization enables the company to take advantage of market opportunities in its various business fields quickly and flexibly and, if necessary, to satisfy any existing need for capital for these on a very short-term basis. In the process, the exclusion of subscription rights enables the management not only to act in a more timely manner but also to place shares at a price closer to the market price, thereby without the discount required with subscription right issues. This leads to higher issue proceeds to the benefit of the company. In addition, a placement like this can be associated with acquiring new shareholder groups. Therefore, through the exclusion of subscription rights it is possible to achieve the optimal strengthening of equity in the interests of the company and all shareholders.

The exclusion of subscription rights during capital increases against in-kind contributions for the purpose of acquiring companies, investments in companies, industrial property rights, other product rights or other in-kind contributions should enable the company to make corresponding acquisitions in exchange for granting shares. The company is in global competition with other companies from the IT sector. Therefore, the company must be in the position at any time to adapt to changing competitive conditions and to act quickly and flexibly in the interests of shareholders. In order to respond to these changes and thereby maintain or even improve the company's competitive position, this option makes sense for acquiring companies or investments. In order to preserve the company's liquidity, it can offer to pay for such acquisitions with shares of SNP Schneider-Neureither & Partner AG in individual cases. Practice also shows that the owners of attractive acquisition targets frequently request the delivery of voting-eligible shares of the acquiring company as consideration. Therefore, by granting subscription rights to shareholders, an acquisition in exchange for shares might not be possible in individual cases so that the associated advantages for the company and the shareholders could not be achieved. Therefore, the exclusion of subscription rights may be objectively justified in the interests of shareholders, although it leads to a reduction of the relative ownership interests and the relative voting rights of the existing shareholders.

In case of a specific acquisition opportunity, the Executive Board will carefully review whether it should take advantage of the option to acquire and/or use new shares of the company to finance the transaction, subject to the exclusion of subscription rights. In doing so, the Executive Board will be guided solely by the interests of shareholders and the company.

Furthermore, the subscription rights of shareholders in the event of capital increases against contributions in cash may be excluded to the extent it is necessary to ensure the holders of warrants, convertible bonds or warrant-linked bonds issued by the company and its subsidiaries can be granted subscription rights to new shares to the extent that they would be entitled if they exercised their options or conversion rights.

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

At the time of the convocation of the Annual General Meeting, the share capital of the company is € 4,976,786.00 and is divided into 4,976,786 no-par-value shares, each of which grants one vote. Of these, the company holds 21,882 treasury shares at the time of notice. These cannot be used to exercise voting rights.

### **Attendance at the Annual General Meeting**

Eligible to participate in the Annual General Meeting and to exercise voting rights, according to Section 7 (5) of the articles of incorporation of the company, are only those shareholders who have registered (“registration”) with the company in writing and have demonstrated their eligibility to participate in the Annual General Meeting and to exercise their voting rights. Special verification in writing of the shareholding (“verification”) from the custodian bank is necessary and sufficient to verify eligibility to attend the Annual General Meeting and to exercise voting rights.

Verification must pertain to the beginning of the 21st day prior to the Annual General Meeting, therefore at the start of May 10, 2017, (12:01 a.m., time of verification). Eligibility in the above sense is based exclusively on the shareholding of the shareholder at the time of verification, without this constituting a block on the ability to sell the shareholding. Even if shares are fully or partially sold after the time of verification, only the shareholding of the shareholder at the time of verification is material for eligibility; in other words, sales or purchases of shares after the time of verification will have no effect on eligibility to attend the Annual General Meeting and to exercise voting rights.

The verification and registration must be sent to the following address in writing in German or English by no later than midnight on May 24, 2017:

SNP Schneider-Neureither & Partner AG  
c/o Computershare Operations Center  
80249 Munich, Germany  
Fax: +49 89 30903-74675  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Shareholders may continue to use their shares freely irrespective of registration for the Annual General Meeting.

### **Exercise of voting rights by proxies**

Shareholders who are unable or unwilling to attend the Annual General Meeting in person can arrange for their voting rights to be exercised by a proxy or an association of shareholders by issuing appropriate proxy authorization. In this case as well, proper registration is required on the part of the shareholder, either by the shareholder himself/herself or by a proxy.

The issue and revocation of proxy authorization and the verification of proxy authorization to the company must generally be made in writing. A form that can – but does not have to – be used for issuing proxy authorization can be found on the reverse side of the admission ticket.

The verification of proxy authorization can be sent to the company by electronic means via the password-protected proxy platform at <https://ip.computershare.de/snp>. The PIN for the proxy platform is printed on the admission ticket. Further verification of the proxy authorization is unnecessary if the verification of the proxy authorization is sent electronically as described above. The proxy platform can also be used to issue a power of attorney, if the proxy authorization is declared to the company, and to revoke or change a power of attorney once issued.

If a credit institution, shareholder association or other legal entity to which Section 135 of the AktG grants equivalent status is to be granted proxy authorization, the proxy authorization requires no specific form either according to law or according to the company's articles of incorporation, with the exception of the aforementioned requirement of the written form. However, we advise that in these cases, the credit institutions, shareholder associations, or other legal entity to which Section 135 of the AktG grants equivalent status that are to be granted proxy authorization may request a special form of proxy authorization, as they are required to keep a verifiable record of the proxy authorization under Section 135 of the AktG. Shareholders who wish to grant proxy authorization to a credit institution, shareholder association, or other legal entity to which Section 135 of the AktG grants equivalent status should therefore coordinate with the entity on the possibility of a formal requirement for the power of attorney.

