

# **technotrans AG**

**Sassenberg**

**- ISIN: DE000A0XYGA7 -**

**We hereby invite our shareholders to the  
Ordinary Shareholders' Meeting to be held on**

**Thursday, May 15, 2014, at 10.00 am**

**in the Münsterland Exhibition and Congress Centre Hall,  
Albersloher Weg 32, 48155 Münster.**

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## **Agenda**

- 1. Presentation of the established financial statements of technotrans AG at December 31, 2013, of the approved consolidated financial statements prepared according to IFRS (International Financial Reporting Standards) at December 31, 2013, of the management reports for technotrans AG and the group, of the report of the Supervisory Board and of the explanatory report of the Board of Management on disclosures under takeover law**
- 2. Resolution on the distribution of accumulated profit**

The Board of Management and Supervisory Board propose that the accumulated profit of technotrans AG of € 3,385,251.86 as reported in the annual financial statements be distributed as follows:

Distribution of a dividend of € 0.20 per no par value share on share capital of € 6,493,426.00 bearing dividend entitlements	€ 1,298,685.20
Profit carried forward	€ 2,086,566.66
Accumulated profit	€ 3,385,251.86

The proposal on the distribution of profit takes account of the treasury shares held by the company, which do not qualify for dividends pursuant to Section 71b of the German Stock Corporation Act. The number of dividend-bearing shares may decrease or increase by the time of the Shareholders' Meeting as a result of the acquisition or sale of treasury shares. In that instance, a correspondingly modified resolution on the appropriation of profit shall be put to the Shareholders' Meeting, based on an unchanged dividend of € 0.20 per dividend-bearing share.

The dividend shall be payable from May 16, 2014.

**3. Resolution on the discharge of the Board of Management for the 2013 financial year**

The Board of Management and Supervisory Board propose that discharge be granted for the members of the Board of Management for the 2013 financial year.

**4. Resolution on the discharge of the Supervisory Board for the 2013 financial year**

The Board of Management and Supervisory Board propose that discharge be granted for the members of the Supervisory Board for the 2013 financial year.

**5. Election of the auditors of the individual and consolidated financial statements for the 2014 financial year**

Supported by the recommendation of the Audit Committee, the Supervisory Board proposes that KPMG Wirtschaftsprüfungsgesellschaft, Bielefeld, be elected as auditors for the individual and consolidated financial statements for the 2014 financial year.

**6. Resolution on the cancellation of the existing authorised capital and creation of new authorised capital with scope for excluding the subscription rights of shareholders, and alteration to the articles of incorporation**

The authorised capital resolved under Agenda Item 7 at the Shareholders' Meeting on May 6, 2010 and laid down in Section 5 (3) of the articles of incorporation expires on April 30, 2015. No use has yet been made of the authorised capital.

The aforementioned authorised capital is to be cancelled and new authorised capital created with a longer term and with features broadly corresponding to those of the authorised capital that is currently in place. However the scope for excluding subscription rights at capital increases for cash and for contributions in kind is to be limited to 20 % of the share capital overall.

The Board of Management and Supervisory Board therefore propose the following resolution:

- a) The Board of Management is, with the consent of the Supervisory Board, authorised to increase the share capital on one or more occasions by up to a total of € 3,450,000.00 until May 14, 2019, through the issuance of new shares against contributions in kind or in cash. The shareholders shall have a fundamental right to subscribe. However the Board of Management is authorised, with the consent of the Supervisory Board, to exclude the subscription right of shareholders insofar as – including shares and/or convertible bonds that are issued or sold in accordance with Section 186 (3) fourth sentence of the German Stock Corporation Act, excluding the subscription right of shareholders – the requirements of Section 186 (3) fourth sentence of the German Stock Corporation Act are met insofar as it concerns the issuance of employee shares, or insofar as it concerns the acquisition of contributions in kind, in particular the acquisition of companies or participating interests in companies or other assets; the subscription right may moreover be excluded for the purpose of compensating for fractional amounts.
- b) The authorised capital previously dealt with in Section 5 (3) of the articles of incorporation is to be deleted and Section 5 (3) of the articles of incorporation reworded as follows in accordance with the above resolution on subsection a):

“(3) The Board of Management is authorised to increase the share capital on one or more occasions by up to a total of € 3,450,000.00 by May 14, 2019, with the consent of the Supervisory Board, through the issuance of new shares against contributions in cash or in kind (authorised capital).

a) The Board of Management may, with the consent of the Supervisory Board,

- exclude the subscription right of the shareholders in order to issue the new shares at an amount that is not significantly below the market price. The arithmetical share of the share capital represented by the shares issued under exclusion of the subscription right pursuant to Section 186 (3) fourth sentence of the German Stock Corporation Act may not overall exceed 10 % of the share capital at the time this authorisation takes effect or at the time this authorisation is utilised, if the latter figure is lower; this amount shall include those shares that are acquired pursuant to Section 71 Paragraph 1 No. 8 of the German Stock Corporation Act on the basis of an authorisation of the Shareholders' Meeting and sold excluding the subscription right pursuant to Section 186 Paragraph 3 fourth sentence of German Stock Corporation, as well as those shares that are used to service convertible bonds provided the convertible bonds were issued in corresponding application of Section 186 Paragraph 3 fourth sentence of the German Stock Corporation Act, excluding the subscription right,
- exclude the subscription right of shareholders up to a total nominal amount of € 250,000.00 in order to issue employee shares,
- exclude the subscription right of the shareholders for capital increases for contributions in kind, in particular for the acquisition of companies or participating interests in companies, or other assets.

Insofar as the Board of Management makes no use of the aforementioned authorisations, the subscription right of shareholders may only be excluded for fractional amounts.

The total shares issued under the above authorisation excluding the subscription right for capital increases for cash and/or contributions in kind may not exceed 20 % of the share capital at the time

this authorisation takes effect, or at the time this authorisation is exercised if the latter figure is lower.

