

## KHD HUMBOLDT WEDAG INTERNATIONAL AG

Cologne

- Security Identification Number DE0006578008 –

### SHAREHOLDERS' RIGHTS RELATING TO THE GENERAL MEETING OF SHAREHOLDERS

#### 1. Present motions for the inclusion of supplementary items according to Section 122 Paragraph 2 AktG

Shareholders jointly representing at least one-twentieth of the share capital or a pro rata amount of € 500,000.00 of the share capital of the Company (equivalent to 500,000 shares) may request the inclusion and publication of supplementary agenda items. Each new item must be accompanied by an explanatory statement and a draft resolution. Such a shareholder request shall only be considered if the request is addressed to the Management Board and submitted in writing at least 30 days prior to the General Meeting, i.e. by Sunday, April 17, 2016, 24:00 CET, at the latest. Such requests must be addressed exclusively to:

KHD Humboldt Wedag International AG  
- Management Board -  
Colonia-Allee 3  
51067 Cologne, Germany.

Additions to the agenda shall be published immediately after receipt of the request in the Federal Gazette and forwarded for publication to such media outlets as can be expected to disseminate this information throughout the entire European Union. Furthermore, these are also published on the internet at <http://www.khd.com>, at the link "Investor Relations" with language setting "English", under the column "Annual General Meeting" and communicated to the shareholders.

The provisions of the German Stock Corporation Act underlying this shareholders' right are as follows:

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

(1) <sup>1</sup>A shareholders' meeting shall be called if shareholders whose combined shareholdings amount to at least one-twentieth of the share capital request such meeting in writing, stating the purpose and the reasons of such meeting; such request shall be addressed to the board of management. <sup>2</sup>The articles may provide that the right to request a shareholders' meeting shall require another form and the holding of a lower portion of the share capital. § 142 Paragraph 2, Sentence 2, shall apply *mutatis mutandis*.

(2) <sup>1</sup>In the same manner, shareholders whose combined shareholdings amount to at least one-twentieth of the share capital or a proportionate ownership of at least € 500,000 may request that items be placed on the agenda and be published. <sup>2</sup>Each new item must be accompanied by a reason or a proposed resolution. <sup>3</sup>The request within the meaning of sentence 1 must be received by the company no later than 24

days, in the case of stock exchange listed companies no later than 30 days, prior to the meeting, excluding the day of receipt.

#### **§ 124 Announcement of extension requests; proposals for resolution (excerpts)**

(1) <sup>1</sup>If a minority pursuant to § 122 Paragraph 2 requests that items be placed on the agenda, this must either be published with the notice or otherwise announced without delay after the request is received; <sup>2</sup>§ 121 Paragraph 4 shall apply correspondingly and, in the case of listed companies, § 121 Paragraph 4a shall apply *mutatis mutandis*. Requests must be announced and passed on in the same way as the notice

(2) <sup>1</sup>If the agenda includes the election of members of the supervisory board, the publication shall designate the statutory provisions governing the composition of the supervisory board and state whether or not the shareholders' meeting is bound by nominations. <sup>2</sup>If the shareholders' meeting is required to resolve on an amendment of the articles or on an agreement which becomes effective only with the consent of the shareholders' meeting, the text of the proposed amendment of the articles or the essential contents of the agreement shall be published.

(3) <sup>1</sup>With respect to each item on the agenda that is to be decided by the shareholders' meeting, the management board and the supervisory board, but in the case of the election of members of the supervisory board and auditors, only the supervisory board, shall in the publication make a proposal for the respective resolutions. <sup>2</sup>In case of companies within the sense § 264d of the Commercial Code, the proposal of the supervisory board concerning the selection of the external auditor shall be based on the recommendation of the audit committee. <sup>3</sup>Sentence 1 shall not apply if the shareholders' meeting is bound by nominations for the election of members of the supervisory board pursuant to § 6 of the Coal and Steel Co-determination Act, or if the subject matter of the resolution has been put on the agenda upon request by a minority. <sup>4</sup>The proposal for the election of members of the supervisory board or auditors shall state their name, profession and place of residence. <sup>5</sup>If the supervisory board is to comprise representatives of employees, any resolution of the supervisory board regarding proposals for the election of members of the supervisory board shall require only the majority of the votes of the representatives of the shareholders in the supervisory board; § 8 of the Coal and Steel Co-determination Act shall remain unaffected.

(4) <sup>1</sup>No resolution may be adopted in respect of items on the agenda that have not been duly published. <sup>2</sup>However, no such publication shall be required for the adoption of a resolution on a motion made to call a shareholders' meeting that is made in the meeting, for motions made in respect of items on the agenda, and for deliberations without resolution.

#### **§ 142 Appointment of special auditors (excerpts)**

(2) (...) <sup>2</sup>The petitioners shall furnish evidence that they have been holders of such shares for not less than three months prior to the date of the shareholders' meeting and that they will hold the shares until the decision on the petition. (...)

