



Invitation to 90th Annual General Meeting

Koenig & Bauer Aktiengesellschaft, Würzburg

Invitation and agenda of the 90th Annual General Meeting

We cordially invite Shareholders to our 90th Annual General Meeting commencing at 11am on Thursday, 21 May 2015 at the Vogel Convention Center (VCC), Max-Planck-Straße 7/9, 97082 Würzburg, Germany.

I. Agenda

1. Presentation of the adopted annual financial statements and the management report (including the explanatory report regarding the information pursuant to section 289 para. 4 of the German Commercial Code and pursuant to section 289 para. 5 of the German Commercial Code) for the Koenig & Bauer Aktiengesellschaft for the business year 2014, of the approved consolidated financial statements pursuant to IFRS and of the group management report (including the explanatory report regarding the information pursuant to section 315 para. 4 of the German Commercial Code) of the Koenig & Bauer Group for the 2014 business year and the Supervisory Board report
2. Resolution on the discharge of duties with regard to the members of the Koenig & Bauer Aktiengesellschaft Management Board for the 2014 business year
3. Resolution on the discharge of duties with regard to the members of the Koenig & Bauer Aktiengesellschaft Supervisory Board for the 2014 business year
4. Appointment of public auditors and group auditors for the 2015 business year
5. Elections to the Supervisory Board
6. Resolution on the approvals regarding the drafts of the spin-off and takeover agreements in the sheetfed, digital/web, production as well as banknote and security business areas along with the draft of the framework agreement and an amendment regarding the purpose of the Company (amendment to Articles of Association)
7. Resolution on the new version of the Company's Articles of Association

II. Proposals regarding the resolutions

1. Presentation of the adopted annual 2014 financial statements and of the management report (including the explanatory report concerning the information pursuant to section 289 para. 4 of the German Commercial Code and pursuant to section 289 para. 5 of the German Commercial Code) for the Koenig & Bauer Aktiengesellschaft, of the approved consolidated financial statements pursuant to IFRS and of the group management report (including the explanatory report regarding the information pursuant to section 315 para. 4 of the German Commercial Code) of the Koenig & Bauer Group for the 2014 business year and the Supervisory Board report

The documents are available for inspection from the date on which the Annual General Meeting is convened onwards at the Company's premises at Friedrich-Koenig-Straße 4, 97080 Würzburg, Germany. They can also be found on the Company's website at <http://www.kba.com/investor-relations/hauptversammlung/hv-2015>. The documents will be sent to Shareholders by mail upon request. Furthermore, all of the above-named documents will be made accessible during the Annual General Meeting. The Supervisory Board approved the annual financial statements prepared by the Management Board in the meeting on 19 March 2015; thereby the annual financial statements are adopted. In addition, the Supervisory Board approved the consolidated financial statements. Pursuant to the legal regulations, there will thus not be a Shareholders' resolution on this item of the agenda.

2. Resolution on the discharge of duties with regard to the members of the Koenig & Bauer Aktiengesellschaft Management Board for the 2014 business year

The Supervisory Board and the Management Board propose that such approval be granted to the Management Board members acting in 2014.

3. Resolution on the discharge of the members of the Supervisory Board of Koenig & Bauer Aktiengesellschaft for the 2014 business year

The Supervisory and Management Boards propose that such approval be granted to the Supervisory Board members acting in 2014.

4. Appointment of the public auditors and of the group auditor for the business year 2015

Upon recommendation of the audit committee, the Supervisory Board proposes to appoint KPMG Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Munich, branch office Nuremberg, as auditors and group auditors for the 2015 business year.

5. Elections to the Supervisory Board

Under section 8 clause 1 of the Company's Articles of Association the Supervisory Board of Koenig & Bauer Aktiengesellschaft must be composed of twelve members, six of whom must be elected by Shareholders and six by Company employees in accordance with sections 96 para. 1 and 101 para. 1 of the German Stock Corporation Law and section 7 para. 1 sentence 1 no. 1 of the Law on Codetermination.

Since two members of the Supervisory Board of the Shareholders, Mr Baldwin Knauf and Mr Reinhart Siewert, will resign from the Supervisory Board upon termination of the Annual General Meeting on 21 May 2015 at their own request, the election of two new members of the Supervisory Board is required to represent the Shareholders.

It is intended to conduct the election of the members of the Supervisory Board by way of individual election pursuant to clause 5.4.3 sentence 1 of the German Corporate Governance Code.

Taking into account the aim for the composition of the Supervisory Board decided by the Supervisory Board and based on the proposal of the nomination committee, the Supervisory Board proposes to elect the following persons as representatives of the shareholders to the Supervisory Board of Koenig & Bauer Aktiengesellschaft with effect upon conclusion of the Annual General Meeting on 21 May 2015

- a) Professor Dr Gisela Lanza, Karlsruhe, university professor at the Karlsruhe Institut für Technologie (KIT; Institute for Technology) and institute director of production systems at wbk Institut für Produktionstechnik (Institute for Production Technology) at KIT

and

- b) Mr Carl Ferdinand Oetker, Bielefeld, acting partner of FO Holding GmbH as well as managing director of WINK Verwaltungsgesellschaft mbH (general partner of WINK Stanzwerkzeuge GmbH & Co. KG)

each for the period up to the end of the Annual General Meeting which discharges duties for the 2019 business year.

The Annual General Meeting is not bound to the election proposals.

Information pursuant to subparagraph 5.4.1 clauses 4 to 6 of the German Corporate Governance Code:

To the Supervisory Board's evaluation the proposed candidates have no personal or business relationship at the time of publication of this information with the Company, the executive bodies of Koenig & Bauer Aktiengesellschaft or with significant Shareholders of Koenig & Bauer Aktiengesellschaft pursuant to subparagraph 5.4.1 clauses 4 to 6 of the German Corporate Governance Code.

Information on the candidates for the Supervisory Board proposed in item 5 of the agenda pursuant to section 125 para. 1 sentence 5 of the German Stock Corporation Act:

- a) Professor Dr Gisela Lanza

Membership in statutory supervisory boards in Germany: Bosch Rexroth AG

Membership in comparable German and foreign control committees of commercial enterprises: aichele GROUP GmbH & CO. KG (advisory board), e-mobil BW GmbH (advisory board)

- b) Carl Ferdinand Oetker

Membership in statutory supervisory boards in Germany: STADA Arzneimittel AG

Membership in comparable German and foreign control committees of commercial enterprises: EWABO Chemikalien GmbH & Co. KG (advisory board), FOCAM AG (member of commercial advisory board) Hela Gewürzwerk Hermann Laue GmbH (advisory board),

Lampe Asset Management GmbH (advisory board), Lampe Privatinvest Management GmbH (advisory board), Dale Investment Advisors GmbH (advisory board), WINK Stanzwerkzeuge GmbH & Co. KG (advisory board), Cloverfield Inc. (board of directors, non-executive)

Further information on the candidates can be found in German on the Company's website at <http://www.kba.com/investor-relations/hauptversammlung/hv-2015>.

6. Resolution on the approval of the drafts of the spin-off and takeover agreements in the areas sheetfed, digital/web, production as well as banknote and security along with draft of the framework agreement and on the amendment regarding the purpose of the Company (amendment to Articles of Association)

Under the working title "Fit@all" the Koenig & Bauer Aktiengesellschaft is pursuing a programme aimed at restructuring the Group. This programme stipulates a package of measures for the long-term increase in profitability and strengthening of the competitiveness of the Company. It focuses on sustainable capacity and structural adjustments in the Company's traditional core business, reduction of the depth of value added as well as an increased emphasis on growing special markets in which the Koenig & Bauer Aktiengesellschaft is already well positioned. Part of the Fit@All programme is the establishment of independent entities with clear profit responsibilities for the areas sheetfed, digital/web, production as well as banknote and security.

Against this background, the Koenig & Bauer Aktiengesellschaft shall act as group holding with various central functions in the future. For this purpose, the Company is to transfer essential assets and liabilities as well as legal relations attributable to the areas sheetfed, digital/web, production as well as banknote and security to four subsidiaries according to details stated in the drafts of the spin-off and takeover agreements and to the draft of a framework agreement stated below by way of spin-off for acquisition pursuant to section 123 para. 3 No. 1 of the German Transformation Act, namely

- KBA-Sheetfed Solutions AG & Co. KG with seat in Radebeul, registered in the commercial register

of the Local Court of Dresden under HRA 9398 (formerly named KBA Grund und Anlagen GmbH & Co. KG with seat in Würzburg, registered in the commercial register of the Local Court of Würzburg under HRA 7304),

- KBA-Digital & Web Solutions AG & Co. KG with seat in Würzburg, registered in the commercial register of the Local Court of Würzburg under HRA 7299 (formerly named KBA Digital Solutions GmbH & Co. KG as well as prior to this KBA Digital GmbH & Co. KG),
- KBA-Industrial Solutions AG & Co. KG with seat in Würzburg, registered in the commercial register of the Local Court of Würzburg under HRA 7298 (formerly named KBA Produktions GmbH & Co. KG), as well as
- KBA-NotaSys AG & Co. KG with seat in Würzburg, registered in the commercial register of the Local Court of Würzburg under HRA 7311 (formerly named KBA IP GmbH & Co. KG)

(together the "**subsidiaries**"). The other assets remain with the Koenig & Bauer Aktiengesellschaft. Within the framework of the transfer of the business areas banknote and security, sheetfed and digital/web, the interests and shareholdings of Koenig & Bauer Aktiengesellschaft in particular do not transfer to the respective subsidiary. Only the shares of Koenig & Bauer Aktiengesellschaft in KBA-Gießerei GmbH with seat in Würzburg, registered in the commercial register of the local court of Würzburg under HRB 12483 (formerly named KBA Gießerei GmbH), shall be transferred to KBA-Industrial Solutions AG & Co. KG.

The following spin-off and takeover agreements are to be concluded in detail: (i) spin-off and takeover agreement between Koenig & Bauer Aktiengesellschaft and KBA-Sheetfed Solutions AG & Co. KG (draft of 18 March 2015) ("**spin-off and takeover agreement sheetfed**"), (ii) spin-off and takeover agreement between Koenig & Bauer Aktiengesellschaft and KBA-Digital & Web Solutions AG & Co. KG (draft of 18 March 2015) ("**spin-off and takeover agreement digital/web**"), (iii) spin-off and takeover agreement between Koenig & Bauer Aktiengesellschaft and KBA-Industrial Solutions AG & Co. KG (draft of 18 March 2015) ("**spin-off and**

takeover agreement production”) as well as (iv) spin-off and takeover agreement between Koenig & Bauer Aktiengesellschaft and KBA-NotaSys AG & Co. KG (draft of 18 March 2015) (“**spin-off and takeover agreement banknote and security**”) (together the “spin-off and takeover agreements”).

The spin-off and takeover agreements are annexes of a framework agreement to be concluded between Koenig & Bauer Aktiengesellschaft, KBA-NotaSys AG & Co. KG, KBA-Sheetfed Solutions AG & Co. KG, KBA-Industrial Solutions AG & Co. KG and KBA-Digital & Web Solutions AG & Co. KG (draft of 18 March 2015) (“**framework agreement**”). A preamble explaining the background of the restructuring and the spin-offs as well as the structure of the subsidiaries in detail is prepended before the framework agreement.

The Koenig & Bauer Aktiengesellschaft is a personally liable partner (general partner; Komplementärin) of each of the subsidiaries; a limited partner limited liability company (Kommanditisten-GmbH) the shares of which are solely held by Koenig & Bauer Aktiengesellschaft is partner with limited liability (limited partner; Kommanditistin) of each of the subsidiaries. The limited partner limited liability companies each hold their limited partner interests on a fiduciary basis for the general partner.

In this context, the Annual General Meeting is to adopt a resolution firstly on the amendment of the purpose of the Koenig & Bauer Aktiengesellschaft specified in its Articles of Association with regard to the intended new group structure and secondly on the approval of the spin-off and takeover agreements as well as of the framework agreement.

a) Resolution on the amendment of the purpose of the Company in the Articles of Association

The Management and Supervisory Boards propose the following resolution:

Article 2 of the Articles of Association is amended and reworded as follows:

“2 Purpose of the Company

2.1 The purpose of the Company is the management of a group of companies acting particularly in the business fields of production and distribution of as well as trade in machines and plants, particularly printing presses, products of general machinery and plant manufacturing and of the printing and media industry as well as rendering related services and consultancy services.

2.2 The Company is entitled to take all actions and measures which are related to the purpose of the Company or which seem indirectly or directly useful for this purpose, particularly also to conclude affiliation agreements, syndicate agreements and similar agreements. The Company may also become active itself in the business areas stated in article 2.1.

2.3 The Company is entitled to establish German and foreign branches and subsidiaries and to establish, acquire or invest in German and foreign companies, particularly those which have purposes relating partly or completely to the business areas stated above. In this connection, it may transfer its business operations partly or completely to affiliated companies or spin-off such operations to such companies and may limit itself to the management and administration of the interest to the respective extent.”

b) Resolution on the approval (i) of the draft of the spin-off and takeover agreement for the spin-off of the business area sheetfed of Koenig & Bauer Aktiengesellschaft to KBA-Sheetfed Solutions AG & Co. KG, (ii) of the draft of the spin-off and takeover agreement for the spin-off of the business areas digital/web of Koenig & Bauer Aktiengesellschaft to KBA-Digital & Web Solutions AG & Co. KG, (iii) of the draft of the spin-off and takeover agreement for the spin-off of the business area production of Koenig & Bauer Aktiengesellschaft to KBA-Industrial Solutions AG & Co. KG, (iv) of the draft of the spin-off and takeover agreement for the spin-off of the business area banknote and security of Koenig & Bauer Aktiengesellschaft to KBA-NotaSys AG & Co. KG as well as (v) of the draft of the framework agreement

The spin-off and takeover agreements including the framework agreement require the approval of the Annual General Meeting of the transferring Koenig & Bauer Aktiengesellschaft as well as the approval of the partners' meetings of the respective acquiring subsidiaries as well as registration in the commercial register of Koenig & Bauer Aktiengesellschaft in order to become effective; the registration in the commercial register of Koenig & Bauer Aktiengesellschaft may only occur after the registration of the respective subsidiaries spun-off. On the level of the subsidiaries, the approval of the spin-off and takeover agreements and of the framework agreement will occur by the respective partners' meetings subsequently to the Annual General Meeting of Koenig & Bauer Aktiengesellschaft.

The spin-off and takeover agreements along with the framework agreement were prepared (i) by the Management Board of Koenig & Bauer Aktiengesellschaft on the one hand and by (ii) the respective general partner (represented by its Management Board) as well as the respective managing limited partner limited liability company (represented by their respective managing director) of KBA-Sheetfed Solutions AG & Co. KG, KBA-Digital & Web Solutions AG & Co. KG, KBA-Industrial Solutions AG & Co. KG as well as KBA-NotaSys AG & Co. KG on the other hand as drafts on 18 March 2015. The spin-offs are to occur with retroactive economic effect as of 1 January 2015.

Regarding the further details of the spin-offs, it is referred to the collective spin-off report (i) of the Management Board of Koenig & Bauer Aktiengesellschaft on the one hand and (ii) of the respective general partner (represented by its Management Board) as well as the respective managing limited partner limited liability company (represented by their respective managing director) of KBA-Sheetfed Solutions AG & Co. KG, KBA-Digital & Web Solutions AG & Co. KG, KBA-Industrial Solutions AG & Co. KG as well as KBA-NotaSys AG & Co. KG on the other hand ("**collective spin-off report**").

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

The spin-off and takeover agreement between Koenig & Bauer Aktiengesellschaft and KBA-Sheetfed Solutions AG

& Co. KG in the version of the draft of 18 March 2015, the spin-off and takeover agreement between Koenig & Bauer Aktiengesellschaft and KBA-Digital & Web Solutions AG & Co. KG in the version of the draft of 18 March 2015, the spin-off and takeover agreement between the Koenig & Bauer Aktiengesellschaft and KBA-Industrial Solutions AG & Co. KG in the version of the draft of 18 March 2015, as well as the spin-off and takeover agreement between Koenig & Bauer Aktiengesellschaft and KBA-NotaSys AG & Co. KG in the version of the draft of 18 March 2015, as well as the framework agreement between Koenig & Bauer Aktiengesellschaft, KBA-NotaSys AG & Co. KG, KBA-Sheetfed Solutions AG & Co. KG, KBA-Industrial Solutions AG & Co. KG and KBA-Digital & Web Solutions AG & Co. KG in the version of the draft of 18 March 2015, are approved.

The Management Board is authorized to determine the details required for the execution.

The framework agreement and the spin-off and takeover agreements (including annexes) were submitted as drafts to the commercial register of Koenig & Bauer Aktiengesellschaft prior to the calling of the Annual General Meeting (sections 125 sentence 1, 61 sentence 1 of the German Transformation Act).

An examination of the spin-offs stated above by an expert auditor pursuant to sections 9 to 12 of the German Transformation Act will not occur at the time of the spin-off pursuant to section 125 sentence 2 of the German Transformation Act due to statutory reasons.

Information on the substantial content of the framework agreement as well as on the spin-off and takeover agreements (along with annexes)

In the following, clause (1) states first of all the substantial content of the framework agreement and afterwards the wording of the agreement for the purpose of orientation; clause (2) then states the summarized substantial content of the spin-off and takeover agreements and then the wording of the individual spin-off and takeover agreements for the purpose of orientation, and finally clause (3) states the substantial content of the annexes of the spin-off and takeover agreements for the purpose of orientation.

(1) Framework agreement

The substantial content of the framework agreement between Koenig & Bauer Aktiengesellschaft (herein also named “**KBA**”), KBA-NotaSys AG & Co. KG (registered in the commercial register of the local court of Würzburg under HRA 7311), KBA-Sheetfed Solutions AG & Co. KG (registered in the commercial register of the local court of Dresden under HRA 9398), KBA-Industrial Solutions AG & Co. KG (registered in the commercial register of the local court of Würzburg under HRA 7298 and KBA-Digital & Web Solutions AG & Co. KG (registered in the commercial register of the local court of Würzburg under HRA 7299) is:

- Prior to the framework agreement, there a preamble is prepended in clause 1 explaining the background of the restructuring and of the spin-offs and providing further details on the structure of the subsidiaries and the future functions of the Company group.
 - In clause 2 of the framework agreement the respective parties of the spin-off and takeover agreements conclude these agreements bindingly.
 - In clause 3 of the framework agreement the structure of the framework agreement itself is explained and it is referred to as a reference deed, pooling the annexes of the individual spin-off and takeover agreements.
 - In clause 4 of the framework agreement clarifies that the spin-off and takeover agreements are to be regarded as one contractual composition and shall only become effective jointly. This is, however,
- not applicable in the event of one the concerned parties withdrawing from the spin-off and takeover agreement concerning this party. All definitions used in the preamble of the framework agreement are applicable in addition to the definitions stated in the spin-off and takeover agreements.
- Clause 5 contains the final provisions applicable for all spin-off and takeover agreements. Clause 5.1 of the framework agreement provides an allocation of costs at the expense of the transferring legal entity as customary in standard practice of intra-group spin-offs. In clause 5.2 of the framework agreement a so-called severability clause was included, according to which potential ineffective, impracticable or incomplete provisions of each spin-off and takeover agreement are replaced with most analogous and respectively completing provisions, and the effectiveness of the overall agreement is not affected by ineffective, impracticable or incomplete provisions. Clause 5.3 of the framework agreement contains a provision regarding the double written form as customary in practice; clause 5.4 of the framework agreement agrees on Würzburg as place of jurisdiction.
 - Clause 6 of the framework agreement lists the four spin-off and takeover agreements as schedule of annexes. Clause 7 contains notices of the notary public according to notarization laws.

The framework agreement without caption, frame deed, schedule of annexes, annexes and notices of the notary public has the following wording:

1 Preamble

1.1 On the level of KBA, the Management Board adopted a restructuring programme in December 2013 under the name Fit@All. This programme includes an extensive package of measures for the long-term increase in profitability and the strengthening of the competitiveness of the Company. It focuses on sustainable capacity and structural adjustments in the traditional core business, reduction of the depth of value added as well as an increased emphasis on growing special markets in which Koenig & Bauer Aktiengesellschaft is already well positioned. Part of the Fit@All programme is the establishment of independent entities with clear profit responsibilities for the areas sheetfed, digital/web, production as well as banknote and security.

(a) Against this background, substantial parts of the operative business operations are expected to be transferred from KBA, consisting of the business areas sheetfed, digital/web, production as well as banknote and security, to four subsidiaries (“**subsidiaries**”) with the legal form of AG & Co. KGs (“**restructuring**”). The spin-offs shall each occur by way of splitting by spin-off for acquisition pursuant to section 123 para. 3 No. 1 of the German Transformation Act without granting new interests in the acquiring entity (“**spin-off**”).

1.2 KBA acts for each of the subsidiaries as general partner; the position of the limited partner is respectively assumed by a limited partner limited liability company (Kommanditisten-GmbH). In accordance with German tax laws, the subsidiaries are construed as so-called trust limited partnerships (Treuhand-KGs). Thus the limited partner limited liability company (which has limited liability) each hold their limited partner’s shares of 1% in trust for the general partner (which has unlimited liability). In this way, the jointly owned assets of the limited partnerships will continue to be part of the fiscal business assets of KBA as general partner. The trust limited partnerships are therefore completely (i.e. for

corporate and commercial taxes) transparent from a tax law perspective. For the same reason, the spin-off processes are also fiscally neutral.

1.3 KBA is to act as group holding with various central functions in the future. Particularly the central administration with the fields controlling, central marketing and communications, investor relations, IT, technical standards, group accounting, accounting, group financing / treasury, patents, human resources, law/compliance/insurances as well as auditing and taxes (“**central fields**”) is to remain with KBA. Therefore, the spin-offs do not include assets and liabilities of KBA which are not to be allocated to the operative business operations. Particularly real estate, rights equivalent to real estate as well as intellectual property will completely remain with KBA.

1.4 Against this background and in order to carry out the above-mentioned spin-offs, the parties appearing intend to conclude the spin-off and takeover agreements each attached as annexes to this deed. The drafts of these spin-off and takeover agreements were prepared by the respective parties on 18 March 2015.

2 Conclusion of the spin-off and takeover agreements

2.1 The parties appearing ad (1) and (2) hereby conclude the spin-off and takeover agreement attached in **annex A.**

2.2 The parties appearing ad (1) and (3) hereby conclude the spin-off and takeover agreement attached in **annex B.**

2.3 The parties appearing ad (1) and (4) hereby conclude the spin-off and takeover agreement attached in **annex C.**

2.4 The parties appearing ad (1) and (5) hereby conclude the spin-off and takeover agreement attached in **annex D.**

3 Structure of the framework agreement, schedule of annexes, reference deed

- 3.1** The individual contractual agreements of the spin-off and takeover agreements are stated in the schedule of annexes listed in clause 6. The documents listed therein are part of the present framework agreement. It is referred to these annexes.
- 3.2** Annexes of the spin-off and takeover agreements themselves listed in the schedule of annexes are not part of this framework agreement but of the deed UR. Nr. [___] of the officiating notary public (“**reference deed**”). It is hereby referred to the reference deed. The parties appearing waive the reading out of the reference deed as well as the review of other annexes which are not to be read out pursuant to section 14 of the German Certification Act. After instruction pursuant to section 13a of the German Certification Act, the reference deed is approved. All annexes of the reference deed are to be regarded as if they were annexes of each spin-off and takeover agreement listed in the schedule of annexes.

4 Legal uniformity of the individual spin-off and takeover agreements, definitions

- 4.1** Each of the four spin-offs listed in the schedule of annexes are to be regarded as if it were only concluded as one contractual framework with the others. The spin-off and takeover agreements are only to gain effect jointly and not independently of each other. This is not applicable in the event that one of the parties of the respective spin-off and takeover agreement exercises its right to withdraw from the agreement.
- 4.2** All definitions stated in the preamble of this framework agreement are each applicable in addition to the definitions used in each spin-off and takeover agreement.

5 Relevant common and final provisions (expenses, miscellaneous)

- 5.1** The expenses arising from this document as well as from its respective execution are borne by KBA.
- 5.2** Should one provision in one of the spin-off and takeover agreements be or become invalid, impracticable or should one required regulation not be included, the validity of the remaining provisions of the respective spin-off and takeover agreement shall not be affected hereof. The invalid or impracticable provisions shall be replaced, and the gap shall be filled by a legally valid and practicable provision that corresponds to the intentions of the respective parties as far as possible or that respectively would have corresponded to the intentions of the respective parties as regards the target and the purpose of the respective spin-off and takeover agreement, if they had recognized this gap. Should individual spin-off items not be transferred or transferred by mistake contrary to the provisions of the respective spin-off and takeover agreement, the effectiveness of this respective spin-off and takeover agreement and the transfer of the remaining spin-off items shall not be affected hereof. Clause 3.1 of this deed shall remain unaffected hereby.
- 5.3** Alterations or amendments of the respective spin-off and takeover agreements require written form, as far as further formal requirements are not existent. This is also applicable to the waiver of the required written form.
- 5.4** The district court of Würzburg shall be the place of jurisdiction for all disputes arising out of or in connection with the respective spin-off and takeover agreements, as far as admissible.

(2) Spin-off and takeover agreements

The spin-off and takeover agreements are to a large extent identical. Therefore, the following recapitulation of the essential content refers to all spin-off and takeover agreements. Differences naturally arise in connection with the assets to be transferred and as the case may be with their respective categories, regarding the transferring employees as well as in context with the applicable provisions of collective labour law.

The spin-off and takeover agreements between Koenig & Bauer Aktiengesellschaft and KBA-Sheetfed Solutions AG & Co. KG, between Koenig & Bauer Aktiengesellschaft and KBA-Digital & Web Solutions AG & Co. KG, between Koenig & Bauer Aktiengesellschaft and KBA-Industrial Solutions AG & Co. KG as well as between Koenig & Bauer Aktiengesellschaft and KBA-NotaSys AG & Co. KG have the following substantial content:

- In the preamble of the spin-off and takeover agreements the respective business area concerned by the respective spin-off is stated, and the parallel spin-offs of the other business areas are mentioned. Furthermore, the additionally applicable preamble of the framework agreement is referred to.
- Clause 1 of the spin-off and takeover agreements each contains the names of the legal entities involved in the respective spin-off. As regards the respectively acquiring subsidiary with the legal form AG & Co. KG, the shareholding structure of the AG as general partner and of the respective limited partner limited liability company as limited partner are additionally presented.
- Clause 2 determines the details of the respective spin-off including the specific definition of the respectively transferring assets. Thus clause 2.1 contains the agreement that the company as transferring legal entity pursuant to section 123 para. 3 No. 1 of the German Transformation Act respectively transfers the complete concerned business area to the respectively acquiring legal entity, whereby it is clarified that the remaining assets (further detailed in clause 3) are expressly excluded from the respective transfer. In particular, the transferring assets are further defined as part of clause 2.2 for each business area to be transferred. In this context, the fixed and current assets to be transferred, the liabilities (including potential reserves) and obligations to be spun-off, contractual relations and other assets and items of the respective business area are stated and defined in detail while referring to respective annexes and the respective splitting balance with respect to the concerned subsidiary.
- Clause 3 substantiates the assets remaining with the company. Thus particularly the items of property of the assets and liabilities to be allocated to the central fields, reserves in connection with pending proceedings, assets being the subject of pending proceedings as well as real estate and industrial property rights are expressly excluded from the respective spin-offs in clause 3.1. Furthermore, the IT-hardware, license and software agreements as well as any rights and obligations existing in connection with the fiduciary relationships for the purpose of insolvency insurance of partial retirement remain with the company. The same is applicable to claims and liabilities in connection with taxes, as far as they concern periods prior to 1 January 2015, as well as a number of material agreements listed in detail. Clause 3.2 describes the intra-group contractual relations to be entered into by the involved legal entities upon the effective date of each spin-off (particularly rental, license and agency agreements). Clause 3.3 takes up those contractual relations in each spin-off and takeover agreement to be allocated to more than one business area and therefore to be replicated in connection with the respective spin-off for each concerned business area.
- Clause 4 contains provisions regarding the modalities of the transfer, namely in clause 4.1 regarding the splitting balance as of 1 January 2015 derived from the closing balance of the company, indicatively detailing the allocation of the company's assets as regards each business area to be specifically transferred. Furthermore, the priority of the splitting balance towards the annexes of the respective spin-off items in the event of contradictions is established in clause 4.2. In clause 4.3 it is clarified that the

respective total assets at the time of registration of the specific spin-off in the commercial register of the company are decisive for the transfer of assets. Clauses 4.4 and 4.5 contain general provisions regarding obligations to cooperate; clauses 4.6 and 4.7 provide for a determination right and a power of attorney for the benefit of the Company as fall-back arrangements in order to ensure the transfer in another manner (if required by way of trust) in the event that the transfer of spin-off items under transformation law fails. Clause 4.8 finally provides for a determination right and a power of attorney for the benefit of the company in order to allow easy retransfer in case of erroneous transfer to the respectively acquiring legal entity (if required, a trusteeship will intervene in this respect).