- b) The Board of Management is in addition authorised to finalise the remaining details of the capital increase and its implementation with the consent of the Supervisory Board.
- c) The authorisation to issue new shares granted by the Shareholders' Meeting on May 6, 2010 is cancelled upon this resolution taking effect.

**Report by the Board of Management to the Shareholders' Meeting on Item 6 of the agenda, pursuant to Sections 203 (2) second sentence, and 186 (4) second sentence of the German Stock Corporation Act**

The general purpose of the proposed authorisation for authorised capital of € 3,450,000.00 is to enable the company to raise equity capital rapidly, flexibly and on favourable terms, if needed.

If the authorised capital is drawn on, the shareholders shall fundamentally be granted a right of subscription. However, the subscription right may be excluded by the Board of Management in the following instances, with the consent of the Supervisory Board:

- Based on Section 186 (3) fourth sentence of the German Stock Corporation Act, an exclusion of subscription rights shall firstly be possible for a portion of the share capital not exceeding ten percent to permit the issuance of the new shares at an amount that does not significantly undercut the market price. This amount shall include those shares that are acquired pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act on the basis of an authorisation of the Shareholders' Meeting and sold excluding the subscription right pursuant to Section 186 (3) fourth sentence of German Stock Corporation, as well as those shares that are used to service convertible bonds provided the convertible bonds were issued in corresponding application of Section 186 (3) fourth sentence of the German Stock Corporation Act, excluding the subscription right. The authorisation in question here permits the rapid effecting of a capital increase at an issuing amount as close as possible to current market conditions. In making use of the authorisation, the Board of Management shall determine as low a discount on the market price as possible in the prevailing market conditions at the time of placement. The issuance of shares at a price close to the market price in addition upholds the interests of existing shareholders. Due to the fact that placement without a statutory subscription period can take place immediately after the issuing amount has been determined, when determining the price the risk of price changes need not be taken into account to the same extent as in a capital increase with a subscription right granted; by avoiding the otherwise customary subscription right discount, equity can moreover be strengthened to a greater extent than if a subscription right is granted. Placement via the stock exchange moreover permits shareholders to maintain their shareholding at the previous level through purchasing additional shares.

- On the basis of the authorisation, the Board of Management may in addition exclude the subscription right for a portion of the share capital of up to € 250,000.00 in order to issue employee shares. This is intended to preserve the scope for further strengthening employee participation.
- In addition, the subscription right of the Board of Management for capital increases for contributions in kind may be excluded, in particular for the acquisition of companies or participating interests in companies, or other assets. This authorisation is intended to place the Board of Management in a position to have the company's own shares at its disposal without needing to go to the stock market, in order to be able to offer these in fulfilment of entitlements from the preparation, implementation, completion or settlement of legal or statutory acquisitions especially of companies or participating interests in companies in appropriate one-off instances against the transfer of shares in the company. The acquisition of a company or of a participating interest in a company generally necessitates a swift decision. The authorisation envisaged will provide the Board of Management with the scope to respond rapidly and flexibly to advantageous offers, should such opportunities present themselves. No use has been made of the authorised capital currently in place in order to complete acquisitions. Nevertheless, that option is to be preserved in the future.

The total shares issued under the above authorisation excluding the subscription right for capital increases for cash and/or contributions in kind may not exceed 20 % of the share capital at the time this authorisation takes effect, or at the time this authorisation is exercised if the latter figure is lower.

**7. Resolution on the authorisation of the Board of Management to acquire treasury shares with scope for excluding the subscription right in the event of the resale of treasury shares**

The current authorisation granted by the Shareholders' Meeting of May 6, 2010 to acquire treasury shares is limited in time until April 30, 2015 ("time-limited authorisation"); no use has been made of it.

The existing authorisation to acquire treasury shares is to be cancelled and a new authorisation to acquire treasury shares approved with a longer term and with features broadly corresponding to those of the authorisation that is currently in place.

The Board of Management and Supervisory Board therefore propose the following resolution:

- a) The Board of Management of the company is authorised until May 14, 2019 to acquire shares up to 10 % overall of the share capital existing at the time of the resolution, or at the time of this authorisation being exercised if the

latter figure is lower. For this purpose the shares acquired on the basis of this authorisation, together with other shares that the company has already acquired and still holds or which are attributable to it pursuant to Sections 71d and 71e of the German Stock Corporation Act, may not at any time exceed 10 % of the respective share capital.

Such treasury shares shall, at the discretion of the Board of Management, be acquired (1) via the stock market or (2) by means of a public offer of purchase addressed to all shareholders.

- (1) If acquired by stock exchange dealings, the purchase price per share shall not exceed or undercut by more than 10 % the average Xetra closing price (or, insofar as the Xetra closing price serves as the basis for this authorisation, the closing price determined by a successor system taking the place of the Xetra system) on the Frankfurt Stock Exchange on the five trading days preceding the acquisition.
  - (2) If acquired on the basis of a public offer to buy, the acquisition price per share (excluding ancillary acquisition costs) shall not exceed or undercut by more than 10 % the average Xetra closing price on the Frankfurt Stock Exchange on the eighth to fourth trading day (in each case inclusive) before disclosure of the respective offer to buy. Where the total number of shares tendered from a public offer to buy exceeds the volume of the offer of purchase, the number acquired may be in proportion to the number of shares tendered (tender ratio). The public offers to buy may envisage further conditions.
- b) The Board of Management shall be authorised to use the shares in the company acquired on the basis of this or a previous authorisation for all legally permissible purposes, and in particular for the following:
- (i) They may be retired without a further shareholders' resolution being required for their retirement or implementation of their retirement. Retirement shall result in a capital reduction.