## **2. Countermotions and candidates' proposals pursuant to Section 126 (1) and Section 127 AktG**

Shareholders of the Company may submit countermotions against a proposal of the Management Board and/or Supervisory Board on a particular agenda item and against

shareholders' motions on the appointment of auditors as well as candidates' proposals.

Countermotions must be accompanied by an explanatory statement. No explanatory statement is required for candidates' proposals. Countermotions, candidates' proposals and other requests of shareholders regarding the General Meeting must be addressed exclusively to:

KHD Humboldt Wedag International AG  
Hauptversammlung 2016  
Colonia-Allee 3  
51067 Cologne, Germany  
or by FAX: +49 221 6504-1209  
or by Email: [sabine.marzola@khd.com](mailto:sabine.marzola@khd.com)

Countermotions and candidates' proposals need not be published if not addressed as indicated above. In addition to the reasons stated in Section 126 Paragraph 2 AktG, a candidate proposal need not be published if the proposal does not contain the name, profession and place of residence of the candidate.

The Company will disclose countermotions and candidate proposals of shareholders together with the name of the shareholder and the explanatory statements which have to be published immediately after receipt on the internet at <http://www.khd.com>, at the link "Investor Relations" with language setting "English", under the column "Annual General Meeting". Countermotions and candidate proposals to the items of the agenda which are to be made available and which are received at the address stated in the first paragraph until 14 days prior to the General Meeting at the latest, i.e. by Tuesday, May 03, 2016, 24:00 CET, will be included. Any statements from the Company Administration will also be published at the above stated internet address.

The provisions of the German Stock Corporation Act underlying this shareholders' right are as follows:

#### **§ 126 Motions by shareholders**

*(1) <sup>1</sup>Motions by shareholders together with the shareholder's name, the grounds and any position taken by the management shall be made available to the persons entitled pursuant to § 125 Paragraph 1 through 3 under the conditions stated therein if at least 14 days before the meeting the shareholder sends to the address indicated in the notice convening the meeting a motion counter to a proposal of the management board and supervisory board as to an item on the agenda. <sup>2</sup>The date of receipt shall not be taken into account. In the case of listed companies, access shall be provided via the company's Internet page. § 125 Paragraph 3 shall apply analogously.*

*(2) <sup>1</sup>A countermotion and its reason need not be made accessible if:*

- 1. the Board of Management would by reason of such accessibility become criminally liable,*
- 2. the countermotion would result in a resolution of the Annual Meeting of the Shareholders in violation of applicable law or the Articles of Incorporation,*

- 3 *main points of the reason obviously contain false or misleading or insulting statements,*
4. *a countermotion of the shareholder relating to the same subject matter has already been made accessible to an Annual Meeting of the Shareholders pursuant to § 125,*
5. *the same countermotion of the shareholder with materially the same reason has already been made accessible to at least two of the Annual Meetings of the Shareholders of the Company in the past five years pursuant to § 125 and less than one twentieth of the share capital represented at the Annual Meeting of the Shareholders voted in its favor,*
6. *the shareholder indicates that he will not attend or be represented at the Annual Meeting of the Shareholders, or*
7. *in the past two years at two Annual Meetings of the Shareholders, the shareholder notified the Company of a countermotion but did not present that countermotion and did not have it presented.*

*<sup>2</sup>The reason needs not to be made accessible if it is longer than 5,000 characters in total.*

*(3) If more than one shareholder submits a countermotion to the same item of the resolution, the executive board may combine the countermotions and their reasons.*

#### **§ 127 Election proposals by shareholders**

*<sup>1</sup>§ 126 shall apply mutatis mutandis to a proposal by a shareholder for the election of members of the supervisory board or independent auditors. <sup>2</sup>Such election proposal need not be supported by a reason. <sup>3</sup>The Board of Management need not make such election proposal accessible if the proposal fails to contain information pursuant to § 124 Paragraph 3, Sentence 3 (Remark of Company: Reference should read correctly as reference to Sentence 4), and § 125 Paragraph 1, Sentence 5.*

#### **§ 124 Publication of requests for additions to the agenda; proposals for resolutions (excerpts)**

*(3) (...) <sup>4</sup>The proposal for the election of members of the supervisory board or auditors shall state their names, actual profession and place of residence. (...)*

#### **§ 125 Communications to shareholders and supervisory board members (excerpts)**

*(1) <sup>1</sup>The management board shall, at least 21 days before the meeting, communicate to those credit institutions and shareholders' associations which have exercised voting rights on behalf of shareholders in the preceding shareholders' meeting or which have requested such communication and the notice of the meeting. <sup>2</sup>The date of notice shall not be taken into account. <sup>3</sup>If the agenda is to be amended pursuant to § 122 (2), such amended agenda shall be communicated in the case of listed companies. <sup>4</sup>Such communication shall point out that voting right may be exercised by a proxy holder or a shareholders' association. <sup>5</sup>In the case of stock exchange listed companies, any nomination for the election of supervisory board members must be accompanied by details on the membership in other supervisory boards whose establishment is required by law; details on their membership in comparable domestic and foreign controlling bodies of business enterprises should also be provided.*