The company offers its shareholders the option of issuing proxy authorization before the Annual General Meeting to a voting proxy bound by instructions and whom has been named by the company. The voting proxy bound by instructions exercises the voting rights exclusively on the basis of instructions issued by the shareholder. If the voting proxy appointed by the company is given proxy authorization, they must issue instructions as to how the voting rights are to be exercised. The proxy authorization is not valid unless corresponding instructions have been issued.

Those shareholders who wish to issue proxy authorization and instructions to the voting proxy appointed by the company require an admission ticket to the Annual General Meeting. The issue of a proxy authorization to the appointed voting proxy, its revocation and the issue and revocation of instructions must be made in writing and sent to the company at the following address:

SNP Schneider-Neureither & Partner AG  
c/o Computershare Operations Center  
80249 Munich, Germany  
Fax: +49 89 30903-74675

or via the password-protected proxy platform at [www.hv-vollmachten.de](http://www.hv-vollmachten.de).

The shareholders will receive the documents and information necessary for this together with the admission ticket.

### **Shareholder rights**

#### a) Supplements to the agenda under Section 122 (2) of the AktG

In accordance with Section 122 (2) of the AktG, shareholders whose shares constitute one-twentieth of the share capital or the partial amount of € 500,000.00 can request that items be placed on the agenda and announced. The request must be made in writing (Section 126 of the BGB) to the Executive Board of the company and submitted to the company by no later than midnight on April 30, 2017. The shareholders in question must provide evidence that they were the holders of the shares for at least 90 days prior to the arrival of the request and that they will hold the shares until the Executive Board rules on the motion (cf. Section 142 (2) (2) of the AktG in conjunction with Section 122 (1) (3), (2) (1) of the AktG). Please send such requests to the following address:

SNP Schneider-Neureither & Partner AG  
The Executive Board  
Z. Hd. Investor Relations  
Postfach 105080  
69040 Heidelberg, Germany

Supplements to the agenda requiring announcement are – unless already announced at the time of notice – announced immediately following entry of the request in the German Federal Gazette and supplied for publication to such members of the media as can be expected to disseminate the information throughout the European Union. They are also announced at <http://www.snp-ag.com> (under [investor-relations/annual-general-meeting/2017/](http://www.snp-ag.com/investor-relations/annual-general-meeting/2017/)) and sent to shareholders.

#### b) Countermotions by shareholders and election recommendations under Sections 126 (1), 127 of the AktG

According to Section 126 (1) of the AktG, any shareholders may submit a countermotion to a proposal by the Executive Board and Supervisory Board on a specific agenda item. As specified further in Section 126 (1) and (2) of the AktG, a countermotion must be made accessible on the website of the company if received by the company at the address given below no later than midnight on May 16, 2017.

In addition, as specified further in Section 127 of the AktG, each shareholder may send the company a recommendation for the election of Supervisory Board members or the selection of auditors. As specified further in Sections 127, 126 (1) and (2) of the AktG, an election recommendation must be made accessible on the website of the company if received by the company at the address given below no later than midnight on May 16, 2017.

We will make countermotions and election recommendations received in good time accessible online at [www.snp-ag.com](http://www.snp-ag.com) (under: [investor-relations/annual-general-meeting/2017/](http://www.snp-ag.com/investor-relations/annual-general-meeting/2017/)) provided that they meet the statutory requirements. We will also make

any statements from the management accessible at the same address. We will announce supplementary motions received in good time if they meet the statutory requirements.

Countermotions and election recommendations from shareholders must be directed exclusively to the following address:

SNP Schneider-Neureither & Partner AG  
Postfach 105080  
69040 Heidelberg, Germany  
Fax: +49 (0) 6221 6425-470  
Email: investor.relations@snp-ag.com

c) Right to information under Section 131 (1) of the AktG

In accordance with Section 121 (3) (3) of the AktG, we advise that, upon request, each shareholder is to be given information on company matters by the Executive Board at the Annual General Meeting, provided that it is necessary for proper evaluation of an agenda item (Section 131 (1) of the AktG). The right to information may be exercised at the Annual General Meeting without the need for a prior announcement or other notification.

d) Further explanations

Further explanations and information on the rights of shareholders under Sections 122 (2), 126 (1), 127 and 131 (1) of the AktG are available to shareholders on the company's website at [www.snp-ag.com](http://www.snp-ag.com) (under investor-relations/annual-general-meeting/2017/).

**Information on the company's website**

This notice of the Annual General Meeting, the documents furnishing access to the Annual General Meeting and further information in connection with the Annual General Meeting, including the information under Section 124a of the AktG, can be found on the company's website at <http://www.snp-ag.com> (under investor-relations/annual-shareholder-meeting/2017).

**Information on requirements under Section 125 of the AktG:**

Please send your reservation directly to

Computershare Operations Center  
80249 Munich, Germany  
Fax: +49 89 30903-74675  
Email: 125-Anforderung@computershare.de

Heidelberg, Germany, April 2017

**The Executive Board**

