

## **KHD Humboldt Wedag International AG**

**Cologne**

**- Security Identification Number DE0006578008 -**

### **INVITATION TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2017**

We cordially invite the shareholders of our company to the **Annual General Meeting of shareholders** on Tuesday, May 23, 2017, at 10:00 a.m. CET at our premises at Colonia-Allee 3 in 51067 Cologne, Germany.

#### **AGENDA**

- 1. Presentation of the adopted annual financial statements, the approved annual financial statements of the Group, the combined management report of the Company, the report of the Supervisory Board and the explanatory report of the Management Board on information pursuant to Section 289 Paragraph 4 and Section 315 Paragraph 4 of the German Commercial Code (HGB) for the 2016 Financial Year**

The Supervisory Board has already approved the annual financial statements for the 2016 Financial Year of the Company and of the Group. According to Section 172 of the German Stock Corporation Law (AktG), the annual financial statements have thus been adopted. According to the statutory provisions, no resolution shall be passed on this agenda item.

The aforementioned documents, including the announcement of convening of this General Meeting of shareholders, will be on display on the website of the Company <http://www.khd.com> at the link "Investor Relations" with language setting "English" under the column "Annual General Meeting" from the date of this announcement. Furthermore, the aforementioned documents will be open to inspection at the General Meeting of shareholders.

**2. Resolution on appropriation of the Company's accumulated loss**

The Management Board and the Supervisory Board propose to carry-forward the Company's accumulated for the 2016 financial year totaling € 9,046,522.03 to new account.

**3. Resolution on granting discharge to the members of the Management Board**

The Management Board and the Supervisory Board propose to grant discharge to the members of the Management Board for the 2016 financial year.

**4. Resolution on granting discharge to the members of the Supervisory Board**

The Management Board and the Supervisory Board propose to grant discharge to the members of the Supervisory Board for the 2016 financial year.

**5. Appointment of an auditor for the Company and the Group**

The Supervisory Board proposes to appoint PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Cologne, as the auditor of the Company and the Group for the 2017 financial year.

**6. Resolution on the reduction in size of the Supervisory Board and amendment of the Articles of Association**

The number of Supervisory Board members of the Company shall be reduced from six to four persons. Section 10 Paragraph 1 of the Articles of Association must be amended accordingly. The Management Board and the Supervisory Board propose to adopt the following resolution:

Section 10 Paragraph 1 of the Articles of Association is cancelled and reworded as follows:

“(1) The Supervisory Board consists of four members.”

## **7. Resolution on an amendment of the Articles of Association for the adjustment of the Supervisory Board remuneration**

With regard to the proposed reduction of the number of Supervisory Board members according to the above agenda item 6 to four members, the total remuneration of the Supervisory Board members shall be adjusted. The current remuneration for six members amounts to a total of € 280,000, after a reduction to four members the total remuneration shall be set at € 220,000.

The Management Board and the Supervisory Board propose to adopt the following resolution:

Section 13 Paragraph 1 of the Articles of Association is cancelled and reworded as follows:

“(1) The members of the Supervisory Board shall receive, in addition to the reimbursement of their expenses, a fixed total remuneration amounting to € 220,000. The Supervisory Board shall decide by resolution how this total remuneration shall be divided between the individual members of the Supervisory Board – including those who have retired or those who have been newly elected or appointed during the year –also taking into account the duties of the individual members in their capacity as chairperson or vice chairperson of the Supervisory Board.”

The amendment of the Articles of Association is valid for the first year pro-rata-temporis from the date of its entry in the Commercial Register.

The Management Board is requested to apply for registration of the amendment of Section 13 Paragraph 1 of the Articles of Association in the Commercial Register, but shall make sure that this amendment of the Articles of Association is not entered before registration of the amendment of the Articles of Association regarding item 6 of the agenda (Section 10 Paragraph 1 of the Articles of Association).