*(2) <sup>1</sup>The management board shall provide the same information to shareholders who make such request or are registered as shareholders in the company's share register at the beginning of the 14th day before the meeting. <sup>5</sup>The articles may limit transmission to electronic communication.*

*(3) Each member of the supervisory board may request that the management board send the same communication to him. (...)*

### **3. Shareholders' rights to obtain information pursuant to Section 131 Paragraph 1 AktG**

Every shareholder or proxy present at the General Meeting may request from the Management Board information on matters concerning the Company. The duty to provide information also extends to the legal and business relationships between the Company and its affiliated enterprises, and the position of the Group and the Company's consolidated subsidiaries, to the extent that it serves to make an informed judgment about the agenda item under discussion. The information provided shall comply with the principles of conscientious and accurate reporting.

The provisions of the German Stock Corporation Act underlying this shareholders' right are as follows:

#### **§ 131 Shareholders' right to obtain information**

*(1) <sup>1</sup>Each shareholder shall upon request be provided with information at the shareholders' meeting by the management board regarding the company's affairs, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda. <sup>2</sup>The duty to provide information shall also extend to the company's legal and business relations with any affiliated enterprise. <sup>3</sup>If a company makes use of the simplified procedure pursuant to § 266 Paragraph 1 Sentence 3, § 276 or § 288 of the Commercial Code, each shareholder may request that the annual financial statements be presented to him at the shareholders' meeting on such annual financial statements in the form which would have been used if such provisions on simplified procedure were not applied. A parent enterprise's (§ 290 Paragraph 1 and 2 of the Commercial Code) management board's duty to inform in the shareholders' meeting that considers the consolidated financial statement and consolidated management report shall extend to the outlook of the group and the enterprises included in the consolidated financial statement.*

*(2) <sup>2</sup>The information provided shall comply with the principles of conscientious and accurate accounting. <sup>2</sup>The articles or the rules of procedure pursuant to § 129 may authorize the chairperson of the meeting to limit the number of questions and speaking time of shareholders as appropriate and to lay down general rules thereon.*

*(3) <sup>1</sup>The Board of Management may refuse to provide information:*

- 1. if, according to a reasonable business judgment, disclosing the information is likely to result in material disadvantage to the Company or one of its subsidiaries;*
- 2. that relates to the estimation of amounts for tax purposes or the amounts of individual taxes;*

3. *concerning the difference between the amounts at which items are entered in the year-end balance sheet and any higher value of those items, unless the shareholders' meeting is to approve the annual financial statements;*
4. *concerning accounting and valuation methods, if the information on these methods given in the notes to the financial statements is sufficient to provide a view of the actual situation of the Company's financial position, liquidity and capital resources, and profitability in accordance with § 264, Paragraph 2 of the German Commercial Code (HGB); the foregoing shall not apply if the shareholders' meeting is to approve the annual financial statements;*
5. *the Board of Management would by become criminally liable for providing such information;*
6. *insofar as, in the case of a credit institution or financial services institution, information need not be given on methods of accounting and valuation applied and setoffs made in the annual financial statements, management's discussion and analysis thereof, consolidated financial statements or management's discussion and analysis thereof;*
7. *if the information is fully accessible on the Company's Internet website for at least seven days before the beginning of the Annual Meeting of the Shareholders and is also accessible during the Annual Meeting.*

<sup>2</sup>*The information may not be refused for any other reasons.*

*(4) <sup>1</sup>If information has been provided to a shareholder outside the shareholders' meeting by reason of his / her status as a shareholder, such information shall upon request be provided to any other shareholder at the shareholders' meeting, even if such information is not necessary to permit a proper evaluation of an item on the agenda. <sup>2</sup>The Board of Management may not refuse to provide such information on the grounds of § 131 Paragraph 3, Sentence 1, No. 1 through 4. <sup>3</sup>Sentences 1 and 2 shall not apply if a subsidiary (§ 290 Paragraph 1 and 2 of the HGB, a joint venture (§ 310 Paragraph 1 of the HGB), or an associate (§ 311 Paragraph 1 of the HGB) provides a parent company (§ 290 Paragraph 1 and 2 of the HGB) with the information for the purposes of consolidating the company in the consolidated financial statements of the parent company and the information is required for this purpose.*

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

#### **§ 17 of the articles of the Company – Chairperson of the meeting (excerpts)**

*(4) The chairman of the meeting shall be entitled to reasonably limit the right to speak and to ask questions for the entire duration of the meeting, for individual items on the agenda or for individual speakers.*

**Cologne, April 2016**

**KHD Humboldt Wedag International AG**

***The Management Board***