



KHD Humboldt Wedag International AG

**Invitation to the  
Annual General Meeting  
of Shareholders  
2020**



**KHD Humboldt Wedag  
International AG**

**Cologne**

**- ISIN DE0006578008 -**

**INVITATION TO THE ANNUAL GENERAL  
MEETING OF SHAREHOLDERS 2020**

We invite the shareholders of our company to the Annual General Meeting on **Tuesday, October 06, 2020, at 10:00 a.m.** (CEST) that will due to the COVID-19 pandemic be held in the form of a

**virtual Annual General Meeting of shareholders,**

i.e. without the physical presence of shareholders or their authorized representatives (with the exception of the general proxies appointed by the Company).

The virtual Annual General Meeting of shareholders will be held at the Company's premises in Cologne, Colonia-Allee 3, 51067 Cologne. In light of the COVID-19 pandemic and in order to protect against the health risks associated with the coronavirus, the Management Board has decided, with the consent of the Supervisory Board, to make use of the option provided under Section 1 (2) of the German Act Concerning Measures Under the Laws relating to Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic ("COVID-19 Act") (published as Article 2 of the Act to Mitigate the Consequences of the COVID-19 Pandemic under Civil, Insolvency and Criminal Procedural Law, published in the Federal Law Gazette, Part I, of March 27, 2020), and to hold the Annual General Meeting of shareholders as a virtual Annual General Meeting without the physical presence of shareholders or their authorized representatives, and to enable shareholders to exercise their voting rights by means of electronic communication and to appoint proxies.

The entire virtual Annual General Meeting of shareholders will be streamed as an audio and video webcast on a password-protected AGM-Portal set up for the virtual Annual General Meeting of shareholders at:

**<https://www.khd.com/hv2020/>**

**We therefore ask our shareholders this year to pay particular attention to the information concerning registration for the Annual General Meeting, the exercise of voting rights, and other shareholder rights contained in Section II. of this invitation below the agenda.**

### **I. 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 289a and Section 315a of the German Commercial Code (HGB) for the 2019 Financial Year**

The Supervisory Board has already approved the annual financial statements for the 2019 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.

- 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 loss for the 2019 financial year totaling € 7,573,302.70 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 2019 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 2019 financial year.

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

The Supervisory Board proposes to appoint Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, as the auditor of the Company and the Group for the 2020 financial year.

### **6. Election of Supervisory Board members**

According to Section 10 Paragraph 1 of the Articles of Association in conjunction with Section 95 subsection 1, and Section 101 Paragraph 1 of the German Stock Corporations Act (AktG) the Supervisory Board currently consists of three members to be elected by the General Meeting of shareholders.

Pursuant to Section 10 Paragraph 2 of the Articles of Association the term of office of the current Supervisory Board members ends in principle at the end of the Annual General Meeting of shareholders at which a resolution shall be passed to discharge the Supervisory Board for the fourth financial year after the beginning of the term of office or on the earlier date for the end of the term of office determined in the respective election by the Annual General Meeting of shareholders. The term of

office of the three current Supervisory Board members ends uniformly at the day of today's Annual General Meeting of shareholders on October 06, 2020.

The Supervisory Board proposes that the persons named under a) to c) shall be elected members of the Supervisory Board with effect from the ending of the Annual General Meeting of shareholders. They shall be appointed for a term of office until the ending of the Annual General Meeting of shareholders that will pass the resolution on granting discharge for the fourth financial year after the beginning of the term of office. The first financial year in which the term of office begins shall not be taken into account.

- a) Mr. Shaohua Jin, Vice President of International Business Division of AVIC International Holding Corporation, resident in Beijing, People's Republic of China
- b) Mr. Gerhard Beinhauer, Managing Director of BBI Beteiligungs- und Handelsgesellschaft mbH, resident in Wehrheim, Germany
- c) Ms. Yiqiong Zhang, Vice President of AVIC International Beijing Company Limited, resident in Beijing, People's Republic of China

The election is then valid up to the end of the Annual General Meeting of shareholders, at which a resolution shall be passed to discharge the Supervisory Board members for the 2024 financial year.

The Annual General Meeting of shareholders is not bound by election proposals.

Mr. Jin declared to be available as Chairman of the Supervisory Board in case of his election.

Further details of the candidate proposed for election are given after the agenda.

## **II. REQUIREMENTS FOR ATTENDANCE AT THE ANNUAL GENERAL MEETING AND THE EXERCISE OF VOTING RIGHTS**

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

Upon the announcement of convening the General Meeting of shareholders, the share capital of the Company amounts to € 49,703,573.00 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.