## **CONDITIONS OF PARTICIPATION**

Those shareholders, who have registered to do so before the General Meeting of shareholders, shall be entitled to attend the General Meeting of shareholders, to exercise their voting rights and to present motions. The registration has to be received by the Company at the following address:

KHD Humboldt Wedag International AG  
c/o UniCreditBank AG  
CBS51GM  
80311 München  
Germany  
FAX: +49 89 5400-2519  
Email: [hauptversammlungen@unicredit.de](mailto:hauptversammlungen@unicredit.de)

until six days before the General Meeting of shareholders, i.e. by Tuesday, May 16, 2017, 24:00 CET at the latest.

Shareholders must provide proof of their entitlement to attend the General Meeting of shareholders, to exercise voting rights and to present motions. A confirmation issued by the custodian financial institution in written form (Section 126b German Civil Code) either in German or in English is required as proof of share ownership. The confirmation has to refer to the beginning of the 21<sup>st</sup> day prior to the General Meeting of shareholders, i.e. to Tuesday, May 02, 2017, 00:00 CET (Record Date), and to be received by the Company at the aforementioned address until six days before the General Meeting of shareholders, i.e. by Tuesday, May 16, 2017, 24:00 CET, at the latest.

In case of doubt as to the accuracy or authenticity of the proof of entitlement, the company reserves the right to request suitable further evidence. The Company may reject the shareholder, if this evidence is not provided or not in a suitable form.

After receipt of registration for the General Meeting of shareholders and proof of share ownership, the shareholders shall receive the tickets for the General Meeting of shareholders. We kindly ask the shareholders to register and provide proof of their share ownership in the Company as early as possible to ensure that the admission ticket is received in good time. Admission tickets facilitate the organization and do not incorporate additional participation conditions.

## **Significance of Record Date**

The Record Date is the decisive date for the volume and the exercise of the right to attend and to vote at the General Meeting of shareholders. In relation to the Company, only those persons are deemed as shareholders who have proven their share ownership until the Record Date and only those are entitled to attend the General Meeting of shareholders and to exercise their voting right. Changes in shareholdings after the Record Date are disregarded. Thus, shareholders who acquire their shares only after the Record Date may not attend the General Meeting of shareholders. Shareholders who have registered in due form and have submitted proof of share ownership are entitled to attend the General Meeting of shareholders and to exercise their voting rights, even if they sell their shares after the Record Date. The Record Date does not affect the right of the shareholder to sell shares, and it is not relevant for dividend entitlement.

## **Proxy voting**

Shareholders may also appoint a proxy e.g. a bank, a shareholders' association or another person to exercise their voting right at the General Meeting of shareholders. In such case, too, the shareholders must register in time by providing proof of their share ownership. A power of attorney has to be issued in writing (Section 126b German Civil Code), unless the following exceptions apply. For electronic transmission of the proof of the power of attorney, the Company provides the following fax number and email address to the shareholders:

FAX +49 221 6504-1209

Email: Hauptversammlung.KHD@KHD.com

If a shareholder authorizes more than one person, the Company shall be entitled to reject one or more of these persons according to Section 134 Paragraph 3, subsection 2 AktG.

According to the law and the Articles of Association there is no requirement of the written form for the authorization of a bank, a shareholders' association or any other equivalent institution or person pursuant to Section 135 AktG to act as a proxy. We would, however, like to point out that in such cases the institutions or persons to be authorized to act as a proxy might possibly request a specific form of the proxy, because pursuant to Section 135 AktG they are required to produce a verifiably proxy. If you would like to authorize a bank, a shareholders' association or any other equivalent institution or person pursuant to Section 135 AktG to act as a proxy, please discuss in due time the potential form of the power of attorney with such institutions or persons.