- Clause 5 of the spin-off and takeover agreements each clarifies that the already existing ownership structures of the company as general partner and the respective limited partner limited liability company (Kommanditisten-GmbH) as regards the respectively acquiring legal entity shall remain unaltered.
- Clause 6 contains basic provisions as regards finances and tax law, namely in clause 6.1 as of the spin-off date, upon which the actions of the transferring legal entity are considered as for the account of the respectively acquiring legal entity (1 January 2015), in clause 6.2 regarding the closing balance of the company (as of 31 December 2014) as well as in clause 6.3 the clarification that the spin-offs do not constitute a transfer process for income tax purposes.
- Clause 7 determines that due to the intra-group character of the spin-off the warranty of the company for potential defects in the respectively transferred assets is excluded as far as legally permitted.
- Clause 8 determines that, in the event that an involved legal entity is held responsible by a third party due to obligations allocated to the another legal entity, this other legal entity is to indemnify the legal entity held responsible. With regard to respective procedural legal relations, a change of party is to be strived for in this context. In case of erroneous transfer of assets to the respective acquiring legal entity, this provision is respectively applicable.
- Clause 9 contains provisions regarding the delivery of business records in connection with the business area to be transferred as well as rights of the company to access the delivered documents and as the case may be of the respective acquiring legal entity to access the files that remained with the company and obligations of the transferring legal entity to preserve documents.
- Clause 10 clarifies that special rights in the sense of section 126 para. 1 No. 7 of the German Transformation Act as well as special benefits in the sense of section 126 para. 1 No. 8 of the German Transformation Act are not granted in the course of the spin-offs.
- Clause 11 respectively concerns the question of the nature of insurance of activities in the respective business area. As far as the activity is covered by a general group policy, the insurance coverage is to be maintained from the Company's side (against reimbursement) also beyond the effective date of the spin-off. Should, however, an independent policy exist, the costs for this are to be borne by the respective acquiring legal entity. Should the respectively concerned acquiring legal entity be held responsible in case of damage and should insurance coverage by the company still exist in this context, the Company may assign potential claims against the insurance company to the respective subsidiary, as far as this does not lead to any disadvantages for the Company.
- Clause 12 contains information on the consequences of the specific spin-off for the employees and their representatives as well as the measures planned in this respect. When the respective spin-off takes effect, a transfer of business will occur. All employment relationships to be allocated to the business areas banknote and security, sheetfed, production and digital/web at that time shall be transferred to the respective subsidiary along with all rights and obligations, as far as the concerned

employees do not object to the transfer of their employment relationships. A list of employees to be allocated to the respective business areas banknote and security, sheetfed, production and digital/web of KBA as of 31 January 2015, is respectively provided for as annex. This annex, however, merely serves as indication. Should employees have been added or ceased to be involved in the business areas banknote and security, sheetfed, production and digital/web during the period commencing from 31 January 2015, this shall be considered in connection with the transfer of business in a manner that solely the situation at the time of execution is decisive for the transfer of business. Clause 12.4 describes the position of the concerned employees in terms of termination rights which must not deteriorate for the duration of two years after the effective date of the spin-off. In clause 12.5 it is explained, how the concerned employees are informed on the transfer of their employment relationship accompanying the respective spin-off, how the employees can object to the transfer of their employment relationship and what the consequences of such objection are. Clause 12.6 clarifies that the employment relationships to be allocated to those business areas that are not to be spun off shall remain unaffected by the spin-offs. Clause 12.7 states the responsibilities of the Company and the subsidiaries for liabilities with respect to the concerned employees. Clause 12.8 contains the consequences of the respective spin-offs at the company level and describes the regulations agreed with the competent employee representations in this respect. Clause 12.9 states the employee representations existing inside the company. Clause 12.10 describes the consequences of the respective spin-off for the local employee representatives and the establishment of cross-company location works councils in Würzburg and Radebeul based on a collective agreement concluded with the competent trade unions. Clause 12.11 explains the consequences of the respective spin-off for the works agreements being effective for the company. Clause 12.12 states the consequences of the respective spin-off for the general works council and the economic committee of the company as well as the establishment of a cross-company general

works council based on a collective agreement concluded with the competent trade unions. Clause 12.13 explains the consequences of the respective spin-off for the collective works agreements being effective for the company. Clause 12.14 states the situation in terms of collective agreements and the membership in employers' associations as well as the consequences of the respective spin-off for these. Clause 12.15 describes the existing systems of employee participation in the Supervisory Board and the consequences of the spin-off for these. Clause 12.16 details measures of restructuring occurring individually and independently of the spin-offs.

- Clause 13 contains regulations regarding the approval resolutions, the respective date of execution and the period until such date of execution. Clause 13.1 respectively explains that the spin-off and takeover agreements shall only become effective, if the Annual General Meeting of the Company and the partners' meeting of the respectively concerned acquiring legal entity approve the respective spin-off with the required majority. If the required approval resolutions are adopted, the spin-offs each become effective as of their registration in the commercial register of the Company (clause 13.2). From clause 13.3 the respective obligation results for the transferring legal entity to only carry out such acts with respect to the business area to be transferred corresponding to the regular business activities during the time from the execution of each spin-off and takeover agreement and the respective registration in the commercial register of the Company as time of execution.
- Clause 14.1 respectively refers to the fact that the spin-off report is available for review by the Shareholders at the offices of the transferring legal entity. Pursuant to section 125 No. 2 of the German Transformation Act, an examination of the spin-offs is not required by law (clause 14.2).
- Clause 15 grants the respective parties of each spin-off and takeover agreement a right to withdraw until the respective date of execution.

- Clause 16 respectively refers to the regulation of costs and final provisions in clause 5 of the framework agreement applicable to all spin-off and takeover agreements.

In the following the wording of the spin-off and takeover agreements is stated, each without table of content, schedule of annexes and annexes:

(aa) Spin-off and takeover agreement sheetfed between Koenig & Bauer Aktiengesellschaft and KBA-Sheetfed Solutions AG & Co. KG

Spin-off and takeover agreement

between

(1) Koenig & Bauer Aktiengesellschaft with seat in Würzburg, registered in the commercial register of the local court of Würzburg under HBR 109, - in the following also named **“transferring legal entity”** -

and

(2) KBA-Sheetfed Solutions AG & Co. KG with seat in Radebeul, registered in the commercial register of the local court of Dresden under HRA 9398, - in the following also named **“acquiring legal entity”** -

- the transferring legal entity and the acquiring legal entity in the following also named **“parties”** or individually **“party”** -

Preamble

I. The transferring legal entity essentially carries out the construction, installation, service and distribution (including shipment) of sheetfed offset presses, sheetfed printing postpress and sheetfed press sets (“business area sheetfed”) on the premises described in annex 1 (“sheetfed premises”). Within the framework of this spin-off and takeover agreement (“agreement”), the business area sheetfed of the transferring legal entity is to be transferred to the acquiring legal entity as part of the restructuring including all items of assets and liabilities to be

essentially allocated to the business area sheetfed (“spin-off sheetfed”).

- II. Along with this, the business area banknote and security of the transferring legal entity is transferred to KBA-NotaSys AG & Co. KG, the business area digital/web of the transferring legal entity is transferred to KBA-Digital & Web Solutions AG & Co. KG and the business area production of the transferring legal entity is transferred to KBA-Industrial Solutions AG & Co. KG by means of separate but essentially identical spin-off and takeover agreements. The approval of the partners shareholders of the respective legal entities involved in the four spin-offs as well as the respective registrations of the spin-offs in the commercial register of the involved legal entities shall also occur in parallel.
- III. In addition, the illustrations of the preamble of the framework agreement, which this agreement forms a part of, are applicable complementarily.

NOW THEREFORE, the Parties agree as follows:

1 Involved legal entities

- 1.1 The transferring legal entity is registered in the commercial register of the local court of Würzburg under HRB 109 with a share capital of currently EUR 42,964,435.80 and has its seat in Würzburg.
- 1.2 The acquiring legal entity is registered in the commercial register of the local court of Dresden under HRA 9398 and has its seat in Radebeul. The following parties hold an interest in the acquiring legal entity:
- 1.2.1 the transferring legal entity as personally liable partner (Komplementär) with a capital participation of 99% as well as
- 1.2.2 KBA-Sheetfed Solutions Management GmbH (“**KBA-Sheetfed GmbH**”), registered in the commercial register of the local court of Dresden under HRB 34126 as sole limited partner (Kommanditistin) with a capital participation of 1%,

held in trust for the transferring legal entity.

The limited partner's capital contribution registered with the commercial register, which corresponds to the amount of liability of the sole limited partner KBA-Sheetfed GmbH, amounts to EUR 1,000.

2 Transfer of assets

2.1 The transferring legal entity transfers by way of spin-off for acquisition to the acquiring legal entity all items of assets and liabilities, also as far as they are not balanced in the closing balance or cannot be balanced, and all contractual relations, contractual offers and other legal relations to be essentially allocated to the business area sheetfed at the time of execution ("**spin-off items**") along with all rights and obligations as a unit by way of continued existence of the transferring legal entity (sections 123 para. 3 No. 1, 126 para. 1 No. 2 of the German Transformation Act), as far as these are not to be treated as remaining assets in the sense of clause 3 of this agreement. In case of doubt all assets and items shall – subject to diverging separate provisions – be treated as spin-off assets which essentially belong to the business area sheetfed at the time of execution, even if they are not expressly stated in this agreement or its annexes. Clause 4 of this agreement shall apply additionally.

2.2 The spin-off assets to be essentially allocated to the business area sheetfed are particularly, independently of whether they are already covered by clause 2.1 or not:

2.2.1 the following items of fixed assets listed in **annex 2.2.1** in individual segments:

(i) technical machinery and machines, tools, constructions and installations, other machinery (also machinery under construction) and works equipment and business equipment located on the sheetfed premises;

(ii) lendings;

2.2.2 the following items of the current assets listed in **Annex 2.2.2** in individual segments

(i) raw materials and process materials to be allocated to the business area sheetfed according to the data stored in the material master record and respectively the working papers;

(ii) unfinished and finished products and goods to be allocated to the business area sheetfed according to the data stored in the material master record and respectively the working papers;

(iii) claims from shipments and services arising from or in connection with the agreements listed in annex 2.2.6, including claims against affiliated companies as well as against companies with an existing ownership structure (excluding, however, positive balances on clearing accounts and claims for repayment of loans in connection with the intra-group financing); and

(iv) cash and checks included in the cash registers held on the sheetfed premises;

(v) paid deposits to be essentially allocated to the business area sheetfed.

2.2.3 the following items of reserves and uncertain liabilities listed in **annex 2.2.3** in individual segments:

(i) reserves built up in the closing balance for uncertain liabilities based on pension, early retirement or similar obligations, including benefit obligations from company pension schemes towards the members of the management of the transferring legal entity passing to the acquiring legal entity, as well as all uncertain obligations leading to reserves for partial retirement, working life and similar obligations, particularly obligations towards the persons listed separately in annex 2.2.3;

(ii) uncertain liabilities which the remaining reserves built up in the closing balance are based on, as far as these are to be allocated to the business area sheetfed (however, excluding tax reserves and reserves for pending proceedings); and

(iii) other uncertain liabilities to be essentially allocated to the business area sheetfed, e.g. in connection with statutory obligations;

2.2.4 the following items of liability listed in **annex 2.2.4** in individual segments:

- (i) arising from loans;
- (ii) arising from received deposits to be essentially allocated to the business area sheetfed;
- (iii) arising from shipments and services from or in connection with the agreements listed in annex 2.2.6;
- (iv) towards affiliated companies as well as towards companies with an existing ownership structure (excluding, however, negative balances on clearing accounts and loan liabilities in connection with the intra-group financing); and
- (v) arising from or in connection with the acceptance of the listed bills of exchange and the issuing of the listed own bills of exchange;

2.2.5 other items listed in **annex 2.2.5** in individual segments:

- (i) risks and burdens in connection with the spin-off assets;
- (ii) claims and liabilities arising from statutory obligations that essentially arose in connection with the business area sheetfed; and
- (iii) all accounts and business records, other documents and data media, particularly customer files and machinery files, and other documentation to be essentially allocated to the business area sheetfed;

2.2.6 the following contractual relations listed in **annex 2.2.6** in individual segments:

- (i) all contractual relations with the employees, trainees and workers, including potential temporary employment relations, transferring pursuant to section 613a of the German Civil Code;
- (ii) all contractual relations with former employees;

(iii) joint-venture and cooperation agreements and other agreements of such kind;

(iv) all agreements regarding the acquisition of items of the fixed or current assets to be transferred pursuant to this agreement, including rights arising from warranty;

(v) agreements on rent, lease, leasing or other grant of use of moveable fixed or current assets;

(vi) agreements on deliveries and services;

(vii) agreements with commercial agents and authorized dealers;

(viii) with respect to insurance carriers only the agreements stated in annex 2.2.6;

(ix) trust and surety agreements as to existing pension, early retirement and partial retirement obligations as well as obligations in connection with working time accounts;

(x) memberships in associations and unions;

(xi) permissions, licenses and authorizations under public law, as far as these are transferable and are to be essentially allocated to the business area sheetfed; and

(xii) all other listed agreements.

3 Assets and items to be split up and to remain

3.1 The following assets and items of the transferring legal entity are excluded from the transfer to the acquiring legal entity ("**remaining assets**"):

3.1.1 all property and items of the assets and liabilities including all rights, claims, liabilities and agreements, independently of whether these can be balanced or not, to be essentially allocated to the central fields of the transferring legal entity, provided that these are not expressly, for example in the splitting balance, allocated to one or more subsidiaries;

- 3.1.2 all reserves in connection with ongoing proceedings;
- 3.1.3 all assets being the subject of pending proceedings, including all rights, obligations and legal statuses in connection with these assets, regardless of the legal reason they result from;
- 3.1.4 all real estate, hereditary building rights, rights equivalent to real estate and any other rights of the transferring legal entity referring to immovable property;
- 3.1.5 all industrial property rights, similar rights and domains;
- 3.1.6 all IT-hardware, license and usage agreements as well as software agreements, the electronic drawing archive and software developed by or on behalf of KBA, as far as not expressly, for example in the splitting balance, allocated to one or more subsidiaries;
- 3.1.7 all claims and liabilities in connections with taxes, as far as they concern periods prior to the effective date of spin-off (as defined in clause 6.1 of this agreement);
- 3.1.8 all claims, rights, obligations and legal relations in connection with the fiduciary relationships described in detail in [annex 3.1.8](#) for the purpose of insolvency insurance of partial retirement (“**fiduciary relationships**”). The transferring legal entity commits itself in this connection to ensure that the fiduciary conditions be adjusted in this respect so that all employees in partial retirement transferring to the acquiring legal entity will continue to be covered by the respective fiduciary relationship; as well as
- 3.1.9 all other substantial agreements listed in [annex 3.1.9](#).
- 3.2 The parties are aware that they will enter into intra-group contractual relations as of the date of execution in order to continue to ensure the due business performance of the business area sheetfed on the level of the acquiring legal entity. The parties are particularly aware that in this connection, rental and license agreements regarding the remaining assets are concluded to the required extent as well as agency agreements regarding the rendering of services by the central fields of the transferring legal entity for the acquiring legal entity.
- 3.3 The contractual relations regulated in [annex 3.3](#) are to be allocated to more than one business area and will continue to be relevant in their entirety for more than one subsidiary and respectively the transferring legal entity. These agreements shall be multiplied and transferred to the acquiring legal entity in the course of the restructuring to the extent as the concerned legal relation is (also) relevant for the business area sheetfed.
- 4 Splitting balance, additional provisions regarding the transfer of assets, obligations to cooperate, fall-back provision, retransfer**
- 4.1 The splitting balance of the acquiring legal entity derived from the closing balance of the transferring legal entity is attached to this agreement as [annex 4.1](#), in which the assets and liabilities of the transferring legal entity stated in the closing balance in their statuses as of 1 January 2015, (while considering the splitting balances for the spin-offs of the business areas banknote and security, digital/web as well as production at the same time) are divided up indicatively corresponding to the assets differentiated in clauses 2 and 3 above. The terms used in the splitting balance are taken from the accounting system SAP Fi as of 1 January 2015. It is referred to this annex 4.1 pursuant to section 14 of the German Certification Act; it was presented to the parties for their information and execution, and all parties waived the reading out. The provisions in clause 6.2, according to which the spin-off sheetfed is based on the closing balance of the transferring legal entity, as well as in the following clause 4.3, according to which the status of the assets to be spun-off at the date of execution is decisive for the scope of the transfer of assets, remain unaffected.

- 4.2** In case of contradictions between the spin-off balance of the acquiring legal entity and the annexes concerning the spin-off items and remaining assets, the splitting balance shall have priority.
- 4.3** The status of the spin-off items at the time of execution is decisive for the scope of the transfer of assets. The additions and reductions occurred with the assets until the date of execution will be considered for the transfer. Respective substitutes take the place of assets sold prior to the date of execution or assets not existing (anymore) with the transferring legal entity on the date of execution. The other items, rights, liabilities, uncertain liabilities, potential liabilities, contractual relations and other legal relations, risks and burdens acquired by the transferring legal entity until the date of execution are also transferred, as far as these are to be essentially allocated to the business area sheetfed.
- 4.4** The parties shall make all statements, issue all deeds and take all other measures and legal actions required or appropriate in connection with the spin-off sheetfed.
- 4.5** The parties shall endeavour to fulfil all missing requirements until the date of execution – otherwise immediately afterwards – (including approvals by third parties and public permissions) that are needed for the transfer of the spin-off items by way of partial universal succession (section 131 para. 1 No.1 of the German Transformation Act).
- 4.6** In the event that single spin-off items are not stated sufficiently above and/or these items cannot be transferred to the acquiring legal entity by way of spin-off or do not transfer for other reasons, the parties shall endeavour – if necessary by way of singular succession – to transfer these to the acquiring legal entity on the date of execution or immediately afterwards. For this purpose, the transferring legal entity is granted the right pursuant to section 317 of the German Civil Code to bindingly name the concerned assets, items and legal relations for all parties involved, also towards third parties. The transferring legal entity is furthermore irrevocably and with exemption from section 181 of the German Civil Code authorized by the acquiring legal entity to make all statements and take all measures required or appropriate for the execution of the individual transfers. As far as the approval by third parties is required hereto, the transferring legal entity is also irrevocably and with exemption from section 181 of the German Civil Code authorized and instructed by the acquiring legal entity to obtain and accept these approvals. The above provisions of this clause 4.6 are respectively applicable, if spin-off items are not expressly stated as spin-off items in this agreement or its annexes but belong to the business area sheetfed due to their factual connection.
- 4.7** If the transfers stated in clause 4.6 also fail, the concerned spin-off item remains with the assets of the transferring legal entity. The transferring legal entity shall hold and respectively carry on the concerned spin-off item from the date of execution on a fiduciary basis in its own name and for account of the acquiring legal entity and grant the acquiring legal entity the use of the concerned spin-off item permanently without charge.
- 4.8** The determination right as well as the authorization of the acquiring legal entity for the benefit of the transferring legal entity according to the provisions of clause 4.6 are furthermore respectively applicable for the reverse case that spin-off items of this agreement or its annexes are not to transfer to the acquiring legal entity but transfer to the acquiring legal entity, for legal reasons or because they were erroneously allocated to the assets to be spun off, and are now to be retransferred from the acquiring legal entity to the transferring legal entity. If the retransfer regulated in this clause 4.8 fails, clause 4.7 is respectively applicable to the acquiring legal entity.
- 5 No grant of new interests**
- Due to the legal structure of the acquiring legal entity (partnership in the form of AG & Co. KG), the transferring legal entity is not granted new interests in the acquiring legal entity.

6 Effective spin-off date, closing balance, tax evaluation

- 6.1** The spin-off sheetfed occurs from a commercial law point of view in the relationship between the transferring legal entity and the acquiring legal entity as of 1 January 2015, 0:00 (“**effective spin-off date**”). From this time on the acts of the transferring legal entity are considered, as far as these acts concern the business area sheetfed and the spin-off items, as taken for account of the acquiring legal entity.
- 6.2** The spin-off is based on the audited balance of the transferring legal entity as of 31 December 2014, provided with unqualified audit certificate by the auditing company KPMG AG, location Nurnberg (sections 125 sentence 1, 17 para. 2 of the German Transformation Act; “**closing balance**”).
- 6.3** From an income tax point of view there is no transfer of assets existent for the spin-off sheetfed.

7 Warranty

All claims and rights of the acquiring legal entity against the transferring legal entity based on the nature or stock of the spin-off items transferred by the transferring legal entity in accordance with this agreement or single parts hereof are hereby excluded as far as legally admissible. This exclusion refers to all rights and claims of any kind arising for the acquiring legal entity for any legal reason, independently of whether these are due or unconditional or not or whether these are already existent today or will only arise in the future. In any case, potential warranty claims become statue-barred within two years after the date of execution.

8 Indemnifications, procedural law relationships

- 8.1** As far as one of the parties (“**jointly liable party**”) is held responsible for a liability allocated to the other party (“**main party**”) pursuant to this agreement in accordance with section 133 of the German Transformation Act, the main party is to indemnify the jointly liable party at first demand

against this liability. The jointly liable party is to inform the main party immediately on the claim as well as on all further facts and developments regarding the liabilities in dispute and to forward all correspondence as copies. The jointly liable party is to act according to the main party’s instructions with respect to the liabilities in dispute both judicially and extra-judicially. In case of a legal dispute for the defence against a claim asserted against the jointly liable party, the parties shall work towards a change of party, and, if this change is impossible, the main party shall enter the legal dispute as intervening third party.

- 8.2** Clause 8.1 is respectively applicable (i) to liabilities which should have been transferred according to this agreement but did not pass to the acquiring legal entity, and (ii) to liabilities which should not have been transferred but erroneously passed to the acquiring legal entity.

9 Delivery of business records

- 9.1** As far as the transferring legal entity has a legitimate interest (e.g. for proceeding, tax, warranty and accounting purposes), it may demand access to delivered files and documents (“**business records**”) after the date of execution and may take copies at its own expense. As far as the acquiring legal entity has a legitimate interest (e.g. for proceeding, tax, warranty and accounting purposes), it may demand access to the files and documents that remained with the transferring legal entity after the date of execution and may take copies at its own expense.
- 9.2** The transferring legal entity shall store the transferred business records until the expiry of the statutory storage periods.

10 No special rights and benefits

- 10.1** Special rights in the sense of section 126 para. 1 vNo. 7 of the German Transformation Act are not granted by the acquiring legal entity to an individual shareholders nor to any holder of special rights, and

there are no measures planned in the sense of this regulation for these persons.

10.2 Special benefits in the sense of section 126 para. 1 No. 8 of the German Transformation Act are not granted to any member of a representing or supervising body of the legal entities involved in the spin-off nor to any acting partner, partner or shareholder, auditor nor to any spin-off auditor.

11 Insurances

11.1 As far as insurance coverage continues also beyond the spin-off date for the business activities of the involved business area sheetfed due to a group policy of the transferring legal entity (particularly those listed in annex 3.1.9), this insurance coverage shall also be granted to the acquiring legal entity beyond the effective spin-off date to the previously common extent. As far as insurance agreements were exclusively concluded for the business area sheetfed (particularly those listed in Annex 2.2.6 (viii)), the acquiring legal entity hereby assumes these insurance agreements and continues these agreements as of the effective spin-off date in its own name. The transferring legal entity shall withdraw from these agreements with indemnifying effect for the transferring legal entity as of the effective spin-off date.

11.2 The acquiring legal entity shall reimburse the transferring legal entity or a third party to be determined by the transferring legal entity for the proportional insurance fees to be paid for the insurance coverage of the acquiring legal entity as of the effective spin-off date in case of a group policy. Details hereto are regulated in a separate agreement between the parties if necessary.

11.3 As far as insurance fees have already been paid proportionately by the transferring legal entity or by a company affiliated with the transferring legal entity in terms of corporate law for the period after the effective spin-off date, the acquiring legal entity commits itself to reimburse this proportionate amount to the transferring legal entity or to a third

party determined by the transferring legal entity, as far as this fee is proportionally attributable to the business area sheetfed.

11.4 The transferring legal entity may, as far as an insurance case occurs in the business area sheetfed after the effective spin-off date for which the acquiring legal entity is liable for damages but for which insurance coverage is still existent for the benefit of transferring legal entity, in this respect assign potentially existent claims against the respective insurance company to the acquiring legal entity, as far as this is admissible by law and possible without any economic disadvantages for the transferring legal entity. Potential retentions are to be borne in the internal relationship by the acquiring legal entity.

12 Consequences of the spin-off for the employees and their representatives as well as measures planned in this respect

12.1 The acquiring legal entity does not employ any employees at the time of announcement of this agreement and does not have any businesses. There are no employee representations formed for the acquiring legal entity. The spin-off sheetfed therefore has no consequences for employees or employee representations of the acquiring legal entity.

12.2 The transferring legal entity employs about 3259 employees as of January 31, 2015, including trainees. 940 employees, exclusively employed at the location Radebeul, are to be attributed to the business area sheetfed; **annex 12.2** includes a list of all employees to be attributed to the business area sheetfed as of January 31, 2015.

12.3 Upon the effective date of the spin-off sheetfed there shall be a transfer of business. All employment relationships to be allocated to the business area sheetfed at this time shall transfer to the acquiring legal entity pursuant to sections 324, 123 para. 3 No. 1 of the German Transformation Act in connection with section 613a para. 1 of the German Civil Code along with all rights and obligations, as far as the concerned employees do not object to the

transfer of their employment relationships pursuant to section 613a para. 6 of the German Civil Code. Annex 12.2 serves in this respect only as indication. Should employees have been added or ceased to be involved in the business area sheetfed during the period commencing from 31 January 2015 until the date of execution, this will be considered in connection with the transfer of business in such way that only the status at the date of execution is decisive for the transfer of business. The acquiring legal entity shall assume the rights and obligations from the transferring employment relationships as new employer upon the effective date of the spin-off sheetfed while recognizing the period of employment served with the transferring legal entity and shall continue the employment relationships.