- (ii) The acquired treasury shares may be resold on the stock market. In this case the selling price per share shall not undercut the average Xetra closing price on the Frankfurt Stock Exchange on the five trading days prior to sale by more than 5 %.
- (iii) The acquired treasury shares may also be disposed of by other means than via the stock market or by offer to all shareholders if they are sold at a price per share that does not undercut the average Xetra closing price on the Frankfurt Stock Exchange on the five trading days prior to sale by more than 5 %. The authorisation for such a sale of treasury shares shall be limited to a total of no more than 10 % of the share capital of the company. This total shall include shares issued from authorised capital in accordance with Section 5 (3) subsection a) of the articles of incorporation, excluding the subscription right pursuant to Section 186 (3) fourth sentence of the German Stock Corporation Act. Calculation of the 10 % limit shall also include shares that were or are to be issued to service convertible bonds, provided the convertible bonds were issued in corresponding application of Section 186 (3) fourth sentence of the German Stock Corporation Act, excluding the subscription right.
- (iv) With the consent of the Supervisory Board, the acquired treasury shares may also be offered and transferred to third parties in exchange for contributions in kind, especially for the acquisition of companies or participating interests in companies or other assets. The price at which the acquired treasury shares are surrendered to a third party shall not significantly undercut the average Xetra closing price on the Frankfurt Stock Exchange on the last five trading days before the concluding of the agreement on the acquisition of the contribution in kind in question.
- (v) The acquired treasury shares may also be used in fulfilment of the company's obligations in respect of conversion options issued by it as a result of the issuing of convertible bonds. This applies independently of the date of exercising the conversion option, provided the convertible bond with which the conversion option was granted was issued during the term of this authorisation.

A subscription right of shareholders to treasury shares shall be excluded to the extent that these shares are used in accordance with the above authorisation as set forth in subsection b) items (iii), (iv) and (v).

- c) The authorisations under subsections a) and b) may be used on one or more occasions, individually or jointly, and wholly or partly.
- d) The existing authorisation to acquire treasury shares granted to the Board of Management by the Shareholders' Meeting resolution of May 6, 2010 shall be cancelled as soon as the authorisation proposed in this Agenda Item 7 takes effect. Completed measures to acquire or sell treasury shares on the basis of the existing authorisation shall not be affected by the cancellation.

**Report by the Board of Management to the Shareholders' Meeting pursuant to Sections 71 Para. 1 No. 8, and 186 Para. 4 Sentence 2 of the German Stock Corporation Act on Item 7 of the agenda:**

The proposal on Item 7 of the agenda envisages that in good time before expiry of the authorisation granted by the Shareholders' Meeting of May 6, 2010 (the "existing authorisation"), the Board of Management of the company be authorised pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act up until May 14, 2019 to acquire treasury shares amounting to up to 10 % of the share capital at the time of the resolution, or at the time of exercising of the authorisation if the latter figure is lower. The existing authorisation is time-limited until April 30, 2015 and is to be replaced by the proposed new authorisation.

The scope created for exclusion of subscription rights with the proposed new authorisation by analogous application of Section 186 (3) fourth sentence of the German Stock Corporation Act furthers the interests of the company to sell treasury shares to institutional investors, for example. This arrangement makes it possible to attract new groups of shareholders. The proposed new authorisation is moreover intended to preserve the company's scope for acquiring treasury shares, for use among other things as counter-performance to third parties for the acquisition of companies or participating interests. This enables the company to use treasury shares as a flexible and cost-effective form of counter-performance for the acquisition of a company or a participating interest, in appropriate instances in the context of its ongoing acquisitions policy. The pecuniary and voting rights interests of the shareholders are each preserved in a suitable manner when treasury shares are used in this way. The proposed authorisation is restricted to 10 % of the company's share capital. The price at which the acquired treasury shares are transferred to a third party for the purpose of acquiring a company or a participating interest may moreover not significantly undercut the average Xetra closing price on the Frankfurt Stock Exchange on the last five trading days before the concluding of the agreement on the acquisition of the company or participating interest. Like the existing authorisation, the new authorisation proposed again

envisages that the treasury shares may be used in fulfilment of conversion options granted under it in the context of the issuing of convertible bonds, excluding the subscription right of shareholders. This is intended to provide the company with the opportunity to use treasury shares in fulfilment of conversion options instead of issuing new shares from a capital increase. The company may thus make use of convertible bonds as a means of raising capital without creating the typical effect of a dilution of shareholder rights that occurs upon a capital increase, as would be the case if conversion options were to be fulfilled from conditional capital on the basis of convertible bonds.

**8. Resolution on the authorisation of the Board of Management to issue convertible bonds and to exclude the subscription right of shareholders to convertible bonds**

The authorisation granted by the Shareholders' Meeting on May 8, 2009 to issue convertible bonds expires on May 7, 2014. In order to remain in a position to access borrowed capital at low cost, a new authorisation to issue convertible bonds is to be resolved, with features broadly corresponding to the previous authorisation.

The Board of Management and Supervisory Board therefore propose the following resolution:

- a) The Board of Management is, with the consent of the Supervisory Board, authorised to issue bearer and/or registered bonds with a term of a maximum of five years on one or more occasions up until May 14, 2019, of an aggregate nominal amount of up to € 10 million, and to grant the bearers of bonds conversion options on up to 690,000 no par value registered treasury shares in accordance with the respective terms of the bonds (convertible bond terms). The conversion options granted to the bearers of the bonds may cover shares in the company representing an amount of up to € 690,000.00 of the share capital. As well as in euros, the convertible bonds may be issued in the legal currency of an OECD country, limited to the corresponding euro countervalue. They may also be issued by enterprises in which the company directly or indirectly holds a controlling interest; in that instance the Board of Management is authorised to assume the guarantee for the convertible bonds on behalf of the company and to grant the bearers of such convertible bonds conversion options on no par value registered treasury shares.