### **Annual General Meeting without physical presence of shareholders**

In accordance with Section 1 (1) and (2) of the COVID-19 Act, the Management Board has decided, with the consent of the Supervisory Board, that this year's Annual General Meeting of shareholders will be held as a virtual Annual General Meeting of shareholders without the physical presence of shareholders or their authorized representatives. However, the legislator has expressly allowed general proxies appointed by the Company's to attend in person as representatives of the shareholders. **No shareholders or other shareholder representatives are permitted to attend the virtual Annual General Meeting of shareholders in person.**

Shareholders or their authorized representatives can exercise voting rights exclusively by means of electronic communication (electronic postal vote) or by granting power of attorney to the general proxies appointed by the Company. Shareholders or their authorized representatives as defined by Section 118 (1) Sentence 2 AktG cannot participate electronically in the meeting.

The virtual Annual General Meeting of shareholders is held at the Company's premises in Cologne, Colonia-Allee 3, 51067 Cologne, in the presence

of the Vice Chairman of the Supervisory Board, the Chief Financial Officer and other members of the Management Board, the general proxies appointed by the Company and the notary appointed to take the minutes of the Annual General Meeting of shareholders.

The holding of the Annual General Meeting 2020 as a virtual Annual General Meeting of shareholders in accordance with the COVID-19 Act requires modifications in the procedures of the Annual General Meeting of shareholders and in the rights of the shareholders. The entire Annual General Meeting of shareholders will be streamed on the internet as an audio and video webcast, shareholders will be able to exercise their voting rights via electronic communication (electronic postal vote) and by authorizing proxies, shareholders will be given the opportunity to ask questions by means of electronic communication in advance of the virtual Annual General Meeting of shareholders, and shareholders who have exercised their voting rights can raise objections to resolutions of the Annual General Meeting of shareholders via electronic communication.

**This year, we would ask shareholders to pay particular attention to the following information regarding registration for the Annual General Meeting of shareholders, the exercising of voting rights and other shareholder rights.**

Only those shareholders who register with the Company prior to the Annual General Meeting of shareholders, shall be entitled to attend the virtual Annual General Meeting of shareholders, to exercise their voting rights (including voting by electronic mail or by proxy) and submit motions. The registration has to be received by the Company at the following address:

KHD Humboldt Wedag International AG  
c/o Link Market Services GmbH  
Landshuter Allee 10  
80637 Munich  
Germany  
Email: [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de)

until six days before the General Meeting of shareholders, i.e. by Tuesday, September 29, 2020, 24:00 (CEST) 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 of the German Civil Code (BGB)) either in German or in English is required as proof of share ownership. The confirmation has to refer to the beginning of the 21st day prior to the General Meeting of shareholders, i.e. to Tuesday, September 15, 2020, 00:00 (CEST) (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, September 29, 2020, 24:00 (CEST), 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.

In order for shareholders to follow the audio and video webcast of the virtual Annual General Meeting via the AGM-Portal at:

**<https://www.khd.com/hv2020/>**

and exercise further shareholder rights, timely registration and proof of share ownership to the Company is required.

We ask shareholders to request a voting card from their depositary bank as early as possible to ensure that they receive their voting cards in good time. Shareholders who request a voting card from their depositary bank in good time do not therefore generally need to take any further action. In case of doubt, we would ask shareholders to inquire with



their custodian bank whether it will register and provide proof of share ownership on their behalf.

The voting card is not a prerequisite for participation, but merely serves to facilitate the organizational process. It does, however, contain the information required in particular for using the password-protected AGM portal, via which, among other things, voting rights can be exercised via electronic communication (by postal vote), powers of attorney and instructions for exercising voting rights can be issued to the Company's proxy, a question can be asked via electronic communication and, if necessary, objections to a resolution of the Annual General Meeting can be declared.

### **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 potential dividend entitlement.

### **Voting via an authorized Representative**

Shareholders may also appoint an authorized representative e.g. an intermediary, a shareholders' association or another person to exercise their voting right at the virtual 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. In addition to sending by mail, the Company provides the following fax number and email address to the shareholders for electronic transmission of the proof of the power of attorney:

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

FAX: +49 221 6504-1209

Email: [hauptversammlung.khd@khd.com](mailto: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, Sentence 2 AktG.

According to the law and the Articles of Association there is no requirement of the written form for the authorization of an intermediate, 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 record a verifiably power of attorney. 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 proxy and instructions for voting form sent to the

shareholders with the confirmation of registration. This form provides you with further information on proxy voting. The authorized general proxies of the Company are 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.