12.4 The position of the employees in terms of termination rights which were employed by the transferring legal entity prior to the effective date of the spin-off sheetfed shall not deteriorate due to the spin-off sheetfed for the duration of two years after the effective date, section 323 para. 1 of the German Transformation Act. The termination of the employment relationship to an employee by the transferring legal entity or by the acquiring legal entity due to the spin-off sheetfed or respectively due to the transfer of business is ineffective, whereas the right to termination of the employment relationship for other reasons shall remain unaffected, section 613a para. 4 of the German Civil Code.

12.5 The employees of the transferring legal entity to be allocated to the business area sheetfed are informed pursuant to section 613a para. 5 of the German Civil Code in text form on the reason as well as the time or respectively planned time of transfer prior to the transfer of business and on the legal, economic and social consequences of the transfer for the employees and regarding the measures considered for the employees. The employees may object to the transfer of their employment relationships in written form pursuant to section 613a para. 6 of the German Civil Code within one month after receipt of this information towards the transferring legal entity or the acquiring legal entity. In the event of objection, the employment

relationship of the objecting employee shall not be transferred to the acquiring legal entity but shall continue to exist with the transferring legal entity. As far as possible, the transferring legal entity shall offer a different free work position to the employees objecting to the transfer of their employment relationships, if necessary under different working conditions. As far as continued employment, not even under different working conditions, is not possible or the employee rejects the offered working position, a termination for operational reasons may be declared, if the statutory requirements for this are present. It is agreed in the reconciliation of interests in its final version of 3 March 2015 between the transferring legal entity and the general works council established in the company that the social plan of the transferring legal entity dated 13 May 2014 is respectively applicable to such terminations for operational reasons. The employees' right to object and the consequences of a potential objection are pointed out in the information.

12.6 The employment relationships of the employees of the transferring legal entity not to be allocated to the business area sheetfed shall remain unaffected by the spin-off sheetfed.

12.7 The transferring legal entity and the acquiring legal entity are liable by law (section 133 of the German Transformation Act) as joint and several debtors for any liabilities of the transferring legal entity established prior to the spin-off sheetfed towards the employees of the transferring legal entity whose employment relationships transfer as of the effective date of the spin-off sheetfed to the acquiring legal entity. The transferring legal entity is pursuant to section 133 para. 3 of the German Transformation Act only liable for these liabilities, if they become due prior to the expiry of five years after the effective date of the spin-off sheetfed and are determined in a manner stated in section 197 para. 1 (3-5) of the German Civil Code – i.e. for example by final judgment or settlement – or if a judicial or official enforcement measure is carried out or applied for; the time limit stated above is ten years for any pension obligations based on the Company Pensions Act established prior to the effective date

of the spin-off sheetfed. The acquiring legal entity is solely liable for any liabilities towards the transferring employees of the business area sheetfed established after the effective date of the spin-off sheetfed.

The transferring legal entity is solely liable for any liabilities towards the employees of other business areas established after the effective date of the spin-off sheetfed.

12.8 The spin-off sheetfed will result in an operational change in the form of a splitting of undertakings on the company level. The transferring legal entity has concluded a reconciliation of interests with the general works council established in the company in its final version of 3 March 2015, regulating the details of the splitting of undertakings. The part of the company connected with the business area sheetfed shall pursuant to this be continued with the acquiring legal entity as unchanged operating unit under independent management by the acquiring legal entity. The operational organization existent with the transferring legal entity prior to the effective date of the spin-off sheetfed and the existent management structures shall continue to exist with the acquiring legal entity after the effective date of the spin-off sheetfed. A joint establishment of the transferring legal entity and the acquiring legal entity is not established.

12.9 Works councils are elected in the transferring legal entity for the locations Würzburg and Radebeul. Furthermore, representatives for the severely disabled as well as for youth and trainees are elected in the transferring legal entity for the locations Würzburg and Radebeul. In addition, a general works council, an economic committee and a general representation for the severely disabled is elected in the transferring legal entity. There are no other employee representations existent in the transferring legal entity.

12.10 All works councils elected in the transferring legal entity shall remain in office after the effective date of the spin-off sheetfed. The Works Council Constitution Act stipulates a transitional mandate in case of a splitting of undertakings (section 21a of the Works Council Constitution Act). The transitional

mandate shall end, as soon as a new works council is elected in the acquiring legal entity and the result of such election is published, however, at the latest after six months. In derogation of this, it is intended that the works council Radebeul being competent for the transferring employees so far shall remain permanently competent for the transferring employees. This is based on a collective agreement pursuant to section 3 of the Works Council Constitution Act in its final version of 3 March 2015 in which the transferring legal entity and the acquiring legal entity have agreed, among other things, with the industrial trade union Metal and respectively with the competent district management that the works council elected in the transferring legal entity at the location Radebeul shall permanently also represent the interests of the transferring employees of the respective location group-wide and that only one works council shall be elected group-wide per location in future elections of the works council. The regulations of the collective agreement are accordingly applicable to the representations of the severely disabled, of youth and trainees. The current representations shall remain in office unaltered until the next ordinary election. In the next ordinary election only one representation of the severely disabled and only one representation of youth and trainees is elected at the location Radebeul.

12.11 The works agreements applicable prior to the effective date of the spin-off sheetfed shall remain in effect with the acquiring legal entity after the effective date of the spin-off sheetfed. In addition, it is agreed in the reconciliation of interests between the transferring legal entity and the general works council established in it in its final version of 3 March 2015 that any works agreements existing with the transferring legal entity shall remain in effect, until respective works agreements are concluded with the acquiring legal entity.

12.12 The general works council established in the transferring legal entity and the economic committee established in the transferring legal entity shall equally remain in office after the effective date of the spin-off sheetfed. After the effective date of

the spin-off sheetfed, however, they shall no longer be competent for the transferring employees. It is intended that a group-wide general works council be established being among other things competent for the transferring legal entity and the acquiring legal entity. This is based on a collective agreement pursuant to section 3 of the Works Council Constitution Act in its final version of 3 March 2015 in which the transferring legal entity and the acquiring legal entity have agreed among other things with the industrial trade union Metal and respectively with the competent district managements that a group-wide general works council be established. An additional general works council shall neither be established with the transferring legal entity nor with the acquiring legal entity. Furthermore, a group-wide economic committee and a group-wide general representation of the severely disabled are established based on the works agreement being among other things competent for the transferring legal entity and the acquiring legal entity.

12.13 The general works agreements applicable with the transferring legal entity prior to the effective date of the spin-off sheetfed shall continue to be applicable with the acquiring legal entity as works agreements after the effective date of the spin-off sheetfed.

12.14 The transferring legal entity is a member of the Verband der Sächsischen Metall- und Elektroindustrie e.V. (Association of the Saxon metal and electrics industry; VSME) with regard to the location Radebeul and is thereby bound by membership in the employers' association to the collective agreements of the Saxon metal and electrics industry. The membership to the association and commitment to the collective agreement of the transferring legal entity do not transfer to the acquiring legal entity due to the spin-off sheetfed. The acquiring legal entity is currently not a member of an employers' association and not bound by collective agreements (regional or company collective agreement). The reconciliation of interests in its final version of 3 March 2015 provides for the acquiring legal entity become a member of the Verband der Sächsischen Metall- und Elektroindustrie e.V. (VSME) and therefore be equally

bound by membership in an employers' association to the collective agreements of the Saxon metal and electrics industry. As far as collective agreements are applicable via reference provisions in employment agreements, their applicability shall remain unaffected by the spin-off sheetfed.

12.15 A codetermining Supervisory Board with equal representation exists in the transferring legal entity pursuant to the Codetermination Act with six employee representatives. The spin-off sheetfed does neither have any consequences for the Supervisory Board currently in office nor for the codetermination statute (codetermination with equal representation), since there will also not be less employees than the decisive threshold value of 2,000 employees after the effective date of the spin-off sheetfed. The reason for this is that the employees whose employment relationships transfer to the acquiring legal entity as of the effective date of the spin-off sheetfed count as employees of the transferring legal entity for the application of the Codetermination Act (group attribution pursuant to section 5 para. 1 of the Codetermination Act). The Supervisory Board elected in the transferring legal entity shall remain in office with its current composition of members. There is no Supervisory Board existent with the acquiring legal entity, and a supervisory board is also not to be established after the date of execution. The employees whose employment relationships transfer to the acquiring legal entity as of the effective date of the spin-off sheetfed shall also participate in the election of the employee representation to the Supervisory Board of the transferring legal entity after the effective date of the spin-off sheetfed and can also be elected after the effective date of the spin-off sheetfed, as far as the statutory requirements for their eligibility are respectively present.

12.16 In connection with the spin-off sheetfed, no further changes or measures are currently planned with respect to the employees or their representations with the exceptions of the changes stated above as well as changes of the employer for the transferring employees and the splitting of undertakings explained above, neither for the transferring nor for the acquiring legal entity.

In connection with the spin-off sheetfed, there are particularly no operational changes or other restructurings or personnel reductions currently planned for the transferring and the acquiring legal entity beyond this for the time from the date of execution. However, the following measures shall be taken independently of and separately from the spin-offs:

12.16.1 Independently of the spin-offs of the business areas banknote and security, sheetfed, digital/web and production into legally independent companies, capacity and structure adjustments were required at the locations Würzburg and Radebeul of the transferring legal entity due to the changed market situation. These independent measures of operative restructuring of the transferring legal entity were already decided in December 2013 in the course of the restructuring program Fit@All. For this purpose, a social collective agreement was concluded with the IG Metall (industrial union of metal workers), district management of Bavaria, on 30 April 2014 and a reconciliation of interests, a social plan and a transfer social plan were concluded on 13 May 2014 with the general works council of the transferring legal entity. The agreed personnel adjustments at the location Würzburg were already taken or respectively already decided and will expectedly already have been realized until the effective date of the spin-offs. In contrast to this, the previous social collective agreement was continued without changes at the location Radebeul. For the age cohorts 1949 to 1955 partial retirement arrangements were developed and implemented in consideration of the new legal provisions. Regarding the required adjustments of operational capacities after expiry of the social collective agreement on 31 December 2014 it was agreed to conduct the discussions on a personnel reduction within the framework of the already established control group in the beginning of 2015. It is already agreed that the social collective agreement Würzburg shall be transferred to the social collective agreement Radebeul. The general works council was informed that an adjustment of the operational capacities is planned for the location Radebeul. Within the framework of the Fit@All programme, the planned adjustments at the location Radebeul

intend for a reduction of 181 working places, 77 of which were reduced by way of partial retirement agreements. The further personnel reduction of up to 100 working places, as far as necessary, cannot occur prior to the third quarter of 2015 pursuant to the additional collective agreement. Respective reserves were already formed in the annual accounts of 2013 for the personnel measures and were kept in the annual accounts of 2014.

12.16.2 After the conclusion of the social collective agreement dated 30 April 2014 as well as of the reconciliation of interests of 13 May 2014 regarding the measures of personnel adjustment at the location Würzburg, the economic situation in the web business continued to dramatically deteriorate. Accordingly, an additional restructuring concept for the business area digital/web was adopted at the end of 2014 independently of the spin-offs including the focus on sales, marketing and engineering with emphasis on innovation with simultaneous shift of assembly to the business area banknote and security. At the same time the extremely cyclical assembly operations in the banknote and security press business area will be better utilised. In this respect, a reconciliation of interest was already developed with the works council Würzburg. The personnel reduction resulting from this will mainly occur with voluntary agreements and also with terminations for operational reasons.

12.17 A draft identical with this agreement in all essential points was sent to the general works council of the transferring legal entity on 27 March 2015 pursuant to section 126 para. 3 of the German Transformation Act.

13 Approving resolutions, date of execution, period until date of execution

13.1 This agreement requires the approving resolutions of the Annual General Meeting of the transferring legal entity and of the partners' meeting of the acquiring legal entity in order to become effective.

13.2 The transfer of the spin-off items shall occur with effect in rem at the time of the registration and thereby upon the effective date of the spin-off sheetfed in the commercial register of the transferring legal entity pursuant to section 131 of the German Transformation Act (“**date of execution**”), after the spin-off sheetfed was previously registered in the commercial register of the acquiring legal entity (section 130 para. 1 of the German Transformation Act).

13.3 The transferring legal entity shall manage the spin-off items only within the framework of due course of business and with the care of a prudent business man during the time between the conclusion of this agreement and the date of execution with consideration of the provisions of this agreement.

14 Spin-off report, no examination of spin-off

14.1 The Management Board of the transferring legal entity has prepared a collective spin-off report together with the general partner (represented by its Management Board) of the acquiring legal entity, KBA-Sheetfed GmbH (represented by its managing director) as well as the limited partner limited liability companies (Kommanditisten-GmbHs) (each represented by their respective managing directors) and the respective general partner (represented by its Management Board) of the other subsidiaries. This spin-off report was available for review by the Shareholders at the offices of the transferring legal entity from the calling of the Annual General Meeting of the transferring legal entity deciding on the approval of this agreement.

14.2 An examination of the spin-off does not occur (section 125 (2) of the German Transformation Act).

15 Right to withdraw

Every party may withdraw from this agreement by written notice to the other party until the date of execution.

16 Costs, miscellaneous

Regarding the costs as well as other final provisions, clause 5 of the framework agreement, of which this agreement is taken as annex, shall apply mutatis mutandis.

(bb) Spin-off and takeover agreement digital/web between Koenig & Bauer Aktiengesellschaft and KBA-Digital & Web Solutions AG & Co. KG

Spin-off and takeover agreement

between

(1) Koenig & Bauer Aktiengesellschaft with seat in Würzburg, registered in the commercial register of the local court of Würzburg under HBR 109, - in the following also named “**transferring legal entity**” -

and

(2) KBA-Digital & Web Solutions AG & Co. KG with seat in Würzburg, registered in the commercial register of the local court of Würzburg under HRA 7299, - in the following also named “**acquiring legal entity**” -

- the transferring legal entity and the acquiring legal entity in the following also named “**parties**” or individually “**party**” -

Preamble

I. The transferring legal entity essentially carries out (i) the development, construction, distribution, assembly and service of web offset and digital web offset presses as well as parts and unity (including folding machines) of these including logistic systems as well as (ii) the economic and technical advice, preparation of analyses, organization and coordination with respect to web offset and digital web offset printing solutions (“**business area digital/web**”) on the premises described in **annex 1** (“**digital/web premises**”). Within the framework of this spin-off and takeover agreement (“**agreement**”), the business

area digital/web of the transferring legal entity is to be transferred to the acquiring legal entity (“**spin-off digital/web**”) as part of the restructuring including all items of assets and liabilities to be essentially allocated to the business area digital/web.

- II.** Along with this, the business area banknote and security of the transferring legal entity is transferred to KBA-NotaSys AG & Co. KG, the business area sheetfed of the transferring legal entity is transferred to KBA-Sheetfed Solutions AG & Co. KG and the business area production of the transferring legal entity is transferred to KBA-Industrial Solutions AG & Co. KG by means of separate but essentially identical spin-off and takeover agreements. The approval of the partners and shareholders of the respective legal entities involved in the four spin-offs as well as the respective registrations in the commercial register of the involved legal entities shall also occur in parallel.
- III.** In addition, the illustrations of the preamble of the framework agreement, which this agreement forms a part of, are applicable complementarily.

NOW THEREFORE, the Parties agree as follows:

1 Involved legal entities

- 1.1** The transferring legal entity is registered in the commercial register of the local court of Würzburg under HRB 109 with a share capital of currently EUR 42,964,435.80 and has its seat in Würzburg.
- 1.2** The acquiring legal entity is registered in the commercial register of the local court of Würzburg under HRA 7299 and has its seat in Würzburg. The following parties hold an interest in the acquiring legal entity:
- 1.2.1** the transferring legal entity as personally liable partner (Komplementär) with a capital participation of 99% as well as
- 1.2.2** KBA-Digital & Web Solutions Management GmbH (“**KBA-Digital & Web GmbH**“), registered in the commercial register of the local court of

Würzburg under HRB 12447 as sole limited partner (Kommanditistin) with a capital participation of 1%, held in trust for the transferring legal entity. The limited partner’s capital contribution registered with the commercial register, which corresponds to the amount of liability of the sole limited partner KBA-Digital & Web GmbH, amounts to EUR 1,000.

2 Transfer of assets

- 2.1** The transferring legal entity transfers by way of spin-off for acquisition to the acquiring legal entity all items of assets and liabilities, also as far as they are not balanced in the closing balance or cannot be balanced, and all contractual relations, contractual offers and other legal relations to be essentially allocated to the business area digital/web at the time of execution (“**spin-off items**”) along with all rights and obligations as a unit by way of continued existence of the transferring legal entity (sections 123 para. 3 No. 1, 126 para. 1 No. 2 of the German Transformation Act), as far as these are not to be treated as remaining assets in the sense of clause 3 of this agreement. In case of doubt all assets and items shall – subject to diverging separate provisions – be treated as spin-off assets which essentially belong to the business area digital/web at the time of execution, even if they are not expressly stated in this agreement or its annexes. Clause 4 of this agreement shall apply additionally.
- 2.2** The spin-off assets to be essentially allocated to the business area digital/web are particularly, independently of whether they are already covered by clause 2.1 or not:
- 2.2.1** the following items of fixed assets listed in **annex 2.2.1** in individual segments:
- (i) technical machinery and machines, tools, constructions and installations, other machinery (also machinery under construction) and works equipment and business equipment located on the digital/web premises;
- (ii) lendings;

2.2.2 the following items of the current assets listed in **Annex 2.2.2** in individual segments

- (i) raw materials and process materials to be allocated to the business area digital/web according to the data stored in the material master record and respectively the working papers;
- (ii) unfinished and finished products and goods to be allocated to the business area digital/web according to the data stored in the material master record and respectively the working papers;
- (iii) claims from shipments and services arising from or in connection with the agreements listed in annex 2.2.6, including claims against affiliated companies as well as against companies with an existing ownership structure (excluding, however, positive balances on clearing accounts and claims for repayment of loans in connection with the intra-group financing); and
- (iv) paid deposits to be essentially allocated to the business area digital/web.

2.2.3 the following items of reserves and uncertain liabilities listed in **annex 2.2.3** in individual segments:

- (i) reserves built up in the closing balance for uncertain liabilities based on pension, early retirement or similar obligations, including benefit obligations from company pension schemes towards the members of the management of the transferring legal entity passing to the acquiring legal entity, as well as all uncertain obligations leading to reserves for partial retirement, working life and similar obligations, particularly obligations towards the persons listed separately in annex 2.2.3;
- (ii) uncertain liabilities which the remaining reserves built up in the closing balance are based on, as far as these are to be allocated to the business area digital/web (however, excluding tax reserves and reserves for pending proceedings); and
- (iii) other uncertain liabilities to be essentially allocated to the business area digital/web, e.g. in connection with statutory obligations;

2.2.4 the following items of liability listed in **annex 2.2.4** in individual segments:

- (i) arising from loans;
- (ii) arising from received deposits to be essentially allocated to the business area digital/web;
- (iii) arising from shipments and services from or in connection with the agreements listed in annex 2.2.6;
- (iv) towards affiliated companies as well as towards companies with an existing ownership structure (excluding, however, negative balances on clearing accounts and loan liabilities in connection with the intra-group financing); and
- (v) arising from or in connection with the acceptance of the listed bills of exchange and the issuing of the listed own bills of exchange;

2.2.5 other items listed in **annex 2.2.5** in individual segments:

- (i) the risks and burdens in connection with the spin-off assets;
- (ii) claims and liabilities arising from statutory obligations that essentially arose in connection with the business area digital/web; and
- (iii) all accounts and business records, other documents and data media, particularly customer files and machinery files, and other documentation to be essentially allocated to the business area digital/web;

2.2.6 the following contractual relations listed in **annex 2.2.6** in individual segments:

- (i) all contractual relations with the employees, trainees and workers, including potential temporary employment relations, transferring pursuant to section 613a of the German Civil Code;
- (ii) all contractual relations with former employees;

- (iii) joint-venture and cooperation agreements and other agreements of such kind;
- (iv) all agreements regarding the acquisition of items of the fixed or current assets to be transferred pursuant to this agreement, including rights arising from warranty;
- (v) agreements on rent, lease, leasing or other grant of use of moveable fixed or current assets;
- (vi) agreements on deliveries and services;
- (vii) agreements with commercial agents and authorized dealers;
- (viii) with respect to insurance carriers only the agreements stated in annex 2.2.6;
- (ix) trust and surety agreements as to existing pension, early retirement and partial retirement obligations as well as obligations in connection with working time accounts;
- (x) memberships in associations and unions;
- (xi) permissions, licenses and authorizations under public law, as far as these are transferable and are to be essentially allocated to the business area digital/web; and
- (xii) all other listed agreements.

3 Assets and items to be split up and to remain

3.1 The following assets and items of the transferring legal entity are excluded from the transfer to the acquiring legal entity (“remaining assets”):

3.1.1 all property and items of the assets and liabilities including all rights, claims, liabilities and agreements, independently of whether these can be balanced or not, to be essentially allocated to the central fields of the transferring legal entity, provided that these are not expressly, for example in the splitting balance, allocated to one or more subsidiaries;

3.1.2 all reserves in connection with ongoing proceedings;

3.1.3 all assets being the subject of pending proceedings, including all rights, obligations and legal statuses in connection with these assets, regardless of the legal reason they result from;

3.1.4 all real estate, hereditary building rights, rights equivalent to real estate and any other rights of the transferring legal entity referring to immovable property;

3.1.5 all industrial property rights, similar rights and domains;

3.1.6 all IT-hardware, license and usage agreements as well as software agreements, the electronic drawing archive and software developed by or on behalf of KBA, as far as not expressly, for example in the splitting balance, allocated to one or more subsidiaries;

3.1.7 all claims and liabilities in connections with taxes, as far as they concern periods prior to the effective date of spin-off (as defined in clause 6.1 of this agreement);

3.1.8 all claims, rights, obligations and legal relations in connection with the fiduciary relationships described in detail in **annex 3.1.8** for the purpose of insolvency insurance of partial retirement (“**fiduciary relationships**”). The transferring legal entity commits itself in this connection to ensure that the fiduciary conditions be adjusted in this respect so that all employees in partial retirement transferring to the acquiring legal entity will continue to be covered by the respective fiduciary relationship; as well as

3.1.9 all other substantial agreements listed in **annex 3.1.9**.

3.2 The parties are aware that they will enter into intra-group contractual relations as of the date of execution in order to continue to ensure the due business performance of the business area digital/web on the level of the acquiring legal entity. The

parties are particularly aware that in this connection, rental and license agreements regarding the remaining assets are concluded to the required extent as well as agency agreements regarding the rendering of services by the central fields of the transferring legal entity for the acquiring legal entity.

3.3 The contractual relations regulated in **annex 3.3** are to be allocated to more than one business area and will continue to be relevant in their entirety for more than one subsidiary and respectively the transferring legal entity. These agreements shall be multiplied and transferred to the acquiring legal entity in the course of the restructuring to the extent as the concerned legal relation is (also) relevant for the business area digital/web.

4 Splitting balance, additional provisions regarding the transfer of assets, obligations to cooperate, fall-back provision, retransfer

4.1 The splitting balance of the acquiring legal entity derived from the closing balance of the transferring legal entity is attached to this agreement as annex 4.1, in which the assets and liabilities of the transferring legal entity stated in the closing balance in their statuses as of 1 January 2015, (while considering the splitting balances for the spin-offs of the business areas banknote and security, sheetfed as well as production at the same time) are divided up indicatively corresponding to the assets differentiated in clauses 2 and 3 above. The terms used in the splitting balance are taken from the accounting system SAP Fi as of 1 January 2015. It is referred to this annex 4.1 pursuant to section 14 of the German Certification Act; it was presented to the parties for their information and execution, and all parties waived the reading out. The provisions in clause 6.2, according to which the spin-off digital/web is based on the closing balance of the transferring legal entity, as well as in the following clause 4.3, according to which the status of the assets to be spun-off at the date of execution is decisive for the scope of the transfer of assets, remain unaffected.

4.2 In case of contradictions between the spin-off balance of the acquiring legal entity and the annexes concerning the spin-off items and remaining assets, the splitting balance shall have priority.

4.3 The status of the spin-off items at the time of execution is decisive for the scope of the transfer of assets. The additions and reductions occurred with the assets until the date of execution will be considered for the transfer. Respective substitutes take the place of assets sold prior to the date of execution or assets not existing (anymore) with the transferring legal entity on the date of execution. The other items, rights, liabilities, uncertain liabilities, potential liabilities, contractual relations and other legal relations, risks and burdens acquired by the transferring legal entity until the date of execution are also transferred, as far as these are to be essentially allocated to the business area digital/web.

4.4 The parties shall make all statements, issue all deeds and take all other measures and legal actions required or appropriate in connection with the spin-off digital/web.

4.5 The parties shall endeavour to fulfil all missing requirements until the date of execution – otherwise immediately afterwards – (including approvals by third parties and public permissions) that are needed for the transfer of the spin-off items by way of partial universal succession (section 131 para. 1 No. 1 of the German Transformation Act).

4.6 In the event that single spin-off items are not stated sufficiently above and/or these items cannot be transferred to the acquiring legal entity by way of spin-off or do not transfer for other reasons, the parties shall endeavour – if necessary by way of singular succession – to transfer these to the acquiring legal entity on the date of execution or immediately afterwards. For this purpose, the transferring legal entity is granted the right pursuant to section 317 of the German Civil Code to bindingly name the concerned assets, items and legal relations for all parties involved, also towards third parties. The

transferring legal entity is furthermore irrevocably and with exemption from section 181 of the German Civil Code authorized by the acquiring legal entity to make all statements and take all measures required or appropriate for the execution of the individual transfers. As far as the approval by third parties is required hereto, the transferring legal entity is also irrevocably and with exemption from section 181 of the German Civil Code authorized and instructed by the acquiring legal entity to obtain and accept these approvals. The above provisions of this clause 4.6 are respectively applicable, if spin-off items are not expressly stated as spin-off items in this agreement or its annexes but belong to the business area digital/web due to their factual connection.

- 4.7** If the transfers stated in clause 4.6 also fail, the concerned spin-off item remains with the assets of the transferring legal entity. The transferring legal entity shall hold and respectively carry on the concerned spin-off item from the date of execution on a fiduciary basis in its own name and for account of the acquiring legal entity and grant the acquiring legal entity the use of the concerned spin-off item permanently without charge.
- 4.8** The determination right as well as the authorization of the acquiring legal entity for the benefit of the transferring legal entity according to the provisions of clause 4.6 are furthermore respectively applicable for the reverse case that spin-off items of this agreement or its annexes are not to transfer to the acquiring legal entity but transfer to the acquiring legal entity, for legal reasons or because they were erroneously allocated to the assets to be spun off, and are now to be retransferred from the acquiring legal entity to the transferring legal entity. If the retransfer regulated in this clause 4.8 fails, clause 4.7 is respectively applicable to the acquiring legal entity.