- b) The bearers of the convertible bonds are entitled to exchange their convertible bonds for no par value treasury shares in accordance with the terms of the convertible bond to be specified separately by the Board of Management. The amount of the share capital represented by the shares to be purchased per convertible bond upon exercise of the conversion option may correspond to no more than the nominal amount of the convertible bond or to an issuing amount if below the nominal amount. The exchange ratio is determined by dividing the nominal amount of the convertible bond or the issuing amount of the convertible bond, if lower than the nominal amount, by the specified conversion price for a no par value share in the company. It may be rounded up or down to produce a whole number. An additional payment by the bearers of the convertible bonds as well as the combination of residual amounts and/or a compensation payment in money may moreover be specified.
- c) The conversion price to be specified for treasury shares may not be less than 80 % of the average price that is determined from the closing prices in the Xetra trading system on the Frankfurt Stock Exchange on the five trading days before the date of the official announcement of an offer to subscribe to convertible bonds or before submission of the declaration of acceptance by the company after a public invitation to submit subscription offers.
- d) The terms of the convertible bond may also envisage a conversion obligation at the end of the term. The company is entitled to settle any difference between the nominal amount of the convertible bond and a market price for the shares at the time of compulsory exchange as specified in the terms of conversion, but at least 80 % of the trading price of the shares at the time of issuance of the convertible bond multiplied by the exchange ratio, wholly or partly in cash. The terms of the bond may specify that in the event of conversion the company may, instead of granting shares in the company, pay holders of conversion rights the countervalue in money as specified in the terms of the bond, based on the average price of the company's shares on the previous one to five trading days prior to conversion on the Frankfurt Stock Exchange.

- e) If the company increases the share capital during the conversion period while granting its shareholders a subscription right, or issues further convertible bonds or grants other conversion rights and does not grant the bearers of conversion options a right to subscribe to the same extent that they would enjoy after exercising of the conversion option, the conversion price shall be reduced on the basis of an anti-dilution clause as specified in the terms of the convertible bond, through payment of a corresponding sum of money in cash if the conversion option is utilised, or through reduction of the additional payment, notwithstanding Section 9 (1) of the German Stock Corporation Act. Instead of a cash payment or a reduction of the additional payment, there is also the option of adjusting the exchange ratio by division by the reduced conversion price. The terms of the convertible bond may in addition envisage an adjustment of conversion options in the event of a capital reduction.
- f) The shareholders shall have a fundamental right to subscribe to bonds. The bonds may also be accepted by a bank or a consortium of banks with the obligation to offer them to the shareholders for subscription. The Board of Management is, however, authorised to exclude the subscription right of the shareholders to the bonds with the consent of the Supervisory Board
- (i) to the extent that this is necessary in order to exclude residual amounts from the shareholders' subscription right in view of the subscription ratio;
  - (ii) in order to grant bearers of bonds previously issued by the company or by group companies and carrying conversion options on shares in the company the same subscription right that they would enjoy following exercise of the conversion right;
  - (iii) if they are issued in exchange for cash and the Board of Management, after due examination, arrives at the conclusion that the issuing amount for the convertible bonds does not materially undercut their theoretical market value as determined using established investment mathematics methods. The total number of treasury shares to be exchanged on the basis of convertible bonds pursuant to this authorisation may not, in keeping with Section 186

(3) Sentence 4 of the German Stock Corporation Act, together with other shares in the company issued or sold during the term of this authorisation pursuant to this statutory provision, exceed 10 % of the respective share capital of the company at the time of the resolution or – if lower – at the time of this authorisation being exercised.

- g) The Board of Management is authorised, with the consent of the Supervisory Board and in keeping with the aforementioned requirements, to specify the further details of the issuance and features of the convertible bonds and their terms itself or by agreement with the bodies of the subordinate group company issuing the bonds, meaning in particular the currency, interest rate, issuing amount, term and denomination of the convertible bonds, the conversion price and period, the exchange ratio and payment of the countervalue in money instead of exchange for treasury shares.

**Report by the Board of Management to the Shareholders' Meeting on Item 8 of the agenda pursuant to Section 221 (4) of the German Stock Corporation Act in conjunction with Section 186 (3) and (4) of the German Stock Corporation Act**

Because the interest on a convertible bond is typically lower than on ordinary bonds in view of the additional conversion option for shares, it gives the issuing company the opportunity to secure external financing at low cost and therefore constitutes an important instrument of financing. It is therefore proposed to the Shareholders' Meeting under Item 8 of the agenda that the Board of Management be authorised to issue convertible bonds. The proposed authorisation of the Board of Management envisages that convertible bonds may be issued on one or more occasions up to an aggregate nominal amount of a maximum of € 10 million, with conversion options on or conversion obligations to treasury shares. It is not intended to issue new shares for that purpose; rather, the convertible bonds are to be serviced with treasury shares, which the company has acquired in a permissible manner pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act. The further details of the convertible bonds are to be specified by the Board of Management by agreement with the Supervisory Board.

The proposed authorisation gives the company the opportunity to place convertible bonds itself or via group companies. The Board of Management is simultaneously authorised to assume the guarantee for convertible bonds issued by group companies and to serve conversion options with treasury shares. The proposed authorisation consequently gives the company ample scope for using the convertible bond as an instrument of financing.

The amount of the share capital represented by the shares to be purchased per convertible bond may correspond to no more than the nominal amount of the convertible bond or to an issuing amount if below the nominal amount.

The conversion price or the exchange ratio to be specified in each case for one share must be at least 80 % of the average of the closing prices in the Xetra trading system on the five trading days before the date of the official announcement. The scope for imposing a conversion obligation broadens the features of this financial instrument. If disadvantages arise as a result of the conversion obligation, they can be compensated for in whole or part by cash payment.