## **Proxy voting by general proxies appointed by the Company**

As a special service for our shareholders, who are unable to attend the General Meeting of shareholders in person, general proxies that are bound by instruction have been appointed by the Company. Shareholders who wish to grant a power of attorney to the general proxy appointed by the Company before the General Meeting of shareholders, need to register on time and provide proof of their share ownership as previously noted. For proxy voting and instructions for voting shareholders may use the form for the power of attorney and instructions for voting to the general proxy of the Company that will be send together with the admission ticket. The authorized general proxy of the Company is strictly bound by individual instructions of the shareholder when exercising the voting right. The power of attorney cannot be exercised with respect to agenda items, for which no individual instruction has been given, which means that votes on such items will be treated as abstention from voting. The general proxy does not accept requests to speak or other motions.

Shareholders who wish to grant a power of attorney to the general proxy appointed by the Company are asked to please send these proxies including voting instructions by Tuesday, May 16, 2017, 24:00 CET via mail, fax or email to the following Company address:

Mail: KHD Humboldt Wedag International AG  
Hauptversammlung / AGM 2017  
Colonia-Allee 3  
51067 Köln, Germany

or fax: +49 221 6504-1209

or email: Hauptversammlung.KHD@KHD.com

## **Total number of shares and voting rights at the announcement of convening the Annual General Meeting of shareholders**

Upon the announcement of convening the General Meeting of shareholders, the share capital of the Company amounts to € 49,703,573 and is divided in 49,703,573 no-par bearer shares, each entitling to one vote in the General Meeting of shareholders. Thus, the total number of voting rights at the announcement of convening the General Meeting of shareholders is 49,703,573. At the time of convening the General Meeting of shareholders, the Company has no treasury shares, which do not confer any rights.

## **Shareholders' rights in relation to the General Meeting of shareholders**

Before and during the General Meeting of shareholders, the shareholders are entitled to i.a.:

### **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 of shareholders, i.e. by Saturday, April 22, 2017, 24:00 CET, at the latest. Such requests must be addressed exclusively to:

KHD Humboldt Wedag International AG

- Management Board -

Colonia-Allee 3

51067 Köln, 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.

## **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 of shareholders must be addressed exclusively to:

KHD Humboldt Wedag International AG  
Hauptversammlung / AGM 2017  
Colonia-Allee 3  
51067 Köln, 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 of shareholders at the latest, i.e. by Monday, May 08, 2017, 24:00 CET, will be included. Any statements from the Company's Administration will also be published at the above stated internet address.

The right of every shareholder to make countermotions to items of the agenda during the Annual General Meeting of shareholders without prior and timely submission to the Company shall remain unaffected. We would like to point out that countermotions submitted to the Company within the deadline will only be considered at the Annual General Meeting of shareholders if these are put forward verbally at the meeting.



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

Every shareholder or proxy present at the General Meeting of shareholders 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.

Requests for information must always be given orally at the General Meeting of shareholders. The Management Board can refrain from answering specific questions for the reasons stated in Section 131 Paragraph 3 AktG. Pursuant to Section 17 Paragraph 4 of the Articles of Association, the Chairman of the Meeting is also authorized to impose a reasonable time limit on a shareholder's right to ask questions and to speak.

### **4. Further explanations on the rights of shareholders**

Please find further explanations on the rights of the shareholders pursuant to Sections 122 Paragraph 2, 126 Paragraph 1, 127, 131 Paragraph 1 AktG at the website of the Company at <http://www.khd.com>, at the link "Investor Relations" with language setting "English", under the column "Annual General Meeting".

### **Information and documents concerning the General Meeting of shareholders**

Information and documents pursuant to Section 124a AktG, including the Annual Report of the Company and the Group 2016 are available on the internet at <http://www.khd.com>, at the link "Investor Relations" with language setting "English", under the column "Annual General Meeting" and can be downloaded. Information required by law to be made available is open to inspection at the General Meeting of shareholders.

The General Meeting of shareholders shall not be transmitted neither by audio nor by video.

Cologne, April 2017

**KHD Humboldt Wedag International AG**

The Management Board