5 No grant of new interests

Due to the legal structure of the acquiring legal entity (partnership in the form of AG & Co. KG), the transferring legal entity is not granted new interests in the acquiring legal entity.

6 Effective spin-off date, closing balance, tax evaluation

- 6.1** The spin-off digital/web occurs from a commercial law point of view in the relationship between the transferring legal entity and the acquiring legal entity as of 1 January 2015, 0:00 (“effective spin-off date”). From this time on the acts of the transferring legal entity are considered, as far as these acts concern the business area digital/web and the spin-off items, as taken for account of the acquiring legal entity.
- 6.2** The spin-off is based on the audited balance of the transferring legal entity as of 31 December 2014, provided with unqualified audit certificate by the auditing company KPMG AG, location Nurnberg (sections 125 sentence 1, 17 para. 2 of the German Transformation Act; “closing balance”).
- 6.3** From an income tax point of view there is no transfer of assets existent for the spin-off digital/web.

7 Warranty

All claims and rights of the acquiring legal entity against the transferring legal entity based on the nature or stock of the spin-off items transferred by the transferring legal entity in accordance with this agreement or single parts hereof are hereby excluded as far as legally admissible. This exclusion refers to all rights and claims of any kind arising for the acquiring legal entity for any legal reason, independently of whether these are due or unconditional or not or whether these are already existent today or will only arise in the future. In any case, potential warranty claims become statute-barred within two years after the date of execution.

8 Indemnifications, procedural law relationships

- 8.1** As far as one of the parties (“**jointly liable party**”) is held responsible for a liability allocated to the other party (“**main party**”) pursuant to this agreement in accordance with section 133 of the German Transformation Act, the main party is to indemnify the jointly liable party at first demand

against this liability. The jointly liable party is to inform the main party immediately on the claim as well as on all further facts and developments regarding the liabilities in dispute and to forward all correspondence as copies. The jointly liable party is to act according to the main party's instructions with respect to the liabilities in dispute both judicially and extra-judicially. In case of a legal dispute for the defence against a claim asserted against the jointly liable party, the parties shall work towards a change of party, and, if this change is impossible, the main party shall enter the legal dispute as intervening third party.

- 8.2** Clause 8.1 is respectively applicable (i) to liabilities which should have been transferred according to this agreement but did not pass to the acquiring legal entity, and (ii) to liabilities which should not have been transferred but erroneously passed to the acquiring legal entity.

9 Delivery of business records

- 9.1** As far as the transferring legal entity has a legitimate interest (e.g. for proceeding, tax, warranty and accounting purposes), it may demand access to delivered files and documents ("**business records**") after the date of execution and may take copies at its own expense. As far as the acquiring legal entity has a legitimate interest (e.g. for proceeding, tax, warranty and accounting purposes), it may demand access to the files and documents that remained with the transferring legal entity after the date of execution and may take copies at its own expense.
- 9.2** The transferring legal entity shall store the transferred business records until the expiry of the statutory storage periods.

10 No special rights and benefits

- 10.1** Special rights in the sense of section 126 para. 1 No. 7 of the German Transformation Act are not granted by the acquiring legal entity to individual shareholders nor to any holder of special rights, and

there are no measures planned in the sense of this regulation for these persons.

- 10.2** Special benefits in the sense of section 126 para. 1 No. 8 of the German Transformation Act are not granted to any member of a representing or supervising body of the legal entities involved in the spin-off nor to any acting partner, partner or shareholder, auditor nor to any spin-off auditor.

11 Insurances

- 11.1** As far as insurance coverage continues also beyond the spin-off date for the business activities of the involved business area digital/web due to a group policy of the transferring legal entity (particularly those listed in annex 3.1.9), this insurance coverage shall also be granted to the acquiring legal entity beyond the effective spin-off date to the previously common extent. As far as insurance agreements were exclusively concluded for the business area digital/web (particularly those listed in Annex 2.2.6 (viii)), the acquiring legal entity hereby assumes these insurance agreements and continues these agreements as of the effective spin-off date in its own name. The transferring legal entity shall withdraw from these agreements with indemnifying effect for the transferring legal entity as of the effective spin-off date.

- 11.2** The acquiring legal entity shall reimburse the transferring legal entity or a third party to be determined by the transferring legal entity for the proportional insurance fees to be paid for the insurance coverage of the acquiring legal entity as of the effective spin-off date in case of a group policy. Details hereto are regulated in a separate agreement between the parties if necessary.

- 11.3** As far as insurance fees have already been paid proportionately by the transferring legal entity or by a company affiliated with the transferring legal entity in terms of corporate law for the period after the effective spin-off date, the acquiring legal entity commits itself to reimburse this proportionate amount to the transferring legal entity or to a third

party determined by the transferring legal entity, as far as this fee is proportionally attributable to the business area digital/web.

- 11.4** The transferring legal entity may, as far as an insurance case occurs in the business area digital/web after the effective spin-off date for which the acquiring legal entity is liable for damages but for which insurance coverage is still existent for the benefit of transferring legal entity, in this respect assign potentially existent claims against the respective insurance company to the acquiring legal entity, as far as this is admissible by law and possible without any economic disadvantages for the transferring legal entity. Potential retentions are to be borne in the internal relationship by the acquiring legal entity.

12 Consequences of the spin-off for the employees and their representatives as well as measures planned in this respect

- 12.1** The acquiring legal entity does not employ any employees at the time of announcement of this agreement and does not have any businesses. There are no employee representations formed for the acquiring legal entity. The spin-off digital/web therefore has no consequences for employees or employee representations of the acquiring legal entity.
- 12.2** The transferring legal entity employs about 3259 employees as of 31 January 2015 including trainees. 467 employees, exclusively employed at the location Würzburg, are to be attributed to the business area digital/web; **annex 12.2** includes a list of all employees to be attributed to the business area digital/web as of 31 January 2015.
- 12.3** Upon the effective date of the spin-off digital/web there shall be a transfer of business. All employment relationships to be allocated to the business area digital/web at this time shall transfer to the acquiring legal entity pursuant to sections 324, 123 para. 3 (1) of the German Transformation Act in connection with section 613a para. 1 of the German Civil Code along with all rights and obligations, as far

as the concerned employees do not object to the transfer of their employment relationships pursuant to section 613a para. 6 of the German Civil Code. Annex 12.2 serves in this respect only as indication. Should employees have been added or ceased to be involved in the business area digital/web during the period commencing from 31 January 2015, until the date of execution, this will be considered in connection with the transfer of business in such way that only the status at the date of execution is decisive for the transfer of business. The acquiring legal entity shall assume the rights and obligations from the transferring employment relationships as new employer upon the effective date of the spin-off digital/web while recognizing the period of employment served with the transferring legal entity and shall continue the employment relationships.

- 12.4** The position of the employees in terms of termination rights which were employed by the transferring legal entity prior to the effective date of the spin-off digital/web shall not deteriorate due to the spin-off digital/web for the duration of two years after the effective date, section 323 para. 1 of the German Transformation Act. The termination of the employment relationship to an employee by the transferring legal entity or by the acquiring legal entity due to the spin-off digital/web or respectively due to the transfer of business is ineffective, whereas the right to termination of the employment relationship for other reasons shall remain unaffected, section 613a para. 4 of the German Civil Code.

- 12.5** The employees of the transferring legal entity to be allocated to the business area digital/web are informed pursuant to section 613a para. 5 of the German Civil Code in text form on the reason as well as the time or respectively planned time of transfer prior to the transfer of business and on the legal, economic and social consequences of the transfer for the employees and regarding the measures considered for the employees. The employees may object to the transfer of their employment relationships in written form pursuant to section 613a para. 6 of the German Civil Code within one month after receipt of this information towards

the transferring legal entity or the acquiring legal entity. In the event of objection, the employment relationship of the objecting employee shall not be transferred to the acquiring legal entity but shall continue to exist with the transferring legal entity. As far as possible, the transferring legal entity shall offer a different free work position to the employees objecting to the transfer of their employment relationships, if necessary under different working conditions. As far as continued employment, not even under different working conditions, is not possible or the employee rejects the offered working position, a termination for operational reasons may be declared, if the statutory requirements for this are present. It is agreed in the reconciliation of interests in the final version of 3 March 2015 between the transferring legal entity and the general works council established in the company that the social plan of the transferring legal entity dated 13 May 2014 is respectively applicable to such terminations for operational reasons. The employees' right to object and the consequences of a potential objection are pointed out in the information.

12.6 The employment relationships of the employees of the transferring legal entity not to be allocated to the business area digital/web shall remain unaffected by the spin-off digital/web.

12.7 The transferring legal entity and the acquiring legal entity are liable by law (section 133 of the German Transformation Act) as joint and several debtors for any liabilities of the transferring legal entity established prior to the spin-off digital/web towards the employees of the transferring legal entity whose employment relationships transfer as of the effective date of the spin-off digital/web to the acquiring legal entity. The transferring legal entity is pursuant to section 133 para. 3 of the German Transformation Act only liable for these liabilities, if they become due prior to the expiry of five years after the effective date of the spin-off digital/web and are determined in a manner stated in section 197 para. 1 (3 -5) of the German Civil Code – i.e. for example by final judgment or settlement – or if a judicial or official enforcement measure is carried out or applied for; the time limit stated above is ten years

for any pension obligations based on the Company Pensions Act established prior to the effective date of the spin-off digital/web. The acquiring legal entity is solely liable for any liabilities towards the transferring employees of the business area digital/web established after the effective date of the spin-off digital/web. The transferring legal entity is solely liable for any liabilities towards the employees of other business areas established after the effective date of the spin-off digital/web.

12.8 The spin-off digital/web will result in an operational change in the form of a splitting of undertakings on the company level. The transferring legal entity has concluded a reconciliation of interests with the general works council established in the company in its final version of 3 March 2015 regulating the details of the splitting of undertakings. The part of the company connected with the business area digital/web shall pursuant to this be continued with the acquiring legal entity as unchanged operating unit under independent management by the acquiring legal entity. The operational organization existent with the transferring legal entity prior to the effective date of the spin-off digital/web and the existent management structures shall continue to exist with the acquiring legal entity after the effective date of the spin-off digital/web. A joint establishment of the transferring legal entity and the acquiring legal entity is not established.

12.9 Works councils are elected in the transferring legal entity for the sites Würzburg and Radebeul. Furthermore, representatives for the severely disabled as well as for youth and trainees are elected in the transferring legal entity for the locations Würzburg and Radebeul. In addition, a general works council, an economic committee and a general representation for the severely disabled is elected in the transferring legal entity. There are no other employee representations existent in the transferring legal entity.

12.10 All works councils elected in the transferring legal entity shall remain in office after the effective date of the spin-off digital/web. The Works Council Constitution Act provides for a transitional mandate

in case of a splitting of undertakings (section 21a of the Works Council Constitution Act). The transitional mandate shall end, as soon as a new works council is elected in the acquiring legal entity and the result of such election is published, however, at the latest after six months. In derogation of this, it is intended that the works council Würzburg being competent for the transferring employees so far shall remain permanently competent for the transferring employees. This is based on a collective agreement pursuant to section 3 of the Works Council Constitution Act in its final version of 3 March 2015 in which the transferring legal entity and the acquiring legal entity have agreed, among other things, with the industrial trade union Metal and respectively with the competent district management that the works council elected in the transferring legal entity at the location Würzburg shall permanently also represent the interests of the transferring employees of the respective location group-wide and that only one works council shall be elected group-wide per location in future elections of the works council. The regulations of the collective agreement are accordingly applicable to the representations of the severely disabled, of youth and trainees. The current representations shall remain in office unaltered until the next ordinary election. In the next ordinary election only one representation of the severely disabled and only one representation of youth and trainees is elected at the location Würzburg.

12.11 The works agreements applicable prior to the effective date of the spin-off digital/web shall remain in effect with the acquiring legal entity after the effective date of the spin-off digital/web. In addition, it is agreed in the reconciliation of interests between the transferring legal entity and the general works council established in it in its final version of 3 March 2015 that any works agreements existing with the transferring legal entity shall remain in effect, until respective works agreements are concluded with the acquiring legal entity.

12.12 The general works council established in the transferring legal entity and the economic committee established in the transferring legal entity shall

equally remain in office after the effective date of the spin-off digital/web. After the effective date of the spin-off digital/web, however, they shall no longer be competent for the transferring employees. It is intended that a group-wide general works council be established being among other things competent for the transferring legal entity and the acquiring legal entity. This is based on a collective agreement pursuant to section 3 of the Works Council Constitution Act in its final version of 3 March 2015 in which the transferring legal entity and the acquiring legal entity have agreed among other things with the industrial trade union Metal and respectively with the competent district managements that a group-wide general works council be established. An additional general works council shall neither be established with the transferring legal entity nor with the acquiring legal entity. Furthermore, a group-wide economic committee and a group-wide general representation of the severely disabled are established based on the works agreement being among other things competent for the transferring legal entity and the acquiring legal entity.

12.13 The general works agreements applicable with the transferring legal entity prior to the effective date of the spin-off digital/web shall continue to be applicable with the acquiring legal entity as works agreements after the effective date of the spin-off digital/web.

12.14 The transferring legal entity is a member of the Verband der Bayerischen Metall-und Elektroindustrie e.V. (Association of the Bavarian Metal and Electrics Industry; vbm) regarding the location Würzburg and is thereby bound by membership in the employers' association to the collective agreements of the Bavarian metal and electrics industry. The membership to the association and commitment to the collective agreement of the transferring legal entity do not transfer to the acquiring legal entity due to the spin-off digital/web. The acquiring legal entity is currently not a member of an employers' association and not bound by collective agreements (regional or company collective agreement). The reconciliation of interests in its final version of 3 March 2015 provides for the acquiring legal entity

become a member of the Verband der Bayerischen Metall- und Elektroindustrie e.V. (vbm) and therefore be equally bound by membership in an employers' association to the collective agreements of the Bavarian metal and electrics industry. As far as collective agreements are applicable via reference provisions in employment agreements, their applicability shall remain unaffected by the spin-off digital/web.

12.15 A codetermining Supervisory Board with equal representation is existent in the transferring legal entity pursuant to the Codetermination Act with six employee representatives. The spin-off digital/web does neither have any consequences for the Supervisory Board currently in office nor for the codetermination statute (codetermination with equal representation), since there will also not be less employees than the decisive threshold value of 2000 employees after the effective date of the spin-off digital/web. The reason for this is that the employees whose employment relationships transfer to the acquiring legal entity as of the effective date of the spin-off digital/web count as employees of the transferring legal entity for the application of the Codetermination Act (group attribution pursuant to section 5 para. 1 of the Codetermination Act). The Supervisory Board elected in the transferring legal entity shall remain in office with its current composition of members. There is no Supervisory Board existent with the acquiring legal entity, and a supervisory board is also not to be established after the date of execution. The employees whose employment relationships transfer to the acquiring legal entity as of the effective date of the spin-off digital/web shall also participate in the election of the employee representation to the Supervisory Board of the transferring legal entity after the effective date of the spin-off digital/web and can also be elected after the effective date of the spin-off digital/web, as far as the statutory requirements for their eligibility are respectively present.

12.16 In connection with the spin-off digital/web, no further changes or measures are currently planned with respect to the employees or their representations with the exceptions of the changes

stated above as well as changes of the employer for the transferring employees and the splitting of undertakings explained above, neither for the transferring nor for the acquiring legal entity. In connection with the spin-off digital/web, there are particularly no operational changes or other restructurings or personnel reductions currently planned for the transferring and the acquiring legal entity beyond this for the time from the date of execution. However, the following measures shall be taken independently of and separately from the spin-offs:

12.16.1 Independently of the spin-offs of the business areas banknote and security, sheetfed, digital/web and production into legally independent companies, capacity and structure adjustments were required at the locations Würzburg and Radebeul of the transferring legal entity due to the changed market situation. These independent measures of operative restructuring of the transferring legal entity were already decided in December 2013 in the course of the restructuring programme Fit@All.

For this purpose, a social collective agreement was concluded with the IG Metall (Industrial Union of Metal Workers), district management of Bavaria on 30 April 2014 and a reconciliation of interests, a social plan and a transfer social plan were concluded on 13 May 2014 with the general works council of the transferring legal entity. The agreed personnel adjustments at the location Würzburg were already taken or respectively already decided and will expectedly already have been realized until the effective date of the spin-offs.

In contrast to this, the previous social collective agreement was continued without changes at the location Radebeul. For the age cohorts 1949 to 1955 partial retirement arrangements were developed and implemented in consideration of the new legal provisions. Regarding the required adjustments of operational capacities after expiry of the social collective agreement on 31 December 2014 it was agreed to conduct the discussions on a personnel reduction within the framework of the already established control group in the beginning of 2015. It is already agreed that the social collective agreement Würzburg shall be transferred to the social collective

agreement Radebeul. The general works council was informed that an adjustment of the operational capacities is planned for Radebeul. Within the framework of Fit@All, the planned adjustments at the Radebeul site intend a reduction of 181 jobs, 77 of which were reduced by way of phased retirement schemes. The further personnel reduction of up to 100 jobs, as far as necessary, cannot occur prior to the third quarter of 2015 pursuant to the additional collective agreement. Respective provisions were already made in the 2013 annual financial statements for the personnel measures and were kept in the annual financial statements for 2014.

12.16.2 After concluding the social collective agreement dated 30 April 2014 as well as the reconciliation of interests on 13 May 2014 in accordance with the personnel adjustment measures at the site in Würzburg, the economic situation in the web business continued to dramatically deteriorate. Accordingly, an additional restructuring concept for the business area digital/web was adopted at the end of 2014 independently of the spin-offs. This included the focus on sales, marketing and engineering emphasizing on innovation with the simultaneous shift of indoor installation to the business area banknote and security. At the same time the extremely cyclical assembly operations in the banknote and security press business area will be better utilised. In this respect, a reconciliation of interest was already developed with the works council Würzburg.

12.17 A draft identical with this agreement in all essential points was sent to the general works council of the transferring legal entity on 27 March 2015 pursuant to section 126 para. 3 of the German Transformation Act.

13 Approving resolutions, date of execution, period until date of execution

13.1 This agreement requires the approving resolutions of the Annual General Meeting of the transferring legal entity and of the partners' meeting of the acquiring legal entity in order to become effective.

13.2 The transfer of the spin-off items shall occur with effect in rem at the time of the registration and thereby upon the effective date of the spin-off digital/web in the commercial register of the transferring legal entity pursuant to section 131 of the German Transformation Act ("**date of execution**"), after the spin-off digital/web was previously registered in the commercial register of the acquiring legal entity (section 130 para. 1 of the German Transformation Act).

13.3 The transferring legal entity shall manage the spin-off items only within the framework of due course of business and with the care of a prudent business man during the time between the conclusion of this agreement and the date of execution with consideration of the provisions of this agreement.

14 Spin-off report, no examination of spin-off

14.1 The Management Board of the transferring legal entity has prepared a collective spin-off report together with the general partner (represented by its management board) of the acquiring legal entity, KBA-Digital & Web GmbH (represented by its managing director) as well as the limited partner limited liability companies (Kommanditisten-GmbHs) (each represented by their respective managing

directors) and the respective general partner (represented by its management board) of the other subsidiaries. This spin-off report was available for review by the Shareholders at the offices of the transferring legal entity from the calling of the Annual General Meeting of the transferring legal entity deciding on the approval of this agreement.

14.2 An examination of the spin-off does not occur (section 125 sentence 2 of the German Transformation Act).

15 Right to withdraw

Every party may withdraw from this agreement by written notice to the other party until the date of execution.

16 Costs, miscellaneous

Regarding the costs as well as other final provisions, clause 5 of the framework agreement, of which this agreement is taken as annex, shall apply mutatis mutandis.

(cc) Spin-off and takeover agreement production between Koenig & Bauer Aktiengesellschaft and KBA-Industrial Solutions AG & Co. KG

Spin-off and takeover agreement

between

(1) Koenig & Bauer Aktiengesellschaft with seat in Würzburg, registered in the commercial register of the local court of Würzburg under HBR 109, - in the following also named “**transferring legal entity**” -

and

(2) KBA-Industrial Solutions AG & Co. KG with seat in Würzburg, registered in the commercial register of

the local court of Würzburg under HRA 7298, - in the following also named “**acquiring legal entity**” -

- the transferring legal entity and the acquiring legal entity in the following also named “**parties**” or individually “**party**” -

Preamble

- I. The transferring legal entity essentially carries out the production of facilities, machines, precision components and assemblies, particularly, but not limited to, in the field of printing presses, as well as rendering of logistics services (excluding the field of sheetfed printing) in this connection (“**business area production**”) on the premises described in **annex 1** (“**production premises**”). Within the framework of this spin-off and takeover agreement (“**agreement**”), the business area production of the transferring legal entity is to be transferred to the acquiring legal entity (“**spin-off production**”) as part of the restructuring including all items of assets and liabilities to be essentially allocated to the business area production.
- II. Along with this, the business area banknote and security of the transferring legal entity is transferred to KBA-NotaSys AG & Co. KG, the business area digital/web of the transferring legal entity is transferred to KBA-Digital & Web Solutions AG & Co. KG, and the business area sheetfed of the transferring legal entity is transferred to KBA-Sheetfed Solutions AG & Co. KG by means of separate but essentially identical spin-off and takeover agreements. The approval of the partners and shareholders of the respective legal entities involved in the four spin-offs as well as the respective registrations in the commercial register of the involved legal entities shall also occur in parallel.
- III. In addition, the illustrations of the preamble of the framework agreement, which this agreement forms a part of, are applicable complementarily.

NOW THEREFORE, the Parties agree as follows:

1 Involved legal entities

- 1.1 The transferring legal entity is registered in the commercial register of the local court of Würzburg under HRB 109 with a share capital of currently EUR 42,964,435.80 and has its seat in Würzburg.
- 1.2 The acquiring legal entity is registered in the commercial register of the local court of Würzburg under HRA 7298 and has its seat in Würzburg. The following parties hold an interest in the acquiring legal entity:
- 1.2.1 the transferring legal entity as personally liable partner (Komplementär) with a capital participation of 99% as well as
- 1.2.2 KBA-Industrial Solutions Management GmbH (“**KBA-Industrial GmbH**“), registered in the commercial register of the local court of Würzburg under HRB 12446 as sole limited partner (Kommanditistin) with a capital participation of 1%, held in trust for the transferring legal entity. The limited partner’s capital contribution registered with the commercial register, which corresponds to the amount of liability of the sole limited partner KBA-Industrial GmbH, amounts to EUR 1,000.

2 Transfer of assets

- 2.1 The transferring legal entity transfers by way of spin-off for acquisition to the acquiring legal entity all items of assets and liabilities, also as far as they are not balanced in the closing balance or cannot be balanced, and all contractual relations, contractual offers and other legal relations to be essentially allocated to the business area production at the time of execution (“**spin-off items**”) along with all rights and obligations as a unit by way of continued existence of the transferring legal entity (sections 123 para. 3 No.1, 126 para. 1 No.2 of the German Transformation Act), as far as these are not to be treated as remaining assets in the sense of clause 3 of this agreement. In case of doubt all assets and items shall – subject to diverging separate provisions – be treated as spin-off assets which essentially

belong to the business area production at the time of execution, even if they are not expressly stated in this agreement or its annexes. Clause 4 of this agreement shall apply additionally.

- 2.2 The spin-off assets to be essentially allocated to the business area production are particularly, independently of whether they are already covered by clause 2.1 or not:

- 2.2.1 the following items of fixed assets listed in **annex 2.2.1** in individual segments:

- (i) technical machinery and machines, tools, constructions and installations, other machinery (also machinery under construction) and works equipment and business equipment located on the production premises;
- (ii) interests in companies;
- (iii) lendings;

- 2.2.2 the following items of the current assets listed in **Annex 2.2.2** in individual segments

- (i) raw materials and process materials to be allocated to the business area production according to the data stored in the material master record and respectively the working papers;
- (ii) unfinished and finished products and goods to be allocated to the business area production according to the data stored in the material master record and respectively the working papers;
- (iii) claims from shipments and services arising from or in connection with the agreements listed in annex 2.2.6, including claims against affiliated companies as well as against companies with an existing ownership structure (excluding, however, positive balances on clearing accounts and claims for repayment of loans in connection with the intra-group financing); and
- (iv) paid deposits to be essentially allocated to the business area production.

2.2.3 the following items of reserves and uncertain liabilities listed in annex 2.2.3 in individual segments:

- (i) reserves built up in the closing balance for uncertain liabilities based on pensions, early retirement or similar obligations, including benefit obligations from company pension schemes towards the members of the management of the transferring legal entity passing to the acquiring legal entity, as well as all uncertain obligations leading to reserves for partial retirement, working life and similar obligations, particularly obligations towards the persons listed separately in annex 2.2.3;
- (ii) uncertain liabilities which the remaining reserves built up in the closing balance are based on, as far as these are to be allocated to the business area production (however, excluding tax reserves and reserves for pending proceedings); and
- (iii) other uncertain liabilities to be essentially allocated to the business area production, e.g. in connection with statutory obligations;

2.2.4 the following items of liability listed in annex 2.2.4 in individual segments:

- (i) arising from loans;
- (ii) arising from received deposits to be essentially allocated to the business area production;
- (iii) arising from shipments and services from or in connection with the agreements listed in annex 2.2.6;
- (iv) towards affiliated companies as well as towards companies with an existing ownership structure (excluding, however, negative balances on clearing accounts and loan liabilities in connection with the intra-group financing); and
- (v) arising from or in connection with the acceptance of the listed bills of exchange and the issuing of the listed own bills of exchange;

2.2.5 other items listed in annex 2.2.5 in individual segments:

- (i) risks and burdens in connection with the spin-off assets;
- (ii) claims and liabilities arising from statutory obligations that essentially arose in connection with the business area production; and
- (iii) all accounts and business records, other documents and data media, particularly customer files and machinery files, and other documentation to be essentially allocated to the business area production;

2.2.6 the following contractual relations listed in annex 2.2.6 in individual segments:

- (i) all contractual relations with the employees, trainees and workers, including potential temporary employment relations, transferring pursuant to section 613a of the German Civil Code;
- (ii) all contractual relations with former employees;
- (iii) joint-venture and cooperation agreements and other agreements of such kind;
- (iv) all agreements regarding the acquisition of items of the fixed or current assets to be transferred pursuant to this agreement, including rights arising from warranty;
- (v) agreements on rent, lease, leasing or other grant of use of moveable fixed or current assets;
- (vi) agreements on deliveries and services;
- (vii) agreements with commercial agents and authorized dealers;
- (viii) with respect to insurance carriers only the agreements stated in annex 2.2.6,
- (ix) trust and surety agreements as to existing pension, early retirement and partial retirement

obligations as well as obligations in connection with working time accounts;

(x) memberships in associations and unions;

(xi) permissions, licenses and authorizations under public law, as far as these are transferable and are to be essentially allocated to the business area production; and

(xii) all other listed agreements.