The shareholders fundamentally have a right to subscribe to the convertible bonds. The Board of Management is in addition to be authorised to exclude the statutory subscription right of the shareholders to any convertible bonds to be issued within the limits laid down individually and specifically by the authorisation:

- The exclusion of the subscription right in the case of residual amounts is advisable and customary because the costs of rights trading for residual amounts is out of all proportion to the benefit for the shareholders.
- It is equally appropriate to grant a subscription right to the bearers of bonds already issued in the event that the authorisation to issue the bond is used in part. This means that the conversion price of bonds already issued need not be reduced according to the existing terms of the bond. Bonds can consequently be placed in several tranches and therefore on more attractive terms. This case of excluding the subscription right is therefore in the interests of the company and the shareholders.
- The scope for excluding the subscription right with the consent of the Supervisory Board if the issuing price of the bonds does not undercut its theoretical market value, as determined using established investment mathematics methods, is necessary if a bond needs to be placed rapidly in order to exploit favourable market conditions. This protects the shareholders' interests in that the bonds are not issued at significantly less than the market value, reducing the value of the subscription right to virtually zero. This scope is restricted to bonds bearing rights to shares amounting to no more than 10 % of the share capital. This amount includes the proportion of the share capital that is made up by shares which are issued or sold from May 15, 2014 up until the end of the term of this authorisation, excluding the subscription right, either directly or in accordance with Section 186 (3) fourth sentence of the German Stock Corporation Act. This number in addition includes the shares that were or can still be issued to service conversion or option rights, provided the bonds are issued during the term of this authorisation, excluding the subscription right, in accordance with Section 186 (3) Sentence 4 of the German Stock Corporation Act.

**9. Consent to the conclusion of a control and profit transfer agreement between technotrans AG and Termotek AG**

technotrans AG, as the controlling company, and Termotek AG, as the controlled company, concluded a control and profit transfer agreement on March 26, 2014. This control and profit transfer agreement reads as follows:

**“CONTROL AND PROFIT TRANSFER AGREEMENT”**

between

**technotrans AG**, Robert-Linnemann-Str. 17, 48336 Sassenberg, entered on the Commercial Register of the Local Court of Münster under HRB 9086,

**“Controlling Company”**

and

**Termotek AG**, Im Rollfeld 6, 76532 Baden-Baden, entered on the Commercial Register of the Local Court of Mannheim under HRB 522027,

**“Controlled Company”**

The Controlling Company and Controlled Company are referred to collectively as the **“Parties”**

**Preliminary remark**

The Controlling Company is the sole shareholder of the Controlled Company.

This said, the parties agree the following:

**Section 1  
Control**

1.1 The Controlled Company shall subordinate its management to the Controlling Company. The Controlling Company shall accordingly be entitled to issue instructions to the management of the Controlled Company

in respect of the management of the company. The Controlling Company's right to issue instructions shall not include decisions relating to the continuation, amendment or termination of this agreement.

- 1.2 The management of the Controlled Company shall, pursuant to Section 1.1, be obliged to follow the instructions of the Controlling Company.
- 1.3 Instructions shall be issued in writing.

## **Section 2 Profit transfer**

- 2.1 The Controlled Company undertakes to transfer its entire profits to the Controlling Company for the duration of the agreement. The profit transfer may not – subject to the formation or reversal of reserves pursuant to Section 2.2 of this agreement – exceed the amount stated in the current version of Section 301 of the German Stock Corporation Act.
- 2.2 The Controlled Company may allocate amounts from the net income for the year to other retained earnings (Section 272 (3) of German Commercial Code) only with the consent of the Controlling Company to the extent that is permissible under commercial law and is economically justified based on sound business judgement. Other retained earnings pursuant to Section 272 (3) of German Commercial Code created during the term of the agreement shall be reversed again at the request of the Controlling Company and used to balance any net loss for the year or be transferred as profit. The transfer of amounts from the reversal of other retained earnings pursuant to Section 272 (3) of German Commercial Code created before the start of this agreement, or of capital reserves, is excluded.
- 2.3 The obligation for the transfer of profit shall apply for the first time for the financial year of the Controlled Company during which this agreement takes effect pursuant to Section 4.1.

- 2.4 The entitlement to the transfer of profit shall apply with effect from the reporting date of the annual financial statements of the Controlled Company and shall be due with effect from that date.

### **Section 3 Assumption of losses**

In line with the requirements of Section 302 of the German Stock Corporation Act in its current version, the Controlling Company shall be obliged to assume the losses of the Controlled Company. The obligation to assume losses shall apply for the first time for the loss for the financial year in progress at the time this agreement takes effect.

### **Section 4 Effectiveness and duration**

- 4.1 To take effect this agreement requires the consent of the Shareholders' Meeting of the Controlling Company and the Shareholders' Meeting of the Controlled Company. It shall become effective upon its entry on the Commercial Register for the registered office of the Controlling Company and shall – except for the right to issue instructions (Section 1) – apply retroactively for the period from the start of the financial year in which entry takes place.
- 4.2 The agreement shall be concluded for an indefinite period and may be terminated in writing with six months' notice to the end of a financial year of the Controlling Company. However the agreement may be concluded for the first time with effect from the end of the financial year ending at least five calendar years after the start of the first financial year for which the obligation to transfer the entire profit (Section 2) exists. Termination for good cause without notice shall be permissible at any time. Good cause may constitute in particular the disposal or contribution of the Controlled Company by the Controlling Company, or the merger, demerger or liquidation of the Controlling Company or Controlled Company. The

Controlled Company shall in particular be entitled to give notice for good cause the Controlling Company no longer owns a majority in it.

- 4.3 If the effectiveness of the agreement or its proper execution during the five-year period pursuant to Section 4.2 second sentence be not or not fully fiscally recognised, in a departure from Section 4.2 second sentence the five-year period shall not begin until the first day of the financial year of the Controlled Company following the year in which the conditions for fiscal recognition of the effectiveness of the agreement or its proper execution were not yet met.

## **Section 5 Final provisions**

- 5.1 This agreement contains all agreements reached between the Parties in respect of control and the transfer of profit and loss. Therefore no ancillary agreements exist.
- 5.2 The written form shall be required for amendments and additions to this agreement, except where they must be notarised, and the consent of the Shareholders' Meeting of the Controlling Company and the consent of the Shareholders' Meeting of the Controlled Company shall be required. Amendments and additions to this agreement shall be effective upon entry on the Commercial Register.
- 5.3 All disputes between the Parties arising from or in connection with this agreement or concerning its effectiveness shall be decided upon definitively by a court of arbitration comprising three persons, formed according to the rules of arbitration of the German Institute for Arbitration, without recourse to the ordinary courts of law. The venue for the arbitration proceedings shall be Münster. The language of the arbitration proceedings shall be German.
- 5.4 The sole venue for all judicial actions concerning arbitration proceedings pursuant to Section 1062 (1) Nos. 1 to 4 of the German Code of Civil Procedure shall be Münster.