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 Friday, October 02, 2020, 24:00 (CEST) via mail, fax or email to the following Company address:

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

FAX: +49 221 6504-1209

Email: [hauptversammlung.khd@khd.com](mailto:hauptversammlung.khd@khd.com)

Shareholders can also grant proxies to the proxies appointed by the Company via the AGM-Portal at <https://www.khd.com/hv2020/>. Shareholders who wish to make use of this option are requested to pass on the login details sent to them with the confirmation of registration to the authorized representative. The appointment of authorized representatives, proof of such authorization and the issuing of instructions to the proxies appointed by the Company can be issued or amended via the AGM-Portal – even after October 3, 2020, 24:00 hours (CEST) – until the voting is closed by the chairman of the meeting in the virtual Annual General Meeting of shareholders.

The above information on the submission of notifications and the deadlines to be observed shall apply mutatis mutandis to a revocation of the power of attorney granted to an authorized representative or a general proxy appointed by the Company, and to amendments to instructions.

## **Voting by electronic postal vote**

Shareholders may also exercise their voting rights by electronic postal vote. In the case of electronic postal voting, timely registration and proof of share ownership are required, too. Authorized representatives, authorized intermediaries (e.g. banks), shareholder associations, voting consultants or their equivalents in accordance with Section 135 AktG may also use electronic postal voting.

Postal votes can only be cast by means of electronic communication via <https://www.khd.com/hv2020/> using the AGM-Portal. Postal votes can be submitted or amended via the AGM-Portal until the electronic postal voting is closed by the chairman of the meeting before the start of actual voting at the virtual Annual General Meeting.

## **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, September 05, 2020, 24:00 (CEST), at the latest. Please send such requests to the following address:

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.

## **2. Countermotions and candidates’ proposals pursuant to Section 126 Paragraph 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 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  
Colonia-Allee 3  
51067 Cologne, Germany

or by FAX: +49 221 6504-1209

or by Email: [hauptversammlung.khd@khd.com](mailto:hauptversammlung.khd@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. Proposals for the election of Supervisory Board members need not be made accessible even if they are not accompanied by information on the membership of the proposed Supervisory Board candidate in other legally required Supervisory Boards within the meaning of Section 125 Paragraph 1 Sentence 5 AktG.

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, September 21, 2020, 24:00 (CEST), will be considered. Any statements from the Management Board and Supervisory Board will also be published at the above stated internet address.

By publishing countermotions and/or nominations for election in accordance with the above-mentioned provisions, the Company complies with its statutory duty under Sections 126 (1) and 127 AktG, as these provisions are not affected by the COVID-19 Act. However, we would like to point out that a vote on countermotions or election proposals will not take place at the virtual Annual General Meeting of shareholders, as these cannot be submitted at the virtual Annual General Meeting of shareholders.

### **3. Possibility for shareholders to ask questions by means of electronic communication**

In accordance with Section 1 (2) Sentence 1 No. 3 and Sentence 2 of the COVID-19 Act, shareholders are given the opportunity to ask questions by means of electronic communication. The Management Board, in consultation with the Supervisory Board, has specified that the shareholders will not have a right to ask questions at the virtual Annual General Meeting itself. Instead, questions from shareholders or authorized representatives must be submitted via the AGM-Portal at <https://www.khd.com/hv2020/> by Saturday, October 3, 2020, 24:00 hours (CEST) (incoming) at the latest. Questions received later will not be considered. Only duly registered shareholders or authorized representatives who have provided the required proof of share ownership are entitled to submit questions. In deviation from Section 131 AktG, the Management Board decides at its own

discretion whether it will answer the questions at the virtual Annual General Meeting of shareholders.

#### **4. Possibility to object to resolutions of the Annual General Meeting**

In accordance with Section 1 (2) Sentence 1 No. 4 of the COVID-19 Act, shareholders are given the opportunity to object to resolutions of the virtual Annual General Meeting of shareholders. An objection can only be submitted via the AGM-Portal at <https://www.khd.com/hv2020/> and may be raised only by those shareholders who have exercised their voting rights by means of electronic postal vote or by proxy. Objections can be raised at any time from the beginning of the virtual Annual General Meeting of shareholders until its closure by the chairman of the meeting, stating the resolutions to which the objection relates. An objection can also be submitted by an authorized representative. However, the general proxies appointed by the Company are not available for this purpose.