3 Assets and items to be split up and to remain

3.1 The following assets and items of the transferring legal entity are excluded from the transfer to the acquiring legal entity (“remaining assets”):

3.1.1 all property and items of the assets and liabilities including all rights, claims, liabilities and agreements, independently of whether these can be balanced or not, to be essentially allocated to the central fields of the transferring legal entity, provided that these are not expressly, for example in the splitting balance, allocated to one or more subsidiaries;

3.1.2 all reserves in connection with ongoing proceedings;

3.1.3 all assets being the subject of pending proceedings, including all rights, obligations and legal statuses in connection with these assets, regardless of the legal reason they result from;

3.1.4 all real estate, hereditary building rights, rights equivalent to real estate and any other rights of the transferring legal entity referring to immovable property;

3.1.5 all industrial property rights, similar rights and domains;

3.1.6 all IT-hardware, license and usage agreements as well as software agreements, the electronic drawing archive and software developed by or on

behalf of KBA, as far as not expressly, for example in the splitting balance, allocated to one or more subsidiaries;

3.1.7 all claims and liabilities in connections with taxes, as far as they concern periods prior to the effective date of spin-off (as defined in clause 6.1 of this agreement);

3.1.8 all claims, rights, obligations and legal relations in connection with the fiduciary relationships described in detail in **annex 3.1.8** for the purpose of insolvency insurance of partial retirement (“**fiduciary relationships**”). The transferring legal entity commits itself in this connection to ensure that the fiduciary conditions be adjusted in this respect so that all employees in partial retirement transferring to the acquiring legal entity will continue to be covered by the respective fiduciary relationship; as well as

3.1.9 all other substantial agreements listed in **annex 3.1.9**.

3.2 The parties are aware that they will enter into intra-group contractual relations as of the date of execution in order to continue to ensure the due business performance of the business area production on the level of the acquiring legal entity. The parties are particularly aware that in this connection, rental and license agreements regarding the remaining assets are concluded to the required extent as well as agency agreements regarding the rendering of services by the central fields of the transferring legal entity for the acquiring legal entity.

3.3 The contractual relations regulated in **annex 3.3** are to be allocated to more than one business area and will continue to be relevant in their entirety for more than one subsidiary and respectively the transferring legal entity. These agreements shall be multiplied and transferred to the acquiring legal entity in the course of the restructuring to the extent as the concerned legal relation is (also) relevant for the business area production.

4 Splitting balance, additional provisions regarding the transfer of assets, obligations to cooperate, fall-back provision, retransfer

- 4.1** The splitting balance of the acquiring legal entity derived from the closing balance of the transferring legal entity is attached to this agreement as **annex 4.1**, in which the assets and liabilities of the transferring legal entity stated in the closing balance in their statuses as of 1 January 2015 (while considering the splitting balances for the spin-offs of the business areas banknote and security, digital/web as well as sheetfed at the same time) are divided up indicatively corresponding to the assets differentiated in clauses 2 and 3 above. The terms used in the splitting balance are taken from the accounting system SAP Fi as of 1 January 2015. It is referred to this annex 4.1 pursuant to section 14 of the German Certification Act; it was presented to the parties for their information and execution, and all parties waived the reading out. The provisions in clause 6.2, according to which the spin-off production is based on the closing balance of the transferring legal entity, as well as in the following clause 4.3, according to which the status of the assets to be spun-off at the date of execution is decisive for the scope of the transfer of assets, remain unaffected.
- 4.2** In case of contradictions between the spin-off balance of the acquiring legal entity and the annexes concerning the spin-off items and remaining assets, the splitting balance shall have priority.
- 4.3** The status of the spin-off items at the time of execution is decisive for the scope of the transfer of assets. The additions and reductions occurred with the assets until the date of execution will be considered for the transfer. Respective substitutes take the place of assets sold prior to the date of execution or assets not existing (anymore) with the transferring legal entity on the date of execution. The other items, rights, liabilities, uncertain liabilities, potential liabilities, contractual relations and other legal relations, risks and burdens acquired by the transferring legal entity until the date of execution are also transferred, as far as these are to be essentially allocated to the business area production.
- 4.4** The parties shall make all statements, issue all deeds and take all other measures and legal actions required or appropriate in connection with the spin-off production.
- 4.5** The parties shall endeavour to fulfil all missing requirements until the date of execution – otherwise immediately afterwards – (including approvals by third parties and public permissions) that are needed for the transfer of the spin-off items by way of partial universal succession (section 131 para. 1 No. 1 of the German Transformation Act).
- 4.6** In the event that single spin-off items are not stated sufficiently above and/or these items cannot be transferred to the acquiring legal entity by way of spin-off or do not transfer for other reasons, the parties shall endeavour – if necessary by way of singular succession – to transfer these to the acquiring legal entity on the date of execution or immediately afterwards. For this purpose, the transferring legal entity is granted the right pursuant to section 317 of the German Civil Code to bindingly name the concerned assets, items and legal relations for all parties involved, also towards third parties. The transferring legal entity is furthermore irrevocably and with exemption from section 181 of the German Civil Code authorized by the acquiring legal entity to make all statements and take all measures required or appropriate for the execution of the individual transfers. As far as the approval by third parties is required hereto, the transferring legal entity is also irrevocably and with exemption from section 181 of the German Civil Code authorized and instructed by the acquiring legal entity to obtain and accept these approvals. The above provisions of this clause 4.6 are respectively applicable, if spin-off items are not expressly stated as spin-off items in this agreement or its annexes but belong to the business area production due to their factual connection.
- 4.7** If the transfers stated in clause 4.6 also fail, the concerned spin-off item remains with the assets of the transferring legal entity. The transferring legal entity shall hold and respectively carry on the concerned spin-off item from the date of execution on a fiduciary basis in its own name and for account

of the acquiring legal entity and grant the acquiring legal entity the use of the concerned spin-off item permanently without charge.

- 4.8** The determination right as well as the authorization of the acquiring legal entity for the benefit of the transferring legal entity according to the provisions of clause 4.6 are furthermore respectively applicable for the reverse case that spin-off items of this agreement or its annexes are not to transfer to the acquiring legal entity but transfer to the acquiring legal entity, for legal reasons or because they were erroneously allocated to the assets to be spun off, and are now to be retransferred from the acquiring legal entity to the transferring legal entity. If the retransfer regulated in this clause 4.8 fails, clause 4.7 is respectively applicable to the acquiring legal entity.

5 No grant of new interests

Due to the legal structure of the acquiring legal entity (partnership in the form of AG & Co. KG), the transferring legal entity is not granted new interests in the acquiring legal entity.

6 Effective spin-off date, closing balance, tax evaluation

- 6.1** The spin-off production occurs from a commercial law point of view in the relationship between the transferring legal entity and the acquiring legal entity as of 1 January 2015, 0:00 (“**effective spin-off date**”). From this time on the acts of the transferring legal entity are considered, as far as these acts concern the business area production and the spin-off items, as taken for account of the acquiring legal entity.
- 6.2** The spin-off is based on the audited balance of the transferring legal entity as of 31 December 2014, provided with unqualified audit certificate by the auditing company KPMG AG, location Nurnberg (sections 125 (1), 17 para. 2 of the German Transformation Act; “**closing balance**”).

- 6.3** From an income tax point of view there is no transfer of assets existent for the spin-off production.

7 Warranty

All claims and rights of the acquiring legal entity against the transferring legal entity based on the nature or stock of the spin-off items transferred by the transferring legal entity in accordance with this agreement or single parts hereof are hereby excluded as far as legally admissible. This exclusion refers to all rights and claims of any kind arising for the acquiring legal entity for any legal reason, independently of whether these are due or unconditional or not or whether these are already existent today or will only arise in the future. In any case, potential warranty claims become statute-barred within two years after the date of execution.

8 Indemnifications, procedural law relationships

- 8.1** As far as one of the parties (“**jointly liable party**”) is held responsible for a liability allocated to the other party (“**main party**”) pursuant to this agreement in accordance with section 133 of the German Transformation Act, the main party is to indemnify the jointly liable party at first demand against this liability. The jointly liable party is to inform the main party immediately on the claim as well as on all further facts and developments regarding the liabilities in dispute and to forward all correspondence as copies. The jointly liable party is to act according to the main party’s instructions with respect to the liabilities in dispute both judicially and extra-judicially. In case of a legal dispute for the defence against a claim asserted against the jointly liable party, the parties shall work towards a change of party, and, if this change is impossible, the main party shall enter the legal dispute as intervening third party.
- 8.2** Clause 8.1 is respectively applicable (i) to liabilities which should have been transferred according to this agreement but did not pass to the acquiring

legal entity, and (ii) to liabilities which should not have been transferred but erroneously passed to the acquiring legal entity.

9 Delivery of business records

9.1 As far as the transferring legal entity has a legitimate interest (e.g. for proceeding, tax, warranty and accounting purposes), it may demand access to delivered files and documents (“**business records**”) after the date of execution and may take copies at its own expense. As far as the acquiring legal entity has a legitimate interest (e.g. for proceeding, tax, warranty and accounting purposes), it may demand access to the files and documents that remained with the transferring legal entity after the date of execution and may take copies at its own expense.

9.2 The transferring legal entity shall store the transferred business records until the expiry of the statutory storage periods.

10 No special rights and benefits

10.1 Special rights in the sense of section 126 para. 1 No.7 of the German Transformation Act are not granted by the acquiring legal entity to individual shareholders nor to any holder of special rights, and there are no measures planned in the sense of this regulation for these persons.

10.2 Special benefits in the sense of section 126 para. 1 No. 8 of the German Transformation Act are not granted to any member of a representing or supervising body of the legal entities involved in the spin-off nor to any acting partner, partner or shareholder, auditor nor to any spin-off auditor.

11 Insurances

11.1 As far as insurance coverage continues also beyond the spin-off date for the business activities of the involved business area production due to a group policy of the transferring legal entity (particularly

those listed in annex 3.1.9), this insurance coverage shall also be granted to the acquiring legal entity beyond the effective spin-off date to the previously common extent. As far as insurance agreements were exclusively concluded for the business area production (particularly those listed in Annex 2.2.6 (viii)), the acquiring legal entity hereby assumes these insurance agreements and continues these agreements as of the effective spin-off date in its own name. The transferring legal entity shall withdraw from these agreements with indemnifying effect for the transferring legal entity as of the effective spin-off date.

11.2 The acquiring legal entity shall reimburse the transferring legal entity or a third party to be determined by the transferring legal entity for the proportional insurance fees to be paid for the insurance coverage of the acquiring legal entity as of the effective spin-off date in case of a group policy. Details hereto are regulated in a separate agreement between the parties if necessary.

11.3 As far as insurance fees have already been paid proportionately by the transferring legal entity or by a company affiliated with the transferring legal entity in terms of corporate law for the period after the effective spin-off date, the acquiring legal entity commits itself to reimburse this proportionate amount to the transferring legal entity or to a third party determined by the transferring legal entity, as far as this fee is proportionally attributable to the business area production.

11.4 The transferring legal entity may, as far as an insurance case occurs in the business area production after the effective spin-off date for which the acquiring legal entity is liable for damages but for which insurance coverage is still existent for the benefit of transferring legal entity, in this respect assign potentially existent claims against the respective insurance company to the acquiring legal entity, as far as this is admissible by law and possible without any economic disadvantages for the transferring legal entity. Potential retentions are to be borne in the internal relationship by the acquiring legal entity.

12 Consequences of the spin-off for the employees and their representatives as well as measures planned in this respect

12.1 The acquiring legal entity does not employ any employees at the time of announcement of this agreement and does not have any businesses.

There are no employee representations formed for the acquiring legal entity. The spin-off production therefore has no consequences for employees or employee representations of the acquiring legal entity.

12.2 The transferring legal entity employs about 3259 employees as of 31 January 2015 including trainees. 941 employees, employed at the sites Würzburg and Radebeul, are to be attributed to the business area production; annex 12.2 includes a list of all employees to be attributed to the business area production as of 31 January 2015.

12.3 Upon the effective date of the spin-off production there shall be a transfer of business. All employment relationships to be allocated to the business area production at this time shall transfer to the acquiring legal entity pursuant to sections 324, 123 para. 3 No. 1 of the German Transformation Act in connection with section 613a para. 1 of the German Civil Code along with all rights and obligations, as far as the concerned employees do not object to the transfer of their employment relationships pursuant to section 613a para. 6 of the German Civil Code. Annex 12.2 serves in this respect only as indication. Should employees have been added or ceased to be involved in the business area production during the period commencing from 31 January 2015 until the date of execution, this will be considered in connection with the transfer of business in such way that only the status at the date of execution is decisive for the transfer of business. The acquiring legal entity shall assume the rights and obligations from the transferring employment relationships as new employer upon the effective date of the spin-off production while recognizing the period of employment served with the transferring legal entity and shall continue the employment relationships.

12.4 The position of the employees in terms of termination rights which were employed by the transferring legal entity prior to the effective date of the spin-off production shall not deteriorate due to the spin-off production for the duration of two years after the effective date, section 323 para. 1 of the German Transformation Act. The termination of the employment relationship to an employee by the transferring legal entity or by the acquiring legal entity due to the spin-off production or respectively due to the transfer of business is ineffective, whereas the right to termination of the employment relationship for other reasons shall remain unaffected, section 613a para. 4 of the German Civil Code.

12.5 The employees of the transferring legal entity to be allocated to the business area production are informed pursuant to section 613a para. 5 of the German Civil Code in text form on the reason as well as the time or respectively planned time of transfer prior to the transfer of business and on the legal, economic and social consequences of the transfer for the employees and regarding the measures considered for the employees. The employees may object to the transfer of their employment relationships in written form pursuant to section 613a para. 6 of the German Civil Code within one month after receipt of this information towards the transferring legal entity or the acquiring legal entity. In the event of objection, the employment relationship of the objecting employee shall not be transferred to the acquiring legal entity but shall continue to exist with the transferring legal entity. As far as possible, the transferring legal entity shall offer a different free work position to the employees objecting to the transfer of their employment relationships, if necessary under different working conditions. As far as continued employment, not even under different working conditions, is not possible or the employee rejects the offered working position, a termination for operational reasons may be declared, if the statutory requirements for this are present. It is agreed in the reconciliation of interests in its final version of 3 March 2015 between the transferring legal entity and the general works council established in the company that the social plan of the transferring

legal entity dated 13 May 2014 is respectively applicable to such terminations for operational reasons. The employees' right to object and the consequences of a potential objection are pointed out in the information.

12.6 The employment relationships of the employees of the transferring legal entity not to be allocated to the business area production shall remain unaffected by the spin-off of production.

12.7 The transferring legal entity and the acquiring legal entity are liable by law (section 133 of the German Transformation Act) as joint and several debtors for any liabilities of the transferring legal entity established prior to the spin-off production towards the employees of the transferring legal entity whose employment relationships transfer as of the effective date of the spin-off production to the acquiring legal entity. The transferring legal entity is pursuant to section 133 para. 3 of the German Transformation Act only liable for these liabilities, if they become due prior to the expiry of five years after the effective date of the spin-off production and are determined in a manner stated in section 197 para. 1 (3 – 5) of the German Civil Code – i.e. for example by final judgment or settlement – or if a judicial or official enforcement measure is carried out or applied for; the time limit stated above is ten years for any pension obligations based on the Company Pensions Act established prior to the effective date of the spin-off production. The acquiring legal entity is solely liable for any liabilities towards the transferring employees of the business area production established after the effective date of the spin-off production. The transferring legal entity is solely liable for any liabilities towards the employees of other business areas established after the effective date of the spin-off production.

12.8 The spin-off production will result in an operational change in the form of splitting of undertakings on the company level. The transferring legal entity has concluded a reconciliation of interests with the general works council established in the company in its final version of 3 March 2015, regulating the details of the splitting of undertakings. The parts

of the company connected with the business area production shall pursuant to this be continued with the acquiring legal entity as unchanged operating units under independent management by the acquiring legal entity. The operational organization existent with the transferring legal entity prior to the effective date of the spin-off production and the existent management structures shall continue to exist with the acquiring legal entity after the effective date of the spin-off production. A joint establishment of the transferring legal entity and the acquiring legal entity at the location Würzburg or Radebeul is not established.

12.9 Works councils are elected in the transferring legal entity for the locations Würzburg and Radebeul. Furthermore, representatives for the severely disabled as well as for youth and trainees are elected in the transferring legal entity for the locations Würzburg and Radebeul. In addition, a general works council, an economic committee and a general representation for the severely disabled is elected in the transferring legal entity. There are no other employee representations existent in the transferring legal entity.

12.10 All works councils elected in the transferring legal entity shall remain in office after the effective date of the spin-off production. The Works Council Constitution Act provides for a transitional mandate in case of a splitting of undertakings (section 21a of the Works Council Constitution Act). The transitional mandate shall end, as soon as a new works council is elected in the acquiring legal entity and the result of such election is published, however, at the latest after six months. In derogation of this, it is intended that the works councils Radebeul and respectively Würzburg being competent for the transferring employees so far shall remain permanently competent for the transferring employees. This is based on collective agreements pursuant to section 3 Works Council Constitution Act in their final version of 3 March 2015 in which the transferring legal entity and the acquiring legal entity have agreed, among other things, with the industrial trade union Metal and respectively with the competent district managements that the works councils elected in the

transferring legal entity at the locations Würzburg and respectively Radebeul shall permanently also represent the interests of the transferring employees of the respective location group-wide and that only one works council shall be elected group-wide per location in future elections of the works council. The regulations of the collective agreement are accordingly applicable to the representations of the severely disabled, of youth and trainees. The current representations shall remain in office unaltered until the next ordinary election. In the next ordinary election only one representation of the severely disabled and only one representation of youth and trainees is elected per location.

12.11 The works agreements applicable prior to the effective date of the spin-off production shall remain in effect with the acquiring legal entity after the effective date of the spin-off production. In addition, it is agreed in the reconciliation of interests between the transferring legal entity and the general works council established in it in its final version of 3 March 2015 that any works agreements existing with the transferring legal entity shall remain in effect, until respective works agreements are concluded with the acquiring legal entity.

12.12 The general works council established in the transferring legal entity and the economic committee established in the transferring legal entity shall equally remain in office after the effective date of the spin-off production. After the effective date of the spin-off production, however, they shall no longer be competent for the transferring employees. It is intended that a group-wide general works council be established being among other things competent for the transferring legal entity and the acquiring legal entity. This is based on a collective agreement pursuant to section 3 of the Works Council Constitution Act in its final version of 3 March 2015 in which the transferring legal entity and the acquiring legal entity have agreed among other things with the industrial trade union Metal and respectively with the competent district managements that a group-wide general works council be established. An additional general works council shall neither be established with the transferring legal entity

nor with the acquiring legal entity. Furthermore, a group-wide economic committee and a group-wide general representation of the severely disabled are established based on the works agreement being among other things competent for the transferring legal entity and the acquiring legal entity.

12.13 The general works agreements applicable with the transferring legal entity prior to the effective date of the spin-off production shall continue to be applicable with the acquiring legal entity as works agreements after the effective date of the spin-off production.

12.14 The transferring legal entity is a member of the Verband der Bayerischen Metall- und Elektroindustrie e.V. (Association of the Bavarian Metal and Electrics Industry; vbm) as regards the location Würzburg and is thereby bound by membership in the employers' association to the collective agreements of the Bavarian metal and electrics industry. The transferring legal entity is a member of the Verband der Sächsischen Metall- und Elektroindustrie e.V. (Association of the Saxon metal and electrics industry; VSME) as regards the location Radebeul and is thereby bound by membership in the employers' association to the collective agreements of the Saxon metal and electrics industry. The membership in the association and the commitment to the collective agreement of the transferring legal entity do not transfer to the acquiring legal entity due to the spin-off production. The acquiring legal entity is currently not a member of an employers' association and not bound by collective agreements (regional or company collective agreement). The reconciliation of interests in its final version of 3 March 2015 provides for the acquiring legal entity become a member of the Verband der Bayerischen Metall- und Elektroindustrie e.V. (vbm) as regards the location Würzburg and a member of the Verband der Sächsischen Metall- und Elektroindustrie e.V. (VSME) as regards the location Radebeul and therefore be equally bound by membership in an employers' association to the collective agreements of the Saxon metal and electrics industry and the Bavarian metal and electrics industry. As far as collective agreements are applicable via reference provisions

in employment agreements, their applicability shall remain unaffected by the spin-off production.

12.15 A codetermining Supervisory Board with equal representation is existent in the transferring legal entity pursuant to the Codetermination Act with six employee representatives. The spin-off production neither has any consequences for the Supervisory Board currently in office nor for the codetermination statute (codetermination with equal representation), since there will also not be less employees than the decisive threshold value of 2,000 employees after the effective date of the spin-off production. The reason for this is that the employees whose employment relationships transfer to the acquiring legal entity as of the effective date of the spin-off production count as employees of the transferring legal entity for the application of the Codetermination Act (group attribution pursuant to section 5 para. 1 of the Codetermination Act). The Supervisory Board elected in the transferring legal entity shall remain in office with its current composition of members. There is no Supervisory Board existent with the acquiring legal entity, and a supervisory board is also not to be established after the date of execution. The employees whose employment relationships transfer to the acquiring legal entity as of the effective date of the spin-off production shall also participate in the election of the employee representation to the Supervisory Board of the transferring legal entity after the effective date of the spin-off production and can also be elected after the effective date of the spin-off production, as far as the statutory requirements for their eligibility are respectively present.

12.16 In connection with the spin-off production, no further changes or measures are currently planned with respect to the employees or their representations with the exceptions of the changes stated above as well as changes of the employer for the transferring employees and the splitting of undertakings explained above, neither for the transferring nor for the acquiring legal entity. In connection with the spin-off production, there are particularly no operational changes or other restructurings or personnel reductions currently

planned for the transferring and the acquiring legal entity beyond this for the time from the date of execution. However, the following measures shall be taken independently of and separately from the spin-offs:

12.16.1 Independently of the spin-offs of the business areas banknote and security, sheetfed, digital/web and production into legally independent companies, capacity and structure adjustments were required at the locations Würzburg and Radebeul of the transferring legal entity due to the changed market situation. These independent measures of operative restructuring of the transferring legal entity were already decided in December 2013 in the course of the restructuring program Fit@All. For this purpose, a social collective agreement was concluded with the IG Metall (Industrial Union of Metal Workers), district management of Bavaria on 30 April 2014 and a reconciliation of interests, a social plan and a transfer social plan were concluded on 13 May 2014 with the general works council of the transferring legal entity. The agreed personnel adjustments at the location Würzburg were already taken or respectively already decided and will expectedly already have been realized until the effective date of the spin-offs. In contrast to this, the previous social collective agreement was continued without changes at the location Radebeul. For the age cohorts 1949 to 1955 partial retirement arrangements were developed and implemented in consideration of the new legal provisions. Regarding the required adjustments of operational capacities after expiry of the social collective agreement on 31 December 2014 it was agreed to conduct the discussions on a personnel reduction within the framework of the already established control group in the beginning of 2015. It is already agreed that the social collective agreement Würzburg shall be transferred to the social collective agreement Radebeul. The general works council was informed that an adjustment of the operational capacities is planned for the location Radebeul. Within the framework of the Fit@All program, the planned adjustments at the Radebeul site intend for a reduction of 181 working places, 77 of which were reduced by way of phased retirement schemes. The further reduction in personnel of up to 100 staff,

as far as necessary, cannot occur prior to the third quarter of 2015 pursuant to the additional collective agreement. Respective reserves were already formed in the annual financial statements for 2013 for the personnel measures and were kept in the annual financial statements of 2014.

12.16.2 After the conclusion of the social collective agreement dated 30 April 2014 as well as of the reconciliation of interests of 13 May 2014 regarding the personnel adjustment measures at Würzburg, the economic situation in the web business continued to dramatically deteriorate. Accordingly, an additional restructuring concept for the business area digital/web was adopted at the end of 2014 independently of the spin-offs including the focus on sales, marketing and engineering with emphasis on innovation with simultaneous shift of indoor installation to the business area banknote and security. At the same time the extremely cyclical assembly operations in the banknote and security press business area will be better utilised. In this respect, a reconciliation of interest was already developed with the works council Würzburg.

12.17 The personnel reduction resulting from this will mainly occur by voluntary agreements and apart from that by terminations for operational reasons. A draft identical with this agreement in all essential points was sent to the general works council of the transferring legal entity on 27 March 2015 pursuant to section 126 para. 3 of the German Transformation Act.

13 Approving resolutions, date of execution, period until date of execution

13.1 This agreement requires the approving resolutions of the Annual General Meeting of the transferring legal entity and of the partners' meeting of the acquiring legal entity in order to become effective.

13.2 The transfer of the spin-off items shall occur with effect in rem at the time of the registration and

thereby upon the effective date of the spin-off production in the commercial register of the transferring legal entity pursuant to section 131 of the German Transformation Act ("**date of execution**"), after the spin-off production was previously registered in the commercial register of the acquiring legal entity (section 130 para. 1 of the German Transformation Act).

13.3 The transferring legal entity shall manage the spin-off items only within the framework of due course of business and with the care of a prudent business man during the time between the conclusion of this agreement and the date of execution with consideration of the provisions of this agreement.

14 Spin-off report, no examination of spin-off

14.1 The Management Board of the transferring legal entity has prepared a collective spin-off report together with the general partner (represented by its management board) of the acquiring legal entity, KBA-Industrial GmbH (represented by its managing director) as well as the limited partner limited liability companies (Kommanditisten-GmbHs) (each represented by their respective managing directors) and the respective general partner (represented by its management board) of the other subsidiaries. This spin-off report was available for review by the shareholders at the offices of the transferring legal entity from the calling of the Annual General Meeting of the transferring legal entity deciding on the approval of this agreement.

14.2 An examination of the spin-off does not occur (section 125 (2) of the German Transformation Act).

15 Right to withdraw

Every party may withdraw from this agreement by written notice to the other party until the date of execution.

16 Costs, miscellaneous

Regarding the costs as well as other final provisions, clause 5 of the framework agreement, of which this agreement is taken as annex, shall apply mutatis mutandis.

(dd) Spin-off and takeover agreement banknote and security between Koenig & Bauer Aktiengesellschaft and KBA-NotaSys AG & Co. KG

Spin-off and takeover agreement

between

(1) Koenig & Bauer Aktiengesellschaft with seat in Würzburg, registered in the commercial register of the local court of Würzburg under HBR 109, - in the following also named **“transferring legal entity”** -

and

(2) KBA-NotaSys AG & Co. KG with seat in Würzburg, registered in the commercial register of the local court of Würzburg under HRA 7311, - in the following also named **“acquiring legal entity”** -

- the transferring legal entity and the acquiring legal entity in the following also named **“parties”** or individually **“party”** -

Preamble

I. The transferring legal entity essentially carries out the construction and the development, assembly, operation and service for machines, units and spare parts for the production of bank notes, securities and security features (**“business area banknote and security”**) on the premises described in annex 1 (**“banknote and security premises”**). The dependent location Bielefeld is particularly part of the business area banknote and security. Within the framework of this spin-off and takeover agreement (**“agreement”**), the business area banknote and security of the transferring legal entity is to be

transferred to the acquiring legal entity (**“spin-off banknote and security”**) as part of the restructuring including all items of assets and liabilities to be essentially allocated to the business area banknote and security.

II. Along with this, the business area sheetfed of the transferring legal entity is transferred to KBA-Sheetfed Solutions AG & Co. KG, the business area digital/web of the transferring legal entity is transferred to KBA-Digital & Web Solutions AG & Co. KG, and the business area production of the transferring legal entity is transferred to KBA-Industrial Solutions AG & Co. KG by means of separate but essentially identical spin-off and takeover agreements. The approval of the partners of the respective legal entities involved in the four spin-offs as well as the respective registrations in the commercial register of the involved legal entities shall also occur in parallel.