- 5.5 This agreement is subject to German law.
- 5.6 If any provision in this agreement or any provision included at a later date should prove or become wholly or partially null and void, or if there should prove to be a loophole in this agreement, the effectiveness of the remaining provisions shall not be affected. The place of the null and void provision or the loophole shall be taken with retroactive effect by the effective and enforceable arrangement which in legal and economic terms comes as close as possible to the intention of the Parties or the purpose of this agreement, had the matter in question been properly regulated therein. If the null and void nature of a provision rests on a measure of performance or time (deadline or date) specified therein, the provision shall be deemed agreed on the basis of the nearest legally permissible measure to the original one. If the null and void nature or loophole rests on a provision that must be notarised, the arrangement pursuant to sentence 2 or the provision pursuant to sentence 3 shall be agreed in a notarised form.”

The Board of Management and Supervisory Board propose that the meeting approves the control and profit transfer agreement between technotrans AG and Termotek AG.

At the time of concluding of the control and profit transfer agreement, technotrans AG was the sole shareholder of Termotek AG and remains so at the time of the Shareholders' Meeting. For that reason, there is no requirement for technotrans AG to pay either compensation payments or settlements to outside shareholders.

The Shareholders' Meeting of Termotek AG has already approved the control and profit transfer agreement.

From the time of convening of the Shareholders' Meeting on, the following documents are available on the website of technotrans AG at <http://www.technotrans.de/de/investor-relations/hauptversammlung.html>:

- Control and profit transfer agreement between technotrans AG and Termotek AG
- The annual financial statements and management reports of technotrans AG and Termotek AG for the 2011, 2012 and 2013 financial years, and

- The joint report of the Boards of Management of technotrans AG and Termotek AG pursuant to Section 293 a of the German Stock Corporation Act.

The above documents shall in addition be made available at the Shareholders' Meeting.

**10. Consent to the conclusion of a control and profit transfer agreement between technotrans AG and gds AG**

technotrans AG, as the controlling company, and gds AG, as the controlled company, concluded a control and profit transfer agreement on March 26, 2014.

This control and profit transfer agreement reads as follows:

**“CONTROL AND PROFIT TRANSFER AGREEMENT”**

between

**technotrans AG**, Robert-Linnemann-Str. 17, 48336 Sassenberg,  
entered on the Commercial Register of the Local Court of Münster under HRB 9086,

**“Controlling Company”**

and

**gds AG**, Robert-Linnemann-Str. 17, 48336 Sassenberg,  
entered on the Commercial Register of the Local Court of Münster under HRB 8952,

**“Controlled Company”**

The Controlling Company and Controlled Company are referred to collectively as the **“Parties”**

**Preliminary remark**

The Controlling Company is the sole shareholder of the Controlled Company.

This said, the parties agree the following:

### **Section 1 Control**

- 1.1 The Controlled Company shall subordinate its management to the Controlling Company. The Controlling Company shall accordingly be entitled to issue instructions to the management of the Controlled Company in respect of the management of the company. The Controlling Company's right to issue instructions shall not include decisions relating to the continuation, amendment or termination of this agreement.
- 1.2 The management of the Controlled Company shall, pursuant to Section 1.1, be obliged to follow the instructions of the Controlling Company.
- 1.3 Instructions shall be issued in writing.

### **Section 2 Profit transfer**

- 2.1 The Controlled Company undertakes to transfer its entire profits to the Controlling Company for the duration of the agreement. The profit transfer may not – subject to the formation or reversal of reserves pursuant to Section 2.2 of this agreement – exceed the amount stated in the current version of Section 301 of the German Stock Corporation Act.
- 2.2 The Controlled Company may allocate amounts from the net income for the year to other retained earnings (Section 272 (3) of German Commercial Code) only with the consent of the Controlling Company to the extent that is permissible under commercial law and is economically justified based on sound business judgement. Other retained earnings pursuant to Section 272 (3) of German Commercial Code created during the term of the agreement shall be reversed again at the request of the Controlling Company and used to balance any net loss for the year or be transferred as profit. The transfer of amounts from the reversal of other retained earnings

pursuant to Section 272 (3) of German Commercial Code created before the start of this agreement, or of capital reserves, is excluded.

- 2.3 The obligation for the transfer of profit shall apply for the first time for the financial year of the Controlled Company during which this agreement takes effect pursuant to Section 4.1.
- 2.4 The entitlement to the transfer of profit shall apply with effect from the reporting date of the annual financial statements of the Controlled Company and shall be due with effect from that date.

### **Section 3 Assumption of losses**

In line with the requirements of Section 302 of the German Stock Corporation Act in its current version, the Controlling Company shall be obliged to assume the losses of the Controlled Company. The obligation to assume losses shall apply for the first time for the loss for the financial year in progress at the time this agreement takes effect.

### **Section 4 Effectiveness and duration**

- 4.1 To take effect this agreement requires the consent of the Shareholders' Meeting of the Controlling Company and the Shareholders' Meeting of the Controlled Company. It shall become effective upon its entry on the Commercial Register for the registered office of the Controlling Company and shall – except for the right to issue instructions (Section 1) – apply retroactively for the period from the start of the financial year in which entry takes place.
- 4.2 The agreement shall be concluded for an indefinite period and may be terminated in writing with six months' notice to the end of a financial year of the Controlling Company. However the agreement may be concluded for the first time with effect from the end of the financial year ending at least

five calendar years after the start of the first financial year for which the obligation to transfer the entire profit (Section 2) exists. Termination for good cause without notice shall be permissible at any time. Good cause may constitute in particular the disposal or contribution of the Controlled Company by the Controlling Company, or the merger, demerger or liquidation of the Controlling Company or Controlled Company. The Controlled Company shall in particular be entitled to give notice for good cause the Controlling Company no longer owns a majority in it.