#### **5. 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 2019 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.

**Cologne, August 2020**

**KHD Humboldt Wedag International AG**

**The Management Board**



**Further details of the Supervisory Board  
candidate proposed for election  
under agenda item 6**

**Shaohua Jin**

Vice President of the International Business Division der AVIC International Holding Corporation, resident in Beijing, People's Republic of China

Mr. Shaohua Jin is member of the Supervisory Board since October 12, 2018 and Chairman of the Supervisory Board of KHD Humboldt Wedag International AG since October 16, 2018.

**Personal data:**

Date of birth: June 10, 1961

Place of birth: Beijing

Citizenship: Chinese

**Education:**

Graduated from East China University of Science and Technology, major in Engineering.

**Professional Experience:**

More than 30 years of working experience in corporate management and oversea investment; working in various management functions within the AVIC Group since 1994.

May 1994 - June 2011:

Director of Enterprise Department, AVIC INTL Beijing Company Limited, mainly in charge of domestic and overseas investments. Appointed as member of the Board of Director or Supervisory Board of the Joint Venture with overseas invested companies, i.e. Yamaha Motor, Karcher, Schneider Electric, TGI Friday's etc.

June 2011 - today:

Vice President International Business Division of AVIC INTL Holding Corporation, mainly responsible for international business development of the Group. Scope of business includes product and service supply, large-scale EPC projects, tailor-made solution package for different countries and regions, and management of direct investments such as Global Trade Centre (GTC) in Nairobi.

Memberships in Supervisory Boards required by law:

- none

**Gerhard Beinhauer**

Managing Director and Shareholder of BBI Beteiligungs- und Handelsgesellschaft mbH, resident in Wehrheim (Germany)

Mr. Beinhauer is member of the Supervisory Board since May 18, 2016 and Vice Chairman of the Supervisory Board of KHD Humboldt Wedag International AG since October 16, 2018.

**Personal data:**

Date of birth: June 26, 1959

Place of birth: Över-Järna, Sweden

Citizenship: German

**Education:**

Foreign Trade Manager, Hochschule für Außenhandel Am Lämmermarkt, Hamburg

Bachelor of Arts, Chicago State University, Chicago, USA

Studied business management (MBA), IMD Lausanne, Switzerland

**Professional Experience:**

1982 – 1992:

Various management positions in trade, consulting, fine chemistry, medical technology Operations in France, Brazil, USA, Switzerland and Germany

1992 - today:

- Managing Director of BBI Beteiligungs- und Handelsgesellschaft mbH, Wehrheim
- Investments in growth and technology-oriented companies
- Strategic and M&A consulting for entrepreneurs and family offices
- Project manager and representative of the owner of m/s Turanor Planetsolar "Circumventing the Globe by a Solar-Powered Catamaran"
- Various mandates in supervisory boards and directorates in management boards of the Deutsche Structured Finance GmbH in Frankfurt

Memberships in Supervisory Boards required by law:

- since 2011: Chairman, Bieglo KGaA, Hamburg (distributing high-performance polymers)
- since 1999: Non-Executive Director Gold Cache Inc, Thunder Bay, Canada

**Yiqiong Zhang**

Vice President of the International Business Division der AVIC International Holding Corporation, resident in Beijing, People's Republic of China

Ms. Yiqiong Zhang is member of the Supervisory Board since May 28, 2015 of KHD Humboldt Wedag International AG.

**Personal data:**

Date of birth: October 14, 1965

Place of birth: Beijing

Citizenship: Chinese

**Education:**

Bachelor of Accounting in Zhengzhou Institute of Aeronautical Industry Management and Executive Master of Business Administration in Beijing University of Aeronautics and Astronautics

**Professional Experience:**

More than 30 years working experience in AVIC Group of China; working with AVIC INTERNATIONAL since 2009

Ms. Zhang has long-standing experience in various aspects of accounting and financial work.

1992 - 2005:

Accountant of CATIC Beijing Company

2006 - 2006:

Senior Manager of CATIC Beijing Company

2006 - 2009:

Deputy Director of Financial Department of CATIC Beijing Company

2009 - 2013:

Director of Financial Department of AVIC International Beijing Company Limited

2012 - 2013:

Deputy Chief Accountant of AVIC International Beijing Company Limited

2013 - 2020:

Chief Financial Officer of AVIC International Beijing Company Limited

April 2020 - today:

Vice President of AVIC International Beijing Company Limited

Memberships in Supervisory Boards required by law:

- none



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Colonia-Allee 3  
51067 Köln

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