III. In addition, the illustrations of the preamble of the framework agreement, which this agreement forms a part of, are applicable complementarily.

NOW THEREFORE, the Parties agree as follows:

1 Involved legal entities

1.1 The transferring legal entity is registered in the commercial register of the local court of Würzburg under HRB 109 with a share capital of currently EUR 42,964,435.80 and has its seat in Würzburg.

1.2 The acquiring legal entity is registered in the commercial register of the local court of Würzburg under HRA 7311 and has its seat in Würzburg. The following parties hold an interest in the acquiring legal entity:

1.2.1 the transferring legal entity as personally liable partner (Komplementär) with a capital participation of 99% as well as

1.2.2 KBA-NotaSys Management GmbH (**“KBA-NotaSys GmbH”**), registered in the commercial register of

the local court of Würzburg under HRB 12628 as sole limited partner (Kommanditistin) with a capital participation of 1%, held in trust for the transferring legal entity.

The limited partner's capital contribution registered with the commercial register, which corresponds to the amount of liability of the sole limited partner KBA-NotaSys GmbH, amounts to EUR 1,000.

2 Transfer of assets

2.1 The transferring legal entity transfers by way of spin-off for acquisition to the acquiring legal entity all items of assets and liabilities, also as far as they are not balanced in the closing balance or cannot be balanced, and all contractual relations, contractual offers and other legal relations to be essentially allocated to the business area banknote and security at the time of execution ("**spin-off items**") along with all rights and obligations as a unit by way of continued existence of the transferring legal entity (sections 123 para. 3 No. 1, 126 para. 1 No. 2 of the German Transformation Act), as far as these are not to be treated as remaining assets in the sense of clause 3 of this agreement. In case of doubt all assets and items shall – subject to diverging separate provisions – be treated as spin-off assets which essentially belong to the business area banknote and security at the time of execution, even if they are not expressly stated in this agreement or its annexes. Clause 4 of this agreement shall apply additionally.

2.2 The spin-off assets to be essentially allocated to the business area banknote and security are particularly, independently of whether they are already covered by clause 2.1 or not:

2.2.1 the following items of fixed assets listed in [annex 2.2.1](#) in individual segments:

(i) technical machinery and machines, tools, constructions and installations, other machinery (also machinery under construction) and works equipment and business equipment located on the banknote and security premises;

(ii) lendings;

2.2.2 the following items of the current assets listed in [Annex 2.2.2](#) in individual segments

(i) raw materials and process materials to be allocated to the business area banknote and security according to the data stored in the material master record and respectively the working papers;

(ii) unfinished and finished products and goods to be allocated to the business area banknote and security according to the data stored in the material master record and respectively the working papers;

(iii) claims from shipments and services arising from or in connection with the agreements listed in annex 2.2.6, including claims against affiliated companies as well as against companies with an existing ownership structure (excluding, however, positive balances on clearing accounts and claims for repayment of loans in connection with the intra-group financing); and

(iv) paid deposits to be essentially allocated to the business area banknote and security.

2.2.3 the following items of reserves and uncertain liabilities listed in [annex 2.2.3](#) in individual segments:

(i) reserves built up in the closing balance for uncertain liabilities based on pension, early retirement or similar obligations, including benefit obligations from company pension schemes towards the members of the management of the transferring legal entity passing to the acquiring legal entity, as well as all uncertain obligations leading to reserves for partial retirement, working life and similar obligations, particularly obligations towards the persons listed separately in annex 2.2.3;

(ii) uncertain liabilities which the remaining reserves built up in the closing balance are based on, as far as these are to be allocated to the business area banknote and security (however, excluding tax reserves and reserves for pending proceedings); and

(iii) other uncertain liabilities to be essentially allocated to the business area banknote and security, e.g. in connection with statutory obligations;

2.2.4 the following items of liability listed in **annex 2.2.4** in individual segments:

- (i) arising from loans;
- (ii) arising from received deposits to be essentially allocated to the business area banknote and security;
- (iii) arising from shipments and services from or in connection with the agreements listed in annex 2.2.6;
- (iv) towards affiliated companies as well as towards companies with an existing ownership structure (excluding, however, negative balances on clearing accounts and loan liabilities in connection with the intra-group financing); and
- (v) arising from or in connection with the acceptance of the listed bills of exchange and the issuing of the listed own bills of exchange;

2.2.5 other items listed in **annex 2.2.5** in individual segments:

- (i) risks and burdens in connection with the spin-off assets;
- (ii) claims and liabilities arising from statutory obligations that essentially arose in connection with the business area banknote and security; and
- (iii) all accounts and business records, other documents and data media, particularly customer files and machinery files, and other documentation to be essentially allocated to the business area banknote and security;

2.2.6 the following contractual relations listed in **annex 2.2.6** in individual segments:

- (i) all contractual relations with the employees, trainees and workers, including potential temporary

employment relations, transferring pursuant to section 613a of the German Civil Code;

(ii) all contractual relations with former employees;

(iii) joint-venture and cooperation agreements and other agreements of such kind;

(iv) all agreements regarding the acquisition of items of the fixed or current assets to be transferred pursuant to this agreement, including rights arising from warranty;

(v) agreements on rent, lease, leasing or other grant of use of moveable fixed or current assets;

(vi) agreements on deliveries and services;

(vii) agreements with commercial agents and authorized dealers;

(viii) with respect to insurance carriers only the agreements stated in annex 2.2.6;

(ix) trust and surety agreements as to existing pension, early retirement and partial retirement obligations as well as obligations in connection with working time accounts;

(x) memberships in associations and unions;

(xi) permissions, licenses and authorizations under public law, as far as these are transferable and are to be essentially allocated to the business area banknote and security; and

(xii) all other listed agreements.

3 Assets and items to be split up and to remain

3.1 The following assets and items of the transferring legal entity are excluded from the transfer to the acquiring legal entity ("**remaining assets**"):

3.1.1 all property and items of the assets and liabilities including all rights, claims, liabilities and agreements, independently of whether these can be balanced or

not, to be essentially allocated to the central fields of the transferring legal entity, provided that these are not expressly, for example in the splitting balance, allocated to one or more subsidiaries;

- 3.1.2** all reserves in connection with ongoing proceedings;
- 3.1.3** all assets being the subject of pending proceedings, including all rights, obligations and legal statuses in connection with these assets, regardless of the legal reason they result from;
- 3.1.4** all real estate, hereditary building rights, rights equivalent to real estate and any other rights of the transferring legal entity referring to immovable property;
- 3.1.5** all industrial property rights, similar rights and domains;
- 3.1.6** all IT-hardware, license and usage agreements as well as software agreements, the electronic drawing archive and software developed by or on behalf of KBA, as far as not expressly, for example in the splitting balance, allocated to one or more subsidiaries;
- 3.1.7** all claims and liabilities in connections with taxes, as far as they concern periods prior to the effective date of spin-off (as defined in clause 6.1 of this agreement);
- 3.1.8** all claims, rights, obligations and legal relations in connection with the fiduciary relationships described in detail in annex 3.1.8 for the purpose of insolvency insurance of partial retirement (“**fiduciary relationships**”). The transferring legal entity commits itself in this connection to ensure that the fiduciary conditions be adjusted in this respect so that all employees in partial retirement transferring to the acquiring legal entity will continue to be covered by the respective fiduciary relationship; as well as
- 3.1.9** all other substantial agreements listed in **annex 3.1.9**.
- 3.2** The parties are aware that they will enter into intra-group contractual relations as of the date of execution in order to continue to ensure the due business performance of the business area banknote and security on the level of the acquiring legal entity. The parties are particularly aware that in this connection, rental and license agreements regarding the remaining assets are concluded to the required extent as well as agency agreements regarding the rendering of services by the central fields of the transferring legal entity for the acquiring legal entity.
- 3.3** The contractual relations regulated in **annex 3.3** are to be allocated to more than one business area and will continue to be relevant in their entirety for more than one subsidiary and respectively the transferring legal entity. These agreements shall be multiplied and transferred to the acquiring legal entity in the course of the restructuring to the extent as the concerned legal relation is (also) relevant for the business area banknote and security.
- 4 Splitting balance, additional provisions regarding the transfer of assets, obligations to cooperate, fall-back provision, retransfer**
- 4.1** The splitting balance of the acquiring legal entity derived from the closing balance of the transferring legal entity is attached to this agreement as **annex 4.1**, in which the assets and liabilities of the transferring legal entity stated in the closing balance in their statuses as of 1 January 2015 (while considering the splitting balances for the spin-offs of the business areas sheetfed, digital/web as well as production at the same time) are divided up indicatively corresponding to the assets differentiated in clauses 2 and 3 above. The terms used in the splitting balance are taken from the accounting system SAP Fi as of 1 January 2015. It is referred to

- this annex 4.1 pursuant to section 14 of the German Certification Act; it was presented to the parties for their information and execution, and all parties waived the reading out. The provisions in clause 6.2, according to which the spin-off banknote and security is based on the closing balance of the transferring legal entity, as well as in the following clause 4.3, according to which the status of the assets to be spun-off at the date of execution is decisive for the scope of the transfer of assets, remain unaffected.
- 4.2** In case of contradictions between the spin-off balance of the acquiring legal entity and the annexes concerning the spin-off items and remaining assets, the splitting balance shall have priority.
- 4.3** The status of the spin-off items at the time of execution is decisive for the scope of the transfer of assets. The additions and reductions occurred with the assets until the date of execution will be considered for the transfer. Respective substitutes take the place of assets sold prior to the date of execution or assets not existing (anymore) with the transferring legal entity on the date of execution. The other items, rights, liabilities, uncertain liabilities, potential liabilities, contractual relations and other legal relations, risks and burdens acquired by the transferring legal entity until the date of execution are also transferred, as far as these are to be essentially allocated to the business area banknote and security.
- 4.4** The parties shall make all statements, issue all deeds and take all other measures and legal actions required or appropriate in connection with the spin-off banknote and security.
- 4.5** The parties shall endeavour to fulfil all missing requirements until the date of execution – otherwise immediately afterwards – (including approvals by third parties and public permissions) that are needed for the transfer of the spin-off items by way of partial universal succession (section 131 para. 1 No. 1 of the German Transformation Act).
- 4.6** In the event that single spin-off items are not stated sufficiently above and/or these items cannot be transferred to the acquiring legal entity by way of spin-off or do not transfer for other reasons, the parties shall endeavour – if necessary by way of singular succession – to transfer these to the acquiring legal entity on the date of execution or immediately afterwards. For this purpose, the transferring legal entity is granted the right pursuant to section 317 of the German Civil Code to bindingly name the concerned assets, items and legal relations for all parties involved, also towards third parties. The transferring legal entity is furthermore irrevocably and with exemption from section 181 of the German Civil Code authorized by the acquiring legal entity to make all statements and take all measures required or appropriate for the execution of the individual transfers. As far as the approval by third parties is required hereto, the transferring legal entity is also irrevocably and with exemption from section 181 of the German Civil Code authorized and instructed by the acquiring legal entity to obtain and accept these approvals. The above provisions of this clause 4.6 are respectively applicable, if spin-off items are not expressly stated as spin-off items in this agreement or its annexes but belong to the business area banknote and security due to their factual connection.
- 4.7** If the transfers stated in clause 4.6 also fail, the concerned spin-off item remains with the assets of the transferring legal entity. The transferring legal entity shall hold and respectively carry on the concerned spin-off item from the date of execution on a fiduciary basis in its own name and for account of the acquiring legal entity and grant the acquiring legal entity the use of the concerned spin-off item permanently without charge.
- 4.8** The determination right as well as the authorization of the acquiring legal entity for the benefit of the transferring legal entity according to the provisions

of clause 4.6 are furthermore respectively applicable for the reverse case that spin-off items of this agreement or its annexes are not to transfer to the acquiring legal entity but transfer to the acquiring legal entity, for legal reasons or because they were erroneously allocated to the assets to be spun off, and are now to be retransferred from the acquiring legal entity to the transferring legal entity. If the retransfer regulated in this clause 4.8 fails, clause 4.7 is respectively applicable to the acquiring legal entity.

5 No grant of new interests

Due to the legal structure of the acquiring legal entity (partnership in the form of AG & Co. KG), the transferring legal entity is not granted new interests in the acquiring legal entity.

6 Effective spin-off date, closing balance, tax evaluation

- 6.1** The spin-off banknote and security occurs from a commercial law point of view in the relationship between the transferring legal entity and the acquiring legal entity as of 1 January 2015 0:00 (“**effective spin-off date**”). From this time on the acts of the transferring legal entity are considered, as far as these acts concern the business area banknote and security and the spin-off items, as taken for account of the acquiring legal entity.
- 6.2** The spin-off is based on the audited balance of the transferring legal entity as of 31 December 2014 provided with unqualified audit certificate by the auditing company KPMG AG, location Nurnberg (sections 125 (1), 17 (2) of the German Transformation Act; “**closing balance**”).
- 6.3** From an income tax point of view there is no transfer of assets existent for the spin-off banknote and security.

7 Warranty

All claims and rights of the acquiring legal entity against the transferring legal entity based on the nature or stock of the spin-off items transferred by the transferring legal entity in accordance with this agreement or single parts hereof are hereby excluded as far as legally admissible. This exclusion refers to all rights and claims of any kind arising for the acquiring legal entity for any legal reason, independently of whether these are due or unconditional or not or whether these are already existent today or will only arise in the future. In any case, potential warranty claims become statute-barred within two years after the date of execution.

8 Indemnifications, procedural law relationships

- 8.1** As far as one of the parties (“**jointly liable party**”) is held responsible for a liability allocated to the other party (“**main party**”) pursuant to this agreement in accordance with section 133 of the German Transformation Act, the main party is to indemnify the jointly liable party at first demand against this liability. The jointly liable party is to inform the main party immediately on the claim as well as on all further facts and developments regarding the liabilities in dispute and to forward all correspondence as copies. The jointly liable party is to act according to the main party’s instructions with respect to the liabilities in dispute both judicially and extra-judicially. In case of a legal dispute for the defence against a claim asserted against the jointly liable party, the parties shall work towards a change of party, and, if this change is impossible, the main party shall enter the legal dispute as intervening third party.
- 8.2** Clause 8.1 is respectively applicable (i) to liabilities which should have been transferred according to this agreement but did not pass to the acquiring

legal entity, and (ii) to liabilities which should not have been transferred but erroneously passed to the acquiring legal entity.

9 Delivery of business records

9.1 As far as the transferring legal entity has a legitimate interest (e.g. for proceeding, tax, warranty and accounting purposes), it may demand access to delivered files and documents (“**business records**”) after the date of execution and may take copies at its own expense. As far as the acquiring legal entity has a legitimate interest (e.g. for proceeding, tax, warranty and accounting purposes), it may demand access to the files and documents that remained with the transferring legal entity after the date of execution and may take copies at its own expense.

9.2 The transferring legal entity shall store the transferred business records until the expiry of the statutory storage periods.

10 No special rights and benefits

10.1 Special rights in the sense of section 126 para. 1 No. 7 of the German Transformation Act are not granted by the acquiring legal entity to individual shareholders nor to any holder of special rights, and there are no measures planned in the sense of this regulation for these persons.

10.2 Special benefits in the sense of section 126 para. 1 No.8 of the German Transformation Act are not granted to any member of a representing or supervising body of the legal entities involved in the spin-off nor to any acting partner, partner or shareholder, auditor nor to any spin-off auditor.

11 Insurances

11.1 As far as insurance coverage continues also beyond the spin-off date for the business activities of the involved business area banknote and security due to a group policy of the transferring legal entity (particularly those listed in annex 3.1.9), this insurance coverage shall also be granted to the acquiring legal entity beyond the effective spin-off date to the previously common extent. As far as insurance agreements were exclusively concluded for the business area banknote and security (particularly those listed in Annex 2.2.6 (viii)), the acquiring legal entity hereby assumes these insurance agreements and continues these agreements as of the effective spin-off date in its own name. The transferring legal entity shall withdraw from these agreements with indemnifying effect for the transferring legal entity as of the effective spin-off date.

11.2 The acquiring legal entity shall reimburse the transferring legal entity or a third party to be determined by the transferring legal entity for the proportional insurance fees to be paid for the insurance coverage of the acquiring legal entity as of the effective spin-off date in case of a group policy. Details hereto are regulated in a separate agreement between the parties if necessary.

11.3 As far as insurance fees have already been paid proportionately by the transferring legal entity or by a company affiliated with the transferring legal entity in terms of corporate law for the period after the effective spin-off date, the acquiring legal entity commits itself to reimburse this proportionate amount to the transferring legal entity or to a third party determined by the transferring legal entity, as far as this fee is proportionally attributable to the business area banknote and security.

11.4 The transferring legal entity may, as far as an insurance case occurs in the business area banknote and security after the effective spin-off date for which the acquiring legal entity is liable for damages but for which insurance coverage is still existent for the benefit of transferring legal entity, in this respect assign potentially existent claims against the respective insurance company to the acquiring legal entity, as far as this is admissible by law and possible without any economic disadvantages for the transferring legal entity. Potential retentions are to be borne in the internal relationship by the acquiring legal entity.

12 Consequences of the spin-off for the employees and their representatives as well as measures planned in this respect

12.1 The acquiring legal entity does not employ any employees at the time of announcement of this agreement and does not have any businesses. There are no employee representations formed for the acquiring legal entity. The spin-off banknote and security therefore has no consequences for employees or employee representations of the acquiring legal entity.

12.2 The transferring legal entity employs about 3259 employees as of 31 January 2015 including trainees. 228 employees, exclusively employed at the Würzburg site, are to be attributed to the business area banknote and security; **annex 12.2** includes a list of all employees to be attributed to the business area banknote and security as of 31 January 2015.

12.3 Upon the effective date of the spin-off banknote and security there shall be a transfer of business.

All employment relationships to be allocated to the business area banknote and security at this time shall transfer to the acquiring legal entity pursuant to sections 324, 123 para. 3 No. 1) of the German Transformation Act in connection with section 613a para. 1 of the German Civil Code along with all rights and obligations, as far as the concerned employees do not object to the transfer of their employment relationships pursuant to section 613a para. 6 of the German Civil Code. Annex 12.2 serves in this respect only as indication. Should employees have been added or ceased to be involved in the business area banknote and security during the period commencing from 31 January 2015 until the date of execution, this will be considered in connection with the transfer of business in such way that only the status at the date of execution is decisive for the transfer of business. The acquiring legal entity shall assume the rights and obligations from the transferring employment relationships as new employer upon the effective date of the spin-off banknote and security while recognizing the period of employment served with the transferring legal entity and shall continue the employment relationships.

12.4 The position of the employees in terms of termination rights which were employed by the transferring legal entity prior to the effective date of the spin-off banknote and security shall not deteriorate due to the spin-off banknote and security for the duration of two years after the effective date, section 323 para. 1 of the German Transformation Act. The termination of the employment relationship to an employee by the transferring legal entity or by the acquiring legal entity due to the spin-off banknote and security or respectively due to the transfer of business is ineffective, whereas the right

to termination of the employment relationship for other reasons shall remain unaffected, section 613a para. 4 of the German Civil Code.

12.5 The employees of the transferring legal entity to be allocated to the business area banknote and security are informed pursuant to section 613a para. 5 of the German Civil Code in text form on the reason as well as the time or respectively planned time of transfer prior to the transfer of business and on the legal, economic and social consequences of the transfer for the employees and regarding the measures considered for the employees. The employees may object to the transfer of their employment relationships in written form pursuant to section 613a para. 6 of the German Civil Code within one month after receipt of this information towards the transferring legal entity or the acquiring legal entity. In the event of objection, the employment relationship of the objecting employee shall not be transferred to the acquiring legal entity but shall continue to exist with the transferring legal entity. As far as possible, the transferring legal entity shall offer a different free work position to the employees objecting to the transfer of their employment relationships, if necessary under different working conditions. As far as continued employment, not even under different working conditions, is not possible or the employee rejects the offered working position, a termination for operational reasons may be declared, if the statutory requirements for this are present. It is agreed in the reconciliation of interests in its final version of 3 March 2015 between the transferring legal entity and the general works council established in the company that the social plan of the transferring legal entity dated 13 May 2014 is respectively applicable to such terminations for operational

reasons. The employees' right to object and the consequences of a potential objection are pointed out in the information.

12.6 The employment relationships of the employees of the transferring legal entity not to be allocated to the business area banknote and security shall remain unaffected by the spin-off banknote and security.

12.7 The transferring legal entity and the acquiring legal entity are liable by law (section 133 of the German Transformation Act) as joint and several debtors for any liabilities of the transferring legal entity established prior to the spin-off banknote and security towards the employees of the transferring legal entity whose employment relationships transfer as of the effective date of the spin-off banknote and security to the acquiring legal entity. The transferring legal entity is pursuant to section 133 para. 3 German Transformation Act only liable for these liabilities, if they become due prior to the expiry of five years after the effective date of the spin-off banknote and security and are determined in a manner stated in section 197 para. 1 (3 – 5) of the German Civil Code – i.e. for example by final judgment or settlement – or if a judicial or official enforcement measure is carried out or applied for; the time limit stated above is ten years for any pension obligations based on the Company Pensions Act established prior to the effective date of the spin-off banknote and security. The acquiring legal entity is solely liable for any liabilities towards the transferring employees of the business area banknote and security established after the effective date of the spin-off security. The transferring legal entity is solely liable for any liabilities towards the employees of other business areas established after the effective date of the spin-off security.

- 12.8** The spin-off banknote and security will result in an operational change in the form of a splitting of undertakings on the company level. The transferring legal entity has concluded a reconciliation of interests with the general works council established for in the company in its final version of 3 March 2015 regulating the details of the splitting of undertakings. The part of the company connected with the business area banknote and security shall pursuant to this be continued with the acquiring legal entity as unchanged operating unit under independent management by the acquiring legal entity. The operational organization existent with the transferring legal entity prior to the effective date of the spin-off banknote and security and the existent management structures shall continue to exist with the acquiring legal entity after the effective date of the spin-off banknote and security. A joint establishment of the transferring legal entity and the acquiring legal entity is not established.
- 12.9** Works councils are elected in the transferring legal entity for the sites Würzburg and Radebeul. Furthermore, representatives for the severely disabled as well as for youth and trainees are elected in the transferring legal entity for the locations Würzburg and Radebeul. In addition, a general works council, an economic committee and a general representation for the severely disabled is elected in the transferring legal entity. There are no other employee representations existent in the transferring legal entity.
- 12.10** All works councils elected in the transferring legal entity shall remain in office after the effective date of the spin-off banknote and security. The Works Council Constitution Act provides for a transitional mandate in case of a splitting of undertakings (section 21a of the Works Council Constitution Act). The transitional mandate shall end, as soon as a new works council is elected in the acquiring legal entity and the result of such election is published, however, at the latest after six months. In derogation of this, it is intended that the works council Würzburg being competent for the transferring employees so far shall remain permanently competent for the transferring employees. This is based on a collective agreement pursuant to section 3 of the Works Council Constitution Act in its final version of 3 March 2015 in which the transferring legal entity and the acquiring legal entity have agreed, among other things, with the industrial trade union Metal and respectively with the competent district managements that the works council elected in the transferring legal entity at the location Würzburg shall permanently also represent the interests of the transferring employees of the respective location group-wide and that only one works council shall be elected group-wide per location in future elections of the works council. The regulations of the collective agreement are accordingly applicable to the representations of the severely disabled, of youth and trainees. The current representations shall remain in office unaltered until the next ordinary election. In the next ordinary election only one representation of the severely disabled and only one representation of youth and trainees is elected at the Würzburg site.
- 12.11** The works agreements applicable prior to the effective date of the spin-off banknote and security shall remain in effect with the acquiring legal entity after the effective date of the spin-off banknote and security. In addition, it is agreed in the reconciliation of interests between the transferring legal entity and the general works council established in it in its final version of 3 March 2015 that any works agreements existing with the transferring legal entity shall remain in effect, until respective works agreements are concluded with the acquiring legal entity.

- 12.12** The general works council established in the transferring legal entity and the economic committee established in the transferring legal entity shall equally remain in office after the effective date of the spin-off banknote and security. After the effective date of the spin-off banknote and security, however, they shall no longer be competent for the transferring employees. It is intended that a group-wide general works council be established being among other things competent for the transferring legal entity and the acquiring legal entity. This is based on a collective agreement pursuant to section 3 of the Works Council Constitution Act in its final version of 3 March 2015 in which the transferring legal entity and the acquiring legal entity have agreed among other things with the industrial trade union Metal and respectively with the competent district managements that a group-wide general works council be established. An additional general works council shall neither be established with the transferring legal entity nor with the acquiring legal entity. Furthermore, a group-wide economic committee and a group-wide general representation of the severely disabled are established based on the works agreement being among other things competent for the transferring legal entity and the acquiring legal entity.
- 12.13** The general works agreements applicable with the transferring legal entity prior to the effective date of the spin-off banknote and security shall continue to be applicable with the acquiring legal entity as works agreements after the effective date of the spin-off banknote and security.
- 12.14** The transferring legal entity is a member of the Verband der Bayerischen Metall- und Elektroindustrie e.V. (Association of the Bavarian Metal and Electrics Industry; vbm) as regards to Würzburg and is thereby bound by membership in the employers' association to the collective agreements of the Bavarian metal and electrics industry. The membership in the association and the commitment to the collective agreement of the transferring legal entity do not transfer to the acquiring legal entity due to the spin-off banknote and security. The acquiring legal entity is currently not a member of an employers' association and not bound by collective agreements (regional or company collective agreement). The reconciliation of interests in its final version of 3 March 2015 provides for the acquiring legal entity become a member of the Verband der Bayerischen Metall- und Elektroindustrie e.V. (vbm) and therefore be equally bound by membership in an employers' association to the collective agreements of the Bavarian metal and electrics industry. As far as collective agreements are applicable via reference provisions in employment agreements, their applicability shall remain unaffected by the spin-off banknote and security.
- 12.15** A codetermining Supervisory Board with equal representation is existent in the transferring legal entity pursuant to the Codetermination Act with six employee representatives. The spin-off banknote and security does neither have any consequences for the Supervisory Board currently in office nor for the codetermination statute (codetermination with equal representation), since there will also not be less employees than the decisive threshold value of 2,000 employees after the effective date of the spin-off banknote and security. The reason for this is that the employees whose employment relationships transfer to the acquiring legal entity as of the effective date of the spin-off banknote and security count as employees of the transferring legal entity for the application of the Codetermination Act (group attribution pursuant to section 5 para.

1 of the Codetermination Act). The Supervisory Board elected in the transferring legal entity shall remain in office with its current composition of members. There is no Supervisory Board existent with the acquiring legal entity, and a supervisory board is also not to be established after the date of execution. The employees whose employment relationships transfer to the acquiring legal entity as of the effective date of the spin-off banknote and security shall also participate in the election of the employee representation to the Supervisory Board of the transferring legal entity after the effective date of the spin-off banknote and security and can also be elected after the effective date of the spin-off banknote and security, as far as the statutory requirements for their eligibility are respectively present.