- 4.3 If the effectiveness of the agreement or its proper execution during the five-year period pursuant to Section 4.2 second sentence be not or not fully fiscally recognised, in a departure from Section 4.2 second sentence the five-year period shall not begin until the first day of the financial year of the Controlled Company following the year in which the conditions for fiscal recognition of the effectiveness of the agreement or its proper execution were not yet met.

## **Section 5 Final provisions**

- 5.1 This agreement contains all agreements reached between the Parties in respect of control and the transfer of profit and loss. Therefore no ancillary agreements exist.
- 5.2 The written form shall be required for amendments and additions to this agreement, except where they must be notarised, and the consent of the Shareholders' Meeting of the Controlling Company and the consent of the Shareholders' Meeting of the Controlled Company shall be required. Amendments and additions to this agreement shall be effective upon entry on the Commercial Register.
- 5.3 All disputes between the Parties arising from or in connection with this agreement or concerning its effectiveness shall be decided upon definitively by a court of arbitration comprising three persons, formed according to the rules of arbitration of the German Institute for Arbitration, without recourse

to the ordinary courts of law. The venue for the arbitration proceedings shall be Münster. The language of the arbitration proceedings shall be German.

- 5.4 The sole venue for all judicial actions concerning arbitration proceedings pursuant to Section 1062 (1) Nos. 1 to 4 of the German Code of Civil Procedure shall be Münster.
- 5.5 This agreement is subject to German law.
- 5.6 If any provision in this agreement or any provision included at a later date should prove or become wholly or partially null and void, or if there should prove to be a loophole in this agreement, the effectiveness of the remaining provisions shall not be affected. The place of the null and void provision or the loophole shall be taken with retroactive effect by the effective and enforceable arrangement which in legal and economic terms comes as close as possible to the intention of the Parties or the purpose of this agreement, had the matter in question been properly regulated therein. If the null and void nature of a provision rests on a measure of performance or time (deadline or date) specified therein, the provision shall be deemed agreed on the basis of the nearest legally permissible measure to the original one. If the null and void nature or loophole rests on a provision that must be notarised, the arrangement pursuant to sentence 2 or the provision pursuant to sentence 3 shall be agreed in a notarised form.”

The Board of Management and Supervisory Board propose that the meeting approves the control and profit transfer agreement between technotrans AG and gds AG.

At the time of concluding of the control and profit transfer agreement, technotrans AG was the sole shareholder of gds AG and remains so at the time of the Shareholders' Meeting. For that reason, there is no requirement for technotrans AG to pay either compensation payments or settlements to outside shareholders.

The Shareholders' Meeting of gds AG has already approved the control and profit transfer agreement.

From the time of convening of the Shareholders' Meeting on, the following documents are available on the website of technotrans AG at <http://www.technotrans.de/de/investor-relations/hauptversammlung.html>:

- Control and profit transfer agreement between technotrans AG and gds AG
- The annual financial statements and management reports of technotrans AG and gds AG for the 2011, 2012 and 2013 financial years, and
- The joint report of the Boards of Management of technotrans AG and gds AG pursuant to Section 293 a of the German Stock Corporation Act.

The above documents shall in addition be made available at the Shareholders' Meeting.

### **Participation in the Shareholders' Meeting and exercising of voting rights**

Only those shareholders who are entered on the share ledger of the company and whose registration is received by the company by **Thursday, May 8, 2014 (12.00 pm)** at the latest shall be entitled to participate in the Shareholders' Meeting, exercise voting rights and table motions.

Shareholders continue to have access to their shares even after registering for the Shareholders' Meeting. The right to participate and vote is determined by the number of shares held as entered on the share ledger on the day of the Shareholders' Meeting. This will correspond to the number of shares held at the end of the day on which registrations close, because orders for re-registration in the share ledger during the period from May 9, 2014 to May 15, 2014 inclusive will only be processed and recognised with effect from after the Shareholders' Meeting on May 15, 2014. The technical record date for the exercising of voting rights on the day of the Shareholders' Meeting is therefore the end, i.e. 12.00 pm, on May 8, 2014.

Shareholders may register with technotrans AG in writing, by telefax or by e-mail at the following address:

technotrans AG  
c/o Computershare Operations Center  
80249 Munich □ Germany  
Telefax No.: +49 89 3090-374675  
e-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Shareholders shall be sent admission tickets for the Shareholders' Meeting following receipt of their registration.

### **Procedure for voting by proxy**

Shareholders who are not attending the Shareholders' Meeting in person may also exercise their right to vote at the Shareholders' Meeting via proxy, e.g. the bank administering the securities, an association of shareholders or another person of their choice. In this case, too, they must register in good time. Shareholders will receive an appointment of proxy form that they can use to grant powers of proxy together with their admission ticket.

If no bank, association of shareholders or person enjoying equivalent status pursuant to Section 135 (8) of the German Stock Corporation Act is authorised, the text form shall be required for the granting or revoking of powers of proxy and for furnishing evidence of powers of proxy to the company (Section 126 b of German Civil Code). For the granting of powers of proxy to banks, associations of shareholders or persons enjoying equivalent status to them, the proxy shall in each case be consulted on any particularities needing to be observed.

To furnish evidence of powers of proxy, the proxy may present the power of proxy to the admission personnel on the day of the Shareholders' Meeting. Shareholders and associations of shareholders are requested to use the following address if sending in evidence by post, by fax or by e-mail:

technotrans AG  
- Investor Relations -  
Robert-Linnemann-Strasse 17  
48336 Sassenberg, Germany  
Telefax No.: +49 2583 301-1054  
e-mail: hv2014@technotrans.de

We moreover offer to appoint a proxy who is nominated by the company and bound by instructions on behalf of our shareholders. Power of attorney to the proxy nominated by the company shall be issued in text form (Section 126b of German Civil Code) and must always include instructions on how voting rights are to be exercised. In the absence of instructions, powers of proxy shall be invalid. The proxy nominated by the company shall

be obliged to vote as instructed. In order to grant powers of proxy and instructions to the person appointed by the company, shareholders may use the form attached to the admission ticket. There is also the option that the proxy appointed by the company may be authorised and given instructions over the Internet. Internet-based powers of proxy and instructions may be granted before the Shareholders' Meeting as well as during the Shareholders' Meeting, up until the end of the general debate. In order to use the Internet-based powers of proxy and instruction system, as well as registering in time, the name, address and shareholder number need to be entered. The shareholders shall be sent further details of how to grant power of attorney to the proxy appointed by the company together with their admission ticket. Information on granting powers of proxy to the person nominated by the company is also available on the Internet at

<http://www.technotrans.de/de/investor-relations/hauptversammlung.html>

When sending in evidence of powers of proxy to the representative by post, by fax or by e-mail, shareholders and associations of shareholders are requested to use the above address to submit evidence of granting powers of proxy to the representative.

Shareholders shall be sent further details and information on participation in the Shareholders' Meeting, as well as on granting powers of proxy and issuing instructions, together with their admission ticket. Corresponding information can also be found on the company's website at

<http://www.technotrans.de/de/investor-relations/hauptversammlung.html>.

### **Procedure for postal voting**

Shareholders who do not wish to attend the Shareholders' Meeting in person may cast their votes by post. Only those shareholders who have registered in time are entitled to exercise their voting right by way of postal vote. Postal votes may be cast in writing or electronically and must be received by the company by May 8, 2014 inclusive.

For postal voting in writing, shareholders should use the form printed on the admission ticket and return it to the above address for submitting evidence of powers of proxy.

It is also possible for registered shareholders to cast votes electronically, using the Internet-based system set up for this purpose on the web page [www.technotrans.de/de/investor-relations/hauptversammlung-2014.html](http://www.technotrans.de/de/investor-relations/hauptversammlung-2014.html). In order to use the Internet-based system for electronic postal voting, the voter's name, address and shareholder number must be entered.

After casting their vote by the deadline for postal voting, the shareholders may use the Internet-based system up until the end of the general debate on the day of the Shareholders' Meeting to change their vote.

Shareholders will find further information on postal voting in the registration documents and on the website referred to above.

### **Live broadcast of the Shareholders' Meeting on the Internet**

The opening of the Shareholders' Meeting by the meeting's chair and the speech by the Chairman of the Board of Management will be broadcast live on the Internet. The broadcast will be interrupted for the debate and will then conclude with the voting proceedings and the announcement of the results.

## **Total number of shares and voting rights at the time of convening of the Shareholders' Meeting**

At the date of convening of the Shareholders' Meeting, the company's capital stock amounts to 6,907,665 no par value shares carrying eligibility to participate and vote, of which 414,239 no par value shares are treasury shares that do not bring the company any rights.

## **Rights of shareholders**

The shareholders have the following rights, among others, prior to and during the Shareholders' Meeting.

### **1. Right to supplement the agenda**

Shareholders whose shares together amount to one-twentieth of the share capital (i.e. 345,384 no par value shares) may demand that items be placed on the agenda and announced. For each new subject a reason must be stated or a draft resolution presented. The demand must be received by the company by the close of April 14, 2014 at the following address:

technotrans AG  
- Investor Relations -  
Robert-Linnemann-Strasse 17  
48336 Sassenberg, Germany

### **2. Motions and nominations for election by shareholders**

If a shareholder would like to table counter-motions to a proposal by the Board of Management and Supervisory Board or nominate a candidate for election, these should be submitted to the following address:

technotrans AG  
- Investor Relations -  
Robert-Linnemann-Strasse 17  
48336 Sassenberg, Germany  
Telefax No.: +49 2583 301-1054  
e-mail: hv2014@technotrans.de

Reasons for counter-motions, but not for nominations for election, shall be given. The counter-motions and nominations for election received from shareholders at the following address at least 14 days before the meeting, in other words by no later than the close of April 30, 2014 and to be disclosed, will be published by us on the Internet at <http://www.technotrans.de/de/investor-relations/hauptversammlung.html>. Counter-motions and nominations for election sent to another address or received after the deadline shall not be considered. Any comments by the management shall likewise be published on the Internet at the same address.

### **3. Shareholder's right to information**

Every shareholder shall, on request, be given information by the Board of Management at the Shareholders' Meeting on matters concerning the company, including its legal and business relationships with subsidiaries as well as the position of the group and the companies included in the Consolidated Financial Statements, to the extent that this information is required to form an objective opinion of a subject on the agenda and no right to refuse information exists.

### **4. Additional notes**

Additional notes on the rights of shareholders pursuant to Section 122 (2), Section 126 (1), Section 127, Section 131 (1) of the German Stock Corporation Act can be found on the Internet at <http://www.technotrans.de/de/investor-relations/hauptversammlung.html>.

### **Information and documents for the Shareholders' Meeting**

A copy of the documents referred to in Agenda Item 1 shall, on request, be sent to shareholders without delay. These documents shall also be open to inspection at the Shareholders' Meeting. These documents may furthermore be consulted on the company's website at

<http://www.technotrans.de/de/investor-relations/hauptversammlung.html>.

and downloaded from there.

The information and documents pursuant to Section 124a of the German Stock Corporation Act, and in particular participating in the Shareholders' Meeting, postal voting, granting powers of proxy and issuing instructions, can likewise be consulted on the Internet at

<http://www.technotrans.de/de/investor-relations/hauptversammlung.html>

and downloaded if desired.

The results of votes shall also be posted on this website after the Shareholders' Meeting.

The invitation to the Shareholders' Meeting is published in the Federal Gazette dated April 4, 2014.

Sassenberg, April 2014

**technotrans** AG  
The Board of Management