12.16 In connection with the spin-off banknote and security, no further changes or measures are currently planned with respect to the employees or their representations with the exceptions of the changes stated above as well as changes of the employer for the transferring employees and the splitting of undertakings explained above, neither for the transferring nor for the acquiring legal entity. In connection with the spin-off banknote and security, there are particularly no operational changes or other restructurings or personnel reductions currently planned for the transferring and the acquiring legal entity beyond this for the time from the date of execution. However, the following measures shall be taken independently of and separately from the spin-offs:

12.16.1 Independently of the spin-offs of the business areas banknote and security, sheetfed, digital/web and production into legally independent companies, capacity and structure adjustments were required

at the locations Würzburg and Radebeul of the transferring legal entity due to the changed market situation. These independent measures of operative restructuring of the transferring legal entity were already decided in December 2013 as part of Fit@All. For this purpose, a social collective agreement was concluded with the IG Metall (Industrial Union of Metal Workers), district management of Bavaria on 30 April 2014 and a reconciliation of interests, a social plan and a transfer social plan were concluded on 13 May 2014 with the general works council of the transferring legal entity. The agreed personnel adjustments at the location Würzburg were already taken or respectively already decided and will expectedly already have been realized until the effective date of the spin-offs. In contrast to this, the previous social collective agreement was continued without changes at the location Radebeul. For the age cohorts 1949 to 1955 partial retirement arrangements were developed and implemented in consideration of the new legal provisions. Regarding the required adjustments of operational capacities after expiry of the social collective agreement on 31 December 2014 it was agreed to conduct the discussions on a personnel reduction within the framework of the already established control group in the beginning of 2015. It is already agreed that the social collective agreement Würzburg shall be transferred to the social collective agreement Radebeul. The general works council was informed that an adjustment of the operational capacities is planned for the location Radebeul. Within the framework of the Fit@All programme, the planned adjustments at the location Radebeul intend for a reduction of 181 working places, 77 of which were reduced by way of phased retirement agreements. The further personnel reduction of up to 100 working places, as far as necessary, cannot occur prior to the third quarter of 2015 pursuant to the

additional collective agreement. Respective reserves were already formed in the annual accounts of 2013 for the personnel measures and were kept in the annual accounts of 2014.

12.16.2 After the conclusion of the social collective agreement dated 30 April 2014 as well as of the reconciliation of interests of 13 May 2014 regarding the measures of personnel adjustment at the Würzburg site, the economic situation in the web business continued to dramatically deteriorate. Accordingly, an additional restructuring concept for the business area digital/web was adopted at the end of 2014 independently of the spin-offs including the focus on sales, marketing and engineering with emphasis on innovation with simultaneous shift of indoor installation to the business area banknote security. At the same time the extremely cyclical assembly operations in the banknote and security press business area will be better utilised. In this respect, a reconciliation of interest was already developed with the works council Würzburg.

12.17 A draft identical with this agreement in all essential points was sent to the general works council of the transferring legal entity on 27 March 2015 pursuant to section 126 para. 3 of the German Transformation Act.

13 Approving resolutions, date of execution, period until date of execution

13.1 This agreement requires the approving resolutions of the Annual General Meeting of the transferring legal entity and of the partners' meeting of the acquiring legal entity in order to become effective.

13.2 The transfer of the spin-off items shall occur with effect in rem at the time of the registration and thereby upon the effective date of the spin-off banknote and security in the commercial register of the transferring legal entity pursuant to section 131 of the German Transformation Act ("date of execution"), after the spin-off banknote and security was previously registered in the commercial register of the acquiring legal entity (section 130 para. 1 of the German Transformation Act).

13.3 The transferring legal entity shall manage the spin-off items only within the framework of due course of business and with the care of a prudent business man during the time between the conclusion of this agreement and the date of execution with consideration of the provisions of this agreement.

14 Spin-off report, no examination of spin-off

14.1 The management board of the transferring legal entity has prepared a collective spin-off report together with the general partner (represented by its management board) of the acquiring legal entity, KBA-NotaSys GmbH (represented by its managing director) as well as the limited partner limited liability companies (Kommanditisten-GmbHs) (each represented by their respective managing directors) and the respective general partner (represented by its management board) of the other subsidiaries. This spin-off report was available for review by the shareholders at the offices of the transferring legal entity from the calling of the Annual General Meeting of the transferring legal entity deciding on the approval of this agreement.

14.2 An examination of the spin-off does not occur (section 125 sentence 2 of the German Transformation Act).

15 Right to withdraw

Every party may withdraw from this agreement by written notice to the other party until the date of execution.

16 Costs, miscellaneous

Regarding the costs as well as other final provisions, clause 5 of the framework agreement, of which this agreement is taken as annex, shall apply mutatis mutandis.

(3) Annexes of the spin-off and takeover agreements

The annexes provided for as integral component in the spin-off and takeover agreements are explained in the following in summary for all spin-off and takeover agreements. The annexes are schedules, lists and group descriptions the complete wording of which was not included in this invitation due to their volume. The annexes will be available for review by the Shareholders at the Annual General Meeting and are furthermore published on the Company's website in German at <http://www.kba.com/investor-relations/hauptversammlung/hv-2015>. Copies are sent immediately to every Shareholder upon request without charge. Any requests are to be sent to the Company at the following address:

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Since type of the annexes of the spin-off and takeover agreements is identical and these annexes only differ in their content, the following summary refers respectively to the description of the annexes of all spin-off and takeover agreements.

The annexes stated in the spin-off and takeover agreements being a component of the agreements each have the following essential content:

- Annex 1 – Premises
Annex 1 contains respectively a list of those premises where the transferring legal entity operates the respective business area (banknote and security, sheetfed, digital/web, production) to be transferred to the respective acquiring legal entity.
- Annex 2.2.1 – Transferring assets of the fixed assets
Annex 2.2.1 identifies the fixed assets of the transferring legal entity essentially allocated to the respective business area (banknote and security, sheetfed, digital/web, production) to be transferred to the respective acquiring legal entity. Fixed assets means the assets listed on the assets side of the balance of the transferring legal entity designated to permanently serve the business operations.
- Annex 2.2.2. – Transferring assets of the current assets
Annex 2.2.2 identifies the current assets of the transferring legal entity essentially allocated to the respective business area (banknote and security, sheetfed, digital/web, production) to be transferred to the respective acquiring legal entity. Current assets means the assets listed on the assets side of the balance of the transferring legal entity not designated to permanently serve the business operations but being working capital.
- Annex 2.2.3 – Transferring reserves and uncertain liabilities
Annex 2.2.3 lists the reserves allocated to the respective business area (banknote and security, sheetfed, digital/web, production) formed with the transferring legal entity for uncertain liabilities based on pension, early retirement and similar obligations as well as for other uncertain liabilities to be assumed by the respective acquiring legal entity in the course of the spin-off.
- Annex 2.2.4 – Transferring liabilities
Annex 2.2.4 lists all liabilities of the transferring legal entity for various legal reasons such as based on loans, received payments, shipments and services or bills of exchange essentially allocated to the respective business area (banknote and security, sheetfed, digital/web, production) and taken over by the respective acquiring legal entity during the course of the spin-off.
- Annex 2.2.5 – Other transferring items
In Annex 2.2.5 other assets of the transferring legal entity are listed such as risks and burdens, claims and liabilities from legal obligations and books and documents essentially allocated to the respective business area (banknote and security, sheetfed, digital/web, production) and taken over by the respective acquiring legal entity during the course of the spin-off.

- Annex 2.2.6 – Transferring contractual relations
Annex 2.2.6 states all contractual relations of the transferring legal entity essentially allocated to the respective business area (banknote and security, sheetfed, digital/web, production) and taken over by the respective acquiring legal entity during the course of the spin-off. Those are particularly (but not limited to) employment relationships (current relationships and those with former employees), joint-venture, cooperation and other agreements of such kind, agreements on the acquisition of items of the fixed and current assets, delivery agreements, distribution agreements, insurance agreements, memberships in associations and unions and public legal permissions, licenses and authorizations.
- Annex 3.1.8 – Description of the trust relationships for insolvency insurance of partial retirement
Annex 3.1.8 contains information (date of conclusion, contracting parties) on the trust relationships for insolvency insurance of partial retirement credits for all business areas.
- Annex 3.1.9 – Essential other remaining agreements
Annex 3.1.9 provides an overview of those contractual relations to be regarded as essential for the transferring legal entity and not covered by the transferring spin-off items. Those are particularly (but not limited to) credit agreements, pool agreements, other loan agreements, letters of credit, derivatives, guarantees and letters of comfort, reservations of title, rights of lien as well as purchase framework agreements and the majority of the insurance agreements.
- Annex 3.3 – Contractual relations to be multiplied
Annex 3.3 contains those contractual relations the field of application of which is to be extended to all acquiring legal entities by way of multiplication and continuing to be relevant in their entirety also for the transferring legal entity (e.g. confidentiality agreements).
- Annex 4.1 – Splitting balance
Annex 4.1 contains a splitting balance of the respective acquiring legal entity developed from the balance of the company stating a financial reflection of the spin-off items transferring to the respective acquiring legal entity and of the assets remaining with the transferring legal entity.
- Annex 12.2 – Employees of the respective business area as of 31 January 2015
Annex 12.2 contains a list of those employees allocated to the respective business area (banknote and security, sheetfed, digital/web, production) due to their activities performed and principally transferring to the respective acquiring legal entity by way of transfer of business within the framework of the spin-off.

Note regarding agenda item 6:

The following documents are available for review by the Shareholders at the offices of Koenig & Bauer Aktiengesellschaft at the seat of the Company in Friedrich-Koenig-Straße 4, 97080 Würzburg, Germany, from the calling of the Annual General Meeting pursuant to sections 125, 63 of the German Transformation Act:

- Draft of the framework agreement between Koenig & Bauer Aktiengesellschaft, KBA-Sheetfed Solutions AG & Co. KG, KBA-Digital & Web Solutions AG & Co. KG, KBA-Industrial Solutions AG & Co. KG and KBA-NotaSys AG & Co. KG as of 18 March 2015, including annexes.
- Draft of the spin-off and takeover agreement between Koenig & Bauer Aktiengesellschaft and KBA-Sheetfed Solutions AG & Co. KG as of 18 March 2015, including annexes.
- Draft of the spin-off and takeover agreement between Koenig & Bauer Aktiengesellschaft and KBA-Digital & Web Solutions AG & Co. KG as of 18 March 2015, including annexes.
- Draft of the spin-off and takeover agreement between Koenig & Bauer Aktiengesellschaft and KBA-Industrial Solutions AG & Co. KG of 18 March 2015, including annexes.

- Draft of the spin-off and takeover agreement between Koenig & Bauer Aktiengesellschaft and KBA-NotaSys AG & Co. KG as of 18 March 2015, including annexes.
- Annual accounts and consolidated accounts of the Koenig & Bauer Aktiengesellschaft for the business years of 2012, 2013 and 2014 as well as status reports and group status reports of the Koenig & Bauer Aktiengesellschaft for the business years 2012, 2013 and 2014.
- Annual account of KBA-Sheetfed Solutions AG & Co. KG (formerly KBA Grund und Anlagen GmbH & Co. KG) for the business year 2014.
- Annual account of KBA-Digital & Web Solutions AG & Co. KG (formerly KBA Digital Solutions GmbH & Co. KG as well as prior to this KBA Digital GmbH & Co. KG) for the business year 2014.
- Annual account of KBA-Industrial Solutions AG & Co. KG (formerly named KBA Produktions GmbH & Co. KG) for the business year 2014.
- Annual account of KBA-NotaSys AG & Co. KG (formerly KBA IP GmbH & Co. KG) for the business year 2014.
- Common spin-off report dated 30 March 2015, (i) by the Management Board of Koenig & Bauer Aktiengesellschaft on the one hand and (ii) by the respective general partner (represented by its management board) as well as the respectively managing limited partner limited liability company (Kommanditisten-GmbH) (represented by its respective managing director) of KBA-Sheetfed Solutions AG & Co. KG, KBA-Digital & Web Solutions AG & Co. KG, KBA-Industrial Solutions AG & Co. KG as well as KBA-NotaSys AG & Co. KG on the other hand.

The documents stated above will also be available for review by the Shareholders at the Annual General Meeting and are additionally published in German on the Company's website at

<http://www.kba.com/investor-relations/> hauptversammlung/hv-2015. Copies of these documents will be sent immediately to every Shareholder upon request without charge. Any requests are to be sent to the Company at the following address:

Koenig & Bauer Aktiengesellschaft
 Investor Relations
 Friedrich-Koenig-Straße 4
 97080 Würzburg
 Germany
 Fax: +49 (0) 931 909-4880
 Email: corinna.mueller@kba.com

Since KBA-Sheetfed Solutions AG & Co. KG (formerly KBA Grund und Anlagen GmbH & Co. KG), KBA-Digital & Web Solutions AG & Co. KG (formerly KBA Digital GmbH & Co. KG), KBA-Industrial Solutions AG & Co. KG (formerly KBA Produktions GmbH & Co. KG) as well as KBA-NotaSys AG & Co. KG (formerly KBA IP GmbH & Co. KG) were only established in 2014, there is only one annual account existent for each of them. For each of the companies stated above there was no obligation to prepare status reports so that such reports were not prepared.

7. Resolution on the new version of the Company's Articles of Association

The Articles of Association of the Company as well as the rules of procedure of the Management Board and the Supervisory Board are to be adjusted and updated with respect to the recommendations of the German Corporate Governance Code.

The Management Board and the Supervisory Board propose to amend the Articles of Association of Koenig & Bauer Aktiengesellschaft as follows, excluding the business purpose previously regulated in clause 2 of the Articles of Association and unaffected by the following proposed resolution of the Articles of Association and being the subject of the resolution proposed in agenda item 6:

**Articles of Association of
Koenig & Bauer AG
Würzburg**

I. General provisions

1 Name, seat

1.1 The name of the company is
»Koenig & Bauer AG«.

1.2 The seat of the company is Würzburg.

3 Announcements

Announcements of the company shall be published in the German Federal Gazette (Bundesanzeiger).

II. Share capital and shares

4 Share capital

The share capital of the company stands at
€ 42,964,435.80.

5 Shares

5.1 The share capital is divided into **16,524,783** shares in the name of the owner (no-par value shares).

5.2 The right of Shareholders to the certification of their shares is excluded. The Management Board shall decide on the issue of share certificates and all related details.

5.3 With the consent of the Supervisory Board, the Management Board is authorized to increase the share capital by no more than **€ 15,443,766.00** in the period ending on 15 June 2016, through a single issue or multiple issues of new, no-par value shares

in the name of the owner for cash and/or in-kind capital contributions, up to a maximum aggregate total of 5,939,910 shares. The Management Board decides with the consent of the Supervisory Board on the issuing of new shares and the conditions of such issuing.

5.3.1 In general, the new shares shall be offered to Shareholders on a pre-emptive basis.

5.3.2 However, with the consent of the Supervisory Board, the Management Board is authorized to exclude the legal pre-emption rights in the instances specified below:

- for residual amounts,
- for capital increases in exchange for cash contributions, if the issue price for the new shares is not substantially lower than the stock market price for the Company shares and the shares issued with exclusion of pre-emptive rights do not exceed 10% of the share capital neither at the time when this authorization takes effect nor when it is exercised. The 10% threshold shall include shares issued or disposed of during the period of this authorization but under a different authority with exclusion of pre-emptive rights in direct or indirect reliance on section 186 para. 3 sentence 4 of the German Stock Corporation Act,
- for capital increases via cash contributions for a notional portion of share capital not exceeding € 1,468,766.00 through the issue of no more than 564,910 new no-par value shares, if the new shares are offered to Company employees on a pre-emptive basis and issued to them,
- for capital increases via in-kind capital contributions for the granting of shares where these shares are to be used for the acquisition of other companies or interests in other companies.

III. Organization of the company

6 Corporate bodies

The corporate bodies of the Company are the Management Board, Supervisory Board and the Annual General Meeting.

IV. Management board

7 Composition and rules of procedure

7.1 The Management Board shall consist of at least two members. The Supervisory Board shall determine the number of Management Board members and appoint the chairman of the Management Board. The Supervisory Board can also appoint a deputy chairman of the Management Board.

7.2 The Management Board shall adopt its own rules of procedure to be approved by the Supervisory Board.

8 Representation, Management Board

8.1 The company is legally represented by two members of the Management Board or by one member of the Management Board together with an executive holding full power of representation (Prokura). The Supervisory Board may authorize Management Board members to represent the company alone.

8.2 The Management Board shall manage the company's business in accordance with statutory law, the articles of association and the rules of procedure.

V. Supervisory Board

9 Composition, term

9.1 Pursuant to section 7 para. 1 sentence 1 of the German Codetermination Act, the Supervisory Board shall consist of 12 members.

9.2 Each member of the Supervisory Board shall be elected for a period ending upon the conclusion of the Annual General Meeting that resolves on the discharge for the fourth business year after the commencement of this respective term of office; this term does not include the business year in which the term of office commenced.

9.3 An application of the company for judicial appointment of a member of the Supervisory Board is limited until the next Annual General Meeting.

9.4 Each member of the Supervisory Board may resign from office for any reason by giving at least two months prior written notice to be submitted to the chairman or respectively the chairman to the deputy chairman of the Supervisory Board in the sense of section 27 of the German Codetermination Act. A reduction of this time limit by common consent is admissible.

10 Duties and authority

10.1 The Supervisory Board shall have all rights and obligations assigned by law, the articles of association or otherwise, particularly by the rules of procedure.

10.2 The Supervisory Board is authorized to make amendments to the articles of association that relate only to phrasing, in particular with regard to the utilization of authorized capital.

11 Chairman and deputy chairmen of the Supervisory Board

11.1 The Supervisory Board elects the chairman, the deputy chairman in the sense of section 27 of the German Codetermination Act as well as one additional deputy chairman pursuant to the provisions of the German Stock Corporation Act and the German Codetermination Act. The election of the chairman shall occur in a meeting held without notice directly after the Annual General Meeting, at the end of which the term of office of the previous chairman shall end. The session shall be conducted by the oldest AGM-appointed Supervisory Board

member representing the shareholders, until a chairman of the Supervisory Board has been elected. The election occurs for the respective term of office of the elected member. In the event that the chairman or a deputy chairman prematurely ceases to hold office, the Supervisory Board shall, without undue delay, elect a new chairman or deputy chairman.

11.2 The deputy chairman shall exercise the rights and duties of the chairman's office in accordance with the law, the articles of association and the rules of procedure, if the chairman is prevented from doing so. Sentence 1 applies for the additional deputy, if the deputy is unavailable. Sections 29 para. 2 sentence 3 and 31 para. 4 sentence 3 of the German Codetermination Act each remain unaffected.

11.3 Declarations of intent of the Supervisory Board and its committees are made on behalf of the Supervisory Board by the chairman or, if he is unavailable, by one of the deputies in the order set forth in section V clause 11.2., as far as the Supervisory Board does not expressly authorize a different member of the Supervisory Board to represent the Supervisory Board.

12 Internal organization

12.1 The Supervisory Board shall be quorate, if at least half its total members are present in person or by written vote in passing resolutions. A member also takes part in decision-making regarding a resolution when abstaining from voting. In the event of a tie vote, the chairman of the Supervisory Board shall have the casting vote in accordance with section sections 29 para. 2 and 31 para. 4 of the German Codetermination Act.

12.2 Furthermore, the Supervisory Board determines its own rules of procedure in accordance with legal requirements, the articles of association and duties allocated to it.

13 Supervisory Board compensation

13.1 The members of the Supervisory Board are each entitled to a fixed annual compensation of € 24,000.

13.2 The chairman of the Supervisory Board shall receive twice, and each deputy chairman shall receive one and a half times this amount.

13.3 The chairman of a committee receives an additional annual compensation of € 6,000, as far as he does not hold the office of the chairman of the Supervisory Board or one of his deputy chairmen at the same time. Each of the other members of a committee receives an additional annual compensation of € 3,600; this is not applicable to the membership in a potential presiding committee (consisting of the chairman, the deputy chairman in the sense of section 27 of the German Codetermination Act as well as one other deputy chairman), in the committee pursuant to section 27 para. 3 of the German Codetermination Act and in the nomination committee. Any activities in committees are only considered once within the framework of compensation, whereas the compensation for the activity in more than one committee is measured by the one with the highest compensation.

13.4 The compensation for the Supervisory Board shall be payable following the completion of each business year. If a member of the Supervisory Board retires from his office during the course of a business year, he shall receive the compensation proportionately based on the served time. If a member of the Supervisory Board retires from a position connected with an additional compensation, the above sentence is respectively applicable with respect to the compensation for the respective position. A proportionate compensation based on the served time in a committee requires that the respective committee was in session to fulfil its task during the respective time.

13.5 The members of the Supervisory Board shall be reimbursed for all travel expenses as well as for other expenses reasonably incurred in the performance of their duties. In addition, every member in attendance at a meeting shall receive a daily allowance of € 250. No daily allowance is granted for meetings of the committees.

13.6 The company shall reimburse each member of the Supervisory Board for all expenses incurred in connection with their activities as member of the Supervisory Board as well as for any VAT payable on their compensation or reimbursed expenses. The company shall provide the members of the Supervisory Board in the company's interest with appropriate insurance cover for the activities in the Supervisory Board.

13.7 The provisions of this clause 13 shall be applicable for the first time for the business year starting on 1 January 2015.

VI. Annual General Meeting

14 Location, rights of participation, voting right

14.1 The Annual General Meeting shall take place at the seat of the company.

14.2 Only those shareholders are entitled to participate in and exercise voting rights at the Annual General Meeting who send a registration to the company at the address given in the formal notice of the calling of the meeting and who can provide proof of their entitlement to participate in the Annual General Meeting and exercise voting rights.

14.3 The registration and proof of entitlement must be received by the company at least six days prior to the Annual General Meeting at the address given in the formal notice of the calling of the meeting. This excludes the day of the meeting and the day of receipt of the request.

14.4 Proof of entitlement pursuant to section VI clause 14.2 requires a German or English certificate of the number of shares owned issued in text form by the depository institute. The proof of entitlement is to refer to the beginning of the 21st day prior to the Annual General Meeting.

14.5 Voting rights may be exercised by proxy. Proxy appointments, revocations and proof of appointment to act as proxy with regard to the company must be in text form. Details of appointing proxies, their revocations and their proof of appointment with regard to the company are specified upon the calling of the Annual General Meeting where facilitations may also be determined. Section 135 German Stock Corporation Act remains unaffected. If a shareholder appoints more than one person as proxy, the Company may reject one or more of these persons.

14.6 In case of doubt the person leading the meeting pursuant to section VI clause 15.1 of these Articles of Association shall determine rights to participate.

14.7 Each share grants one vote at the Annual General Meeting.

14.8 The Annual General Meeting may be transmitted in audio and video form. The person presiding the meeting pursuant to section VI clause 15.1 of these Articles of Association is authorized to allow the full or partial transmission of the Annual General Meeting by means of electronic media.

15 Chairmanship and passing resolutions

15.1. If he is unable to attend, the additional deputy shall chair this meeting. If neither the chairman nor the additional deputy is able to attend, the Supervisory Board shall vote on one of its members representing the shareholders present to take over the chairmanship.

15.2 The person leading the meeting shall determine the order of agenda items as well as the manner of casting votes in the Annual General Meeting. He is entitled to set a reasonable time limit for questions and remarks, including the time limits applying to the entire course of the Annual General Meeting, to specific agenda items, and for individual speakers, and he may furthermore set such limits both at the beginning of as well as during the Annual General Meeting. He is also entitled, to the extent necessary to conduct the Annual General Meeting in an orderly fashion, to instruct that the debate be ended.

15.3 In the absence of compulsory legal provisions, resolutions of the Annual General Meeting are adopted with a simple majority of votes cast and, if a capital majority is required by law apart from the majority of votes, with a simple majority of voting nominal capital represented.

VII. Business year, financial statements and profit utilization

16 Business year

The business year is the calendar year.

17 Utilization of annual net profit

If the Management Board and the Supervisory Board adopt the annual financial statements, they may transfer each year annual net profit corresponding to up to the year's total annual net profit into other revenue reserves, until these are equal to half of the share capital.

18 Profit sharing

In the event of a capital increase, profit sharing may be set in a manner different from that set forth in section 60 of the German Stock Corporation Act.

As a service for our shareholders, the following overview displays the proposed amendments in comparison with the current articles of association of Koenig & Bauer Aktiengesellschaft in the form of a synopsis and includes explanations of the respective amendments; this synopsis will also be available for review by the Shareholders at the Annual General Meeting and is furthermore published in German on the Company's website at <http://www.kba.com/investor-relations/hauptversammlung/hv-2015>. A copy of this document will be sent immediately to every Shareholder upon request free of charge. Any requests are to be sent to the Company to the following address:

Koenig & Bauer Aktiengesellschaft
Investor Relations
Friedrich-Koenig-Straße 4
97080 Würzburg
Germany
Fax: +49 (0) 931 909-4880
E-Mail: corinna.mueller@kba.com

Synopsis
of the provisions of the current Articles of Association (as of 21 November 2013)
and the proposed new version of the Articles of Association in accordance with agenda item 7

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
Organization by sections (“§”)	Organization by numbers	<ul style="list-style-type: none"> Adjustment of organization.
II. General Provisions § 1 Name, seat 1. The name of the company is »KOENIG & BAUER Aktiengesellschaft«. 2. The seat of the company is Würzburg.	I. General Provisions 1 Name, seat 1.1 The name of the company is »Koenig & Bauer AG«. 1.2 The seat of the company is Würzburg.	<ul style="list-style-type: none"> Change of name.
§ 2 Purpose of the company The purpose of the company is the production and distribution of products for general machinery and plant manufacturing, particularly printing presses. The company is entitled to take measures or actions which are incidental to or may be deemed apt to directly or indirectly serve the purpose of the company. For this purpose, the company may establish, acquire as a whole or acquire an interest in domestic or foreign companies.		<ul style="list-style-type: none"> The amendment of this provision of the Articles of Association is the subject matter of agenda item 6.
	3 Announcements The announcements of the company shall be published in the German Federal Gazette (Bundesanzeiger).	<ul style="list-style-type: none"> The new clause 3 corresponds to the content of the current section 18. Inclusion of the legal adjustment of the term “electronic German Federal Gazette” to the now applicable term “German Federal Gazette”
II. Share capital and shares § 3 Share capital The share capital of the company stands at € 42.964.435,80.	II. Share capital and shares 4 Share capital The share capital of the company stands at € 42.964.435,80.	<ul style="list-style-type: none"> No changes.

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
<p>§ 4 Shares</p> <p>1. The share capital is divided into 16,524,783 shares in the name of the owner (no-par value shares).</p> <p>2. The right of shareholders to the certification of their shares is excluded. The Management Board shall decide on the issue of share certificates and all related details. The company is entitled but not obliged to replace the previous share certificates by new no-par value share certificates and to declare the previous share certificates invalid.</p> <p>3. With the consent of the Supervisory Board, the Management Board is authorized to increase the share capital by no more than € 15,443,766.00 in the period ending on 15 June 2016 through a single issue or multiple issues of new, no-par value shares in the name of the owner for cash and/or in-kind capital contributions, up to a maximum aggregate total of 5,939,910 shares. The Management Board decides with the consent of the Supervisory Board on the issuing of new shares and the conditions of such issuing. In general, the new shares shall be offered to shareholders on a pre-emptive basis. However, with the consent of the Supervisory Board the Management Board is authorized to exclude the legal pre-emption rights in the instances specified below:</p> <ul style="list-style-type: none"> • for residual amounts, 	<p>5 Shares</p> <p>5.1 The share capital is divided into 16,524,783 shares in the name of the owner (no-par value shares).</p> <p>5.2 The right of shareholders to the certification of their shares is excluded. The Management Board shall decide on the issue of share certificates and all related details. The Management Board shall decide on the issue of share certificates and all related details.</p> <p>5.3 With the consent of the Supervisory Board, the Management Board is authorized to increase the share capital by no more than € 15,443,766.00 in the period ending on 15 June 2016 through a single issue or multiple issues of new, no-par value shares in the name of the owner for cash and/or in-kind capital contributions, up to a maximum aggregate total of 5,939,910 shares. The Management Board decides with the consent of the Supervisory Board on the issuing of new shares and the conditions of such issuing.</p> <p>5.3.1 In general, the new shares shall be offered to shareholders on a pre-emptive basis.</p> <p>5.3.2 However, with the consent of the Supervisory Board the management is authorized to exclude the legal pre-emption rights in the instances specified below:</p>	<ul style="list-style-type: none"> • Deletion of the provision regarding the invalidation (prior section 4 para. 2 sentence 2). The invalidation is regulated by law. • Editorial changes in the new clause 5.1 (fat print of numbers regarding the number of shares) and in the new clause 5.3 (further subdivision of the current section 4 para. 3). • Apart from the adjustment of the classification of the numbers no changes of the authorized capital (new clause 5.3).

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
<ul style="list-style-type: none"> • for capital increases in exchange for cash contributions, if the issue price for the new shares is not substantially lower than the stock market price for the company shares and the shares issued with exclusion of pre-emptive rights do not exceed 10% of the share capital neither at the time when this authorization takes effect nor when it is exercised. The 10% threshold shall include shares issued or disposed of during the period of this authorization but under a different authority with exclusion of pre-emptive rights in direct or indirect reliance on section 186 para. 3 sentence 4 of the German Stock Corporation Act, • for capital increases via cash contributions for a notional portion of share capital not exceeding € 1,468,766.00 through the issue of no more than 564,910 new no-par value shares, if the new shares are offered to company employees on a pre-emptive basis and issued to them, • for capital increases via in-kind capital contributions for the granting of shares where these shares are to be used for the acquisition of other companies or interests in other companies. 	<ul style="list-style-type: none"> • for residual amounts, • for capital increases in exchange for cash contributions, if the issue price for the new shares is not substantially lower than the stock market price for the company shares and the shares issued with exclusion of pre-emptive rights do not exceed 10% of the share capital neither at the time when this authorization takes effect nor when it is exercised. The 10% threshold shall include shares issued or disposed of during the period of this authorization but under a different authority with exclusion of pre-emptive rights in direct or indirect reliance on section 186 para. 3 sentence 4 of the German Stock Corporation Act, • for capital increases via cash contributions for a notional portion of share capital not exceeding € 1,468,766.00 through the issue of no more than 564,910 new no-par value shares, if the new shares are offered to company employees on a pre-emptive basis and issued to them, • for capital increases via in-kind capital contributions for the granting of shares where these shares are to be used for the acquisition of other companies or interests in other companies. 	

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
	<p>III. Organization of the company 6 Corporate bodies</p> <p>The corporate bodies of the company are the Management Board, the Supervisory Board and the Annual General Meeting.</p>	<ul style="list-style-type: none"> • Overview of the corporate bodies (new clause 6).
<p>III. Management Board § 5 Composition</p> <p>The Management Board shall consist of at least two members. The Supervisory Board shall determine the number of Management Board members and appoint the chairman of the Management Board.</p>	<p>IV. Management Board 7 Composition and rules of procedure</p> <p>7.1 The Management Board shall consist of at least two members. The Supervisory Board shall determine the number of Management Board members and appoint the chairman of the Management Board. The Supervisory Board can also appoint a deputy chairman of the Management Board.</p> <p>7.2 The Management Board shall adopt its own rules of procedure to be approved by the Supervisory Board.</p>	<ul style="list-style-type: none"> • Addition that the Supervisory Board may also appoint a deputy chairman of the Management Board in addition to the chairman of the Management Board (new sentence 3 of clause 7.1). • Provision that the Management Board adopts its own rules of procedure to be approved by the Supervisory Board (new clause 7.2).
<p>§ 6 Representation</p> <p>The company is legally represented by two members of the Management Board or by one member of the Management Board together with an executive holding full power of representation (Prokura). The Supervisory Board may authorize Management Board members to represent the company alone.</p>	<p>8 Representation, Management Board</p> <p>8.1 The company is legally represented by two members of the Management Board or by one member of the Management Board together with an executive holding full power of representation (Prokura). The Supervisory Board may authorize Management Board members to represent the company alone.</p> <p>8.2 The Management Board shall manage the company's business in accordance with statutory law, the articles of association and the rules of procedure.</p>	<ul style="list-style-type: none"> • Reference to the rules applicable for the Management Board (new clause 8.2).

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
<p>§ 7 Management Board, reservation of consent</p> <p>1. The Management Board shall adopt its own rules of procedure. The resolutions of the Management Board are passed by majority of the votes cast. In the event of a tie vote, the chairman of the Management Board shall have the casting vote.</p> <p>2. In the following events the Management Board shall require the approval of the Supervisory Board:</p> <p>a) Entering into long-term liabilities, particularly raising loans;</p> <p>b) Acquisition of companies as well as interests in other companies, if the value of 3% of the company's share capital is exceeded in the individual case;</p> <p>c) Establishment of branch offices and subsidiaries, if the cost for such establishment exceeds 3% of the company's share capital in the individual case;</p> <p>d) Granting proxy (<i>Prokura</i>).</p>	<p>7 Composition and rules of procedure</p> <p>7.1 [...].</p> <p>7.2 The Management Board shall adopt its own rules of procedure to be approved by the Supervisory Board.</p>	<ul style="list-style-type: none"> • The provision that the Management Board adopts its own rules of procedure, which was previously included in section 7 para. 1, will be included in clause 7.2 of the new version as already stated above (including explanation). • The provisions as to how resolutions are passed in the Management Board as well as the required majorities and the casting vote of the chairman of the Management Board are not to be included in the Articles of Association anymore in order to increase flexibility but are to be included in the rules of procedure of the Management Board. The same is applicable to the determination of the management measures to be approved by the Supervisory Board (previously section 7 para. 2).

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
<p>IV. Supervisory Board § 8 Composition, term</p> <p>1. Pursuant to section 7 para. 1 sentence 1 of the German Codetermination Act, the Supervisory Board shall consist of 12 members.</p> <p>2. Each member of the Supervisory Board shall be elected for a period ending upon the conclusion of the Annual General Meeting that resolves on the discharge for the fourth business year after the commencement of this respective term of office; this term does not include the business year in which the term of office commenced.</p> <p>3. Each member of the Supervisory Board may resign from office for any reason by giving at least two months prior written notice to be submitted to the chairman of the Supervisory Board in the sense of section 27 of the German Codetermination Act. However, his term of office shall end upon termination of the next Annual General Meeting at the earliest.</p>	<p>V. Supervisory Board 9 Composition, term</p> <p>9.1 Pursuant to section 7 para. 1 sentence 1 of the German Codetermination Act, the Supervisory Board shall consist of 12 members.</p> <p>9.2 Each member of the Supervisory Board shall be elected for a period ending upon the conclusion of the Annual General Meeting that resolves on the discharge for the fourth business year after the commencement of this respective term of office; this term does not include the business year in which the term of office commenced.</p> <p>9.3 An application of the company for judicial appointment of a member of the Supervisory Board is limited until the next Annual General Meeting.</p> <p>9.4 Each member of the Supervisory Board may resign from office for any reason by giving at least two months prior written notice to be submitted to the chairman or respectively the chairman to the deputy chairman of the Supervisory Board in the sense of section 27 of the German Codetermination Act. A reduction of this time limit by common consent is admissible.</p>	<ul style="list-style-type: none"> • Inclusion of a provision regulating the application for judicial appointment of members of the Supervisory Boards; clause 5.4.3 of the German Corporate Governance Code recommends a limitation of the application for judicial appointment until the next Annual General Meeting (see new clause 9.3). • Omission of the limitation for members of the Supervisory Board to only be able to retire from office after the next Annual General Meeting at the earliest (previous section 8 para. 3 sentence 2); if necessary, the option of judicial appointment is existent (see hereto new clause 9.3). • Provision that the chairman of the Supervisory Board is to submit his statement of resignation from his office to the deputy chairman. Permission of a reduction of the time limit for resignation from office (see new clause 9.4).

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
<p>§ 9 Chairman and deputy chairmen of the Supervisory Board</p> <p>1. The Supervisory Board elects for the duration of its term of office the chairman, the deputy chairman in line with section of the 27 German Codetermination Act as well as one additional deputy chairman pursuant to the provisions of the German Stock Corporation Act and the German Codetermination Act in a meeting held without notice directly after the Annual General Meeting, at the end of which the new term of office shall commence. The session shall be conducted by the oldest AGM-appointed Supervisory Board member representing the shareholders, until a chairman of the Supervisory Board has been elected. In the event that the chairman or a deputy chairman prematurely ceases to hold office, the Supervisory Board shall, without undue delay, elect a new chairman or deputy chairman for the remaining term of office of the resigned member.</p> <p>2. The deputy chairman shall exercise the rights and duties of the chairman's office in accordance with the law, the articles of association and the rules of procedure, if the chairman is prevented from doing so. Sentence 1 applies for the additional deputy, if the deputy is unavailable. Sections 29 para. 2 sentence 3 and 31 para. 4 sentence 3 of the German Codetermination Act each remain unaffected. Sentence 1 applies for the additional deputy chairman in case the deputy chairman is unavailable, however, he is not granted the special authorities of the deputy chairman arising from the German Codetermination Act.</p>	<p>10 Duties and authority</p> <p>10.1 The Supervisory Board shall have all rights and obligations assigned by law, the articles of association or otherwise, particularly by the rules of procedure.</p> <p>10.2 The Supervisory Board is authorized to make amendments to the articles of association that relate only to phrasing, in particular with regard to the utilization of authorized capital.</p> <p>11 Chairman and deputy chairmen of the Supervisory Board</p> <p>11.1 The Supervisory Board elects the chairman, the deputy chairman in the sense of section 27 of the German Codetermination Act as well as one additional deputy chairman pursuant to the provisions of the German Stock Corporation Act and the German Codetermination Act. The election of the chairman shall occur in a meeting held without notice directly after the Annual General Meeting,, at the end of which the term of office of the previous chairman shall end. The session shall be conducted by the oldest AGM-appointed Supervisory Board member representing the shareholders, until a chairman of the Supervisory Board has been elected. The election occurs for the respective term of office of the elected member. In the event that the chairman or a deputy chairman prematurely ceases to hold office, the Supervisory Board shall, without undue delay, elect a new chairman or deputy chairman.</p>	<ul style="list-style-type: none"> • Notice to the rules applicable to the Supervisory Board (new clause 10.1). • The new clause 10.2 corresponds to the content of the previous section 17. • The new clause 11 essentially replaces the previous section 9 as regards content. Along with editorial changes, it is clarified that the election of the chairman shall occur after the Annual General Meeting, in a session without notice at the end of which the term of the previous chairman of the Supervisory Board ends (see new clause 11.1 sentence 2) and that the election shall be effected for the term of the elected member of the Supervisory Board (see new clause 11.1 sentence 4). In case of early retirement from office, the election shall not occur for the remaining term of the retired member but for one full term (see new clause 11.1 sentence 5).

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
<p>3. Declarations of intent of the Supervisory Board and its committees are made on behalf of the Supervisory Board by the chairman or, if he is unavailable, by one of the deputies in the order set forth in para. 2.</p>	<p>11.2 The deputy chairman shall exercise the rights and duties of the chairman's office in accordance with the law, the articles of association and the rules of procedure, if the chairman is prevented from doing so. Sentence 1 applies for the additional deputy, if the deputy is unavailable. Sections 29 para. 2 sentence 3 and 31 para. 4 sentence 3 German of the Codetermination Act each remain unaffected.</p> <p>11.3 Declarations of intent of the Supervisory Board and its committees are made on behalf of the Supervisory Board by the chairman or, if he is unavailable, by one of the deputies in the order set forth in section V clause 11.2., as far as the Supervisory Board does not expressly authorize a different member of the Supervisory Board to represent the Supervisory Board.</p>	
<p>§ 10 Internal organization</p> <p>1. The meetings of the Supervisory Board shall be called by the chairman in written form and, if he is unable to do so, by a deputy chairman while considering the order set forth in section 9 para. 2 with a time limit of 14 days and stating the agenda. The invitation shall be sent to the last address stated. When calculating the time limit, the day of sending the invitation and the date of the meeting are not included. In urgent cases the chairman may reduce the time limit and call the meeting orally, by telephone or electronically.</p>	<p>12 Internal organization</p> <p>12.1 The Supervisory Board shall be quorate, if at least half its total members are present in person or by written vote in passing resolutions. A member also takes part in decision-making regarding a resolution by abstaining from voting. In the event of a tie vote, the chairman of the Supervisory Board shall have the casting vote in accordance with section sections 29 para. 2 and 31 para. 4 of the German Codetermination Act.</p> <p>12.2 Furthermore, the Supervisory Board determines its own rules of procedure in accordance with legal requirements, the articles of association and duties allocated to it.</p>	<ul style="list-style-type: none"> • In order to increase the flexibility of the company, only those provisions regarding the quorum of the Supervisory Board as well as the handling of tie votes and abstention from voting are to be essentially kept as components of the articles of association (new clause 12.1); the remaining provisions are to be regulated in the rules of procedure of the Supervisory Board. • The new clause 12.2 essentially corresponds to the provisions of the previous section 10 para. 8 as regards content.

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
<p>1. The Supervisory Board shall be quorate, if at least half its total members are present in person or by written vote in passing resolutions. A member also takes part in decision-making regarding a resolution by abstaining from voting.</p> <p>The chairman of the Supervisory Board shall lead the meetings. He shall determine the order in which the agenda items are covered as well as the manner and order of the voting. He may adjourn the meeting for grounds regarded as material by him subject to a differing resolution of the participants of the meeting.</p> <p>2. Outside meetings, resolutions are admissible by vote in written form or by telephone, telefax, telex or in a different comparable electronic form, if the chairman of the Supervisory Board deems this procedure necessary in the individual case.</p> <p>3. The Supervisory Board shall pass its resolutions with simple majority of the votes cast, as far as nothing different is stipulated by law. In the event of a tie vote, the chairman of the Supervisory Board shall have the casting vote pursuant to sections 29 para. 2 and 31 para. 4 German Codetermination Act. Each member of the Supervisory Board may demand a new vote in the sense of these provisions. Further discussions shall only take place, if the Supervisory Board decides so.</p>		

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
<p>5. If not all members are present for the passing of a resolution and if these absent members have not submitted their votes in written form, the chairman is to adjourn the passing of the resolution on application by two present members of the Supervisory Board. The new passing of the resolution shall take place during the next regular meeting, if an extraordinary meeting of the Supervisory Board is not called. The resolution may also be passed pursuant to para. 3. An additional application for adjournment by a minority is not admissible for a new passing of the resolution.</p> <p>6. If the chairman of the Supervisory Board participates in the meeting or if a present member of the Supervisory Board has his written vote including second vote, para. 5 is not applicable, if the same number of members of the Supervisory Board representing the shareholders and the employees is present in person or casts their vote in written form or if a potential imbalance is balanced by single members of the Supervisory Board not participating in the passing of the resolution.</p>		

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
<p>7. The provisions of para. 3 and 4 are also applicable to resolutions to be passed in the committees of the Supervisory Board, as far as this is not opposed by compelling statutory provisions. If the chairman of the Supervisory Board is a member of a committee consisting of the same number of members of the Supervisory Board of the shareholders and of the employees and if a vote of the committee results in a tie vote, he shall have two votes in a new vote on the same subject, even if this results in a tie vote. Section 108 para. 3 of the German Stock Corporation Act is also applicable to the casting of the second vote.</p> <p>8. Apart from this, the Supervisory Board shall determine its own rules of procedure in accordance with the legal requirements and the Articles of Association.</p>		

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
<p>§ 11 Supervisory Board compensation</p> <p>1. The members of the Supervisory Board shall be reimbursed for all travel expenses as well as for other expenses reasonably incurred in the performance of their duties. In addition, every member in attendance at a meeting shall receive a daily allowance of € 250.</p> <p>2. In addition, the members of the Supervisory Board are each entitled to a fixed annual compensation of € 21,000. The compensation for the Supervisory Board shall be payable following the completion of each business year.</p> <p>3. Each member of the Supervisory Board shall additionally receive a variable compensation of up to € 9,000 payable in the consecutive business years in the amount of each € 3,000, if a positive annual net profit is adopted for the company in each year. The variable compensation is respectively due after termination of the Annual General Meeting deciding on the discharge of duties for the Supervisory Board.</p> <p>4. The chairman of the Supervisory Board shall receive twice and each of his deputies shall receive one and a half times the amount of the fixed and variable compensation.</p> <p>5. The provisions of para. 1, 2, 3 and 4 are each applicable to the business year 2011 for the first time. VAT is reimbursed by the company, if the members of the Supervisory Board are entitled to make out a separate invoice for VAT to the company and exercise this right.</p>	<p>13 Supervisory Board compensation</p> <p>13.1 The members of the Supervisory Board are each entitled to a fixed annual compensation of € 24,000.</p> <p>13.2 The chairman of the Supervisory Board shall receive twice, and each deputy chairman shall receive one and a half times this amount.</p> <p>13.3 The chairman of a committee receives an additional annual compensation of € 6,000, as far as he does not hold the office of the chairman of the Supervisory Board or one of his deputy chairmen at the same time. Each of the other members of a committee receives an additional annual compensation of € 3,600; this is not applicable to the membership in a potential presiding committee (consisting of the chairman, the deputy chairman in the sense of section 27 of the German Codetermination Act as well as one other deputy chairman), in the committee pursuant to section 27 para. 3 German Codetermination Act and in the nomination committee. Any activities in committees are only considered once within the framework of compensation, whereas the compensation for the activity in more than one committee is measured by the one with the highest compensation.</p>	<ul style="list-style-type: none"> • As is the case for many companies quoted on the stock exchange, the compensation of the Supervisory Board is to be changed to a pure fixed compensation. • Taking into consideration the recommendation of the German Corporate Governance Code (Clause 5.4.6), the chairman and the deputy chairman of the Supervisory Board are to be considered for the compensation of the Supervisory Board as well as the chairmanship of and the memberships in committees (new clause 13.3). • In the event of resignation during the year, the members of the Supervisory Board receive their compensation only proportionately based on the served time and for activities in committees only if the concerned committee was in session during this time to fulfil its tasks (new clause 13.4). • Inclusion of a provision regarding a D&O insurance as customary in practice (new clause 13.6).

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
	<p>13.4 The compensation for the Supervisory Board shall be payable following the completion of each business year. If a member of the Supervisory Board retires from his office during the course of a business year, he shall receive the compensation proportionately based on the served time. If a member of the Supervisory Board retires from a position connected with an additional compensation, the above sentence is respectively applicable with respect to the compensation for the respective position. A proportionate compensation based on the served time in a committee requires that the respective committee was in session to fulfil its task during the respective time.</p> <p>13.5 The members of the Supervisory Board shall be reimbursed for all travel expenses as well as for other expenses reasonably incurred in the performance of their duties. In addition, every member in attendance at a meeting shall receive a daily allowance of € 250. No daily allowance is granted for meetings of the committees.</p> <p>13.6 The company shall reimburse each member of the Supervisory Board for all expenses incurred in connection with their activities as member of the Supervisory Board as well as for any VAT payable on their compensation or reimbursed expenses. The company shall provide the members of the Supervisory Board in the company's interest with appropriate insurance cover for the activities in the Supervisory Board.</p>	
	<p>13.7 The provisions of this clause 13 shall be applicable for the first time for the business year starting on 1 January 2015.</p>	

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
<p>V. Annual General Meeting § 12 Location, rights of participation, voting right</p> <p>1. The Annual General Meeting shall take place at the seat of the company or in Dresden, Radebeul or Frankenthal.</p> <p>2. Only those Shareholders are entitled to participate in and exercise voting rights at the Annual General Meeting who send a registration to the company at the address given in the formal notice of the calling of the meeting and who can provide proof of their entitlement to participate in the Annual General Meeting and exercise voting rights.</p> <p>3. The registration and proof of entitlement must be received by the company at least six days prior to the Annual General Meeting at the address given in the formal notice of the calling of the meeting. This excludes the day of the meeting and the day of receipt of the request.</p> <p>4. Proof of entitlement pursuant to para. 2 requires a certificate of the number of shares owned issued in text form (section 126 b of the German Civil Code) by the depository institute. Proof of entitlement may be in English or German and is to refer to the beginning of the 21st day prior to the Annual General Meeting, 0:00 local time of the seat of the company.</p>	<p>VI. Annual General Meeting 14 Location, rights of participation, voting right</p> <p>14.1 The Annual General Meeting shall take place at the seat of the company.</p> <p>14.2 Only those Shareholders are entitled to participate in and exercise voting rights at the Annual General Meeting who send a registration to the company at the address given in the formal notice of the calling of the meeting and who can provide proof of their entitlement to participate in the Annual General Meeting and exercise voting rights.</p> <p>14.3 The registration and proof of entitlement must be received by the company at least six days prior to the Annual General Meeting at the address given in the formal notice of the calling of the meeting. This excludes the day of the meeting and the day of receipt of the request.</p> <p>14.4 Proof of entitlement pursuant to section VI clause 14.2 requires a German or English certificate of the number of shares owned issued in text form by the depository institute. The proof of entitlement is to refer to the beginning of the 21st day prior to the Annual General Meeting.</p>	<ul style="list-style-type: none"> • The Annual General Meeting is to only take place at the seat of the company corresponding with the previous factual procedure (new clause 14.1). • Pursuant to section 118 para. 4 of the German Stock Corporation Act in the version amended by the Act Implementing the Shareholders Rights Directive, the Management Board or the leader of the meeting may be authorized to permit the transmission of the meeting in audio and video form. As common in practice, the decision on the permission is to be left with the leader of the meeting (new clause 14.8; see hereto also previous section 19).

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
<p>5. Voting rights may be exercised by proxy. Proxy appointments, revocations and proof of appointment to act as proxy with regard to the company must be in text form (section 126 of the German Civil Code). Revocation may also occur by personal appearance of the shareholder at the Annual General Meeting. The formal notice of the calling may specify easing of the text form. Section 135 of the German Stock Corporation Act remains unaffected. If a shareholder appoints more than one person as proxy, the company may reject one or more of these persons.</p> <p>6. In case of doubt, the person presiding over the Annual General Meeting shall determine the rights to participate.</p> <p>7. Each share grants one vote at the Annual General Meeting.</p>	<p>14.5 Voting rights may be exercised by proxy. Proxy appointments, revocations and proof of appointment to act as proxy with regard to the company must be in text form. Details of appointing proxies, their revocations and their proof of appointment with regard to the company are specified upon the calling of the Annual General Meeting where facilitations may also be determined. Section 135 of the German Stock Corporation Act remains unaffected. If a shareholder appoints more than one person as proxy, the company may reject one or more of these persons.</p> <p>14.6 In case of doubt the person leading the meeting pursuant to section VI clause 15.1 of these articles of association shall determine rights to participate.</p> <p>14.7 Each share grants one vote at the Annual General Meeting.</p> <p>14.8 The Annual General Meeting may be transmitted in audio and video form. The person presiding over the meeting pursuant to section VI clause 15.1 of these articles of association is authorized to allow the full or partial transmission of the Annual General Meeting by means of electronic media.</p>	

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
<p>§ 13 Chairmanship</p> <p>1. The person presiding over the Annual General Meeting shall be the chairman of the Supervisory Board. If he is unable to attend, the additional deputy shall chair this meeting. If neither the chairman nor the additional deputy is able to attend, the Supervisory Board shall vote on one of its members representing the shareholders present to take over the chairmanship.</p> <p>2. The chairman shall guide the debates. He determines the order of agenda items as well as the manner of casting votes.</p>	<p>15 Chairmanship and passing resolutions</p> <p>15.1 The person presiding over the Annual General Meeting (chairman of the general meeting) shall be the chairman of the Supervisory Board. If he is unable to attend, the additional deputy shall chair this meeting. If neither the chairman nor the additional deputy is able to attend, the Supervisory Board shall vote on one of its members representing the shareholders present to take over the chairmanship.</p> <p>15.2 The person leading the meeting shall determine the order of agenda items as well as the manner of casting votes in the Annual General Meeting. He is entitled to set a reasonable time limit for questions and remarks, including the time limits applying to the entire course of the Annual General Meeting, to specific agenda items, and for individual speakers, and he may furthermore set such limits both at the beginning of as well as during the Annual General Meeting. He is also entitled, to the extent necessary to conduct the Annual General Meeting in an orderly fashion, to instruct that the debate be ended.</p> <p>15.3 In the absence of compulsory legal provisions, resolutions of the Annual General Meeting are adopted with a simple majority of votes cast and, if a capital majority is required by law apart from the majority of votes, with a simple majority of voting nominal capital represented.</p>	<ul style="list-style-type: none"> • As common practice, inclusion of authorization of the leader of the meeting with regard to the limitation of the time for questions and remarks during the Annual General Meeting pursuant to section 131 para. 2 of the German Stock Corporation Act (new clause 15.2 sentences 2 and 3). • Clarifying inclusion of provision regarding the passing of resolutions and majority requirements in the Annual General Meeting (new clause 15.3).

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
<p>VI. Financial statements and profit utilization § 14 Business year</p> <p>The business year is the calendar year.</p>	<p>VII. Business year, financial statements and profit utilization 16 Business year</p> <p>The business year is the calendar year.</p>	<ul style="list-style-type: none"> Provision regarding the business year is unchanged.
<p>§ 15 Utilization of annual net profit</p> <p>If the Management Board and the Supervisory Board adopt the annual financial statements, they may transfer each year annual net profit corresponding to more than half of the year's total annual net profit into other revenue reserves, until these are equal to half of the share capital.</p>	<p>17 Utilization of annual net profit</p> <p>If the Management Board and the Supervisory Board adopt the annual financial statements, they may transfer each year annual net profit corresponding to up to the year's total annual net profit into other revenue reserves, until these are equal to half of the share capital.</p>	<ul style="list-style-type: none"> Clarifying new version.
<p>§ 16 Profit sharing</p> <p>In the event of a capital increase, profit sharing may be set in a manner different from that set forth in section 60 of the German Stock Corporation Act.</p>	<p>18 Profit sharing</p> <p>In the event of a capital increase, profit sharing may be set in a manner different from that set forth in section 60 of the German Stock Corporation Act.</p>	<ul style="list-style-type: none"> No changes.
<p>VII. Final provisions § 17 Amendments of the Articles of Association</p> <p>The Supervisory Board is authorized to make amendments to the articles of association that relate only to phrasing, in particular with regard to the utilization of authorized capital.</p>	<p>10 Duties and authority</p> <p>10.1 [...]. 10.2 The Supervisory Board is authorized to make amendments to the articles of association that relate only to phrasing, in particular with regard to the utilization of authorized capital. 10.3 [...].</p>	<ul style="list-style-type: none"> Corresponds to the prior provision, inclusion in new clause 10.2.
<p>§ 18 Announcements</p> <p>Announcements of the company shall be published in the electronic German Federal Gazette (Bundesanzeiger).</p>	<p>3 Announcements</p> <p>Announcements of the company shall be published in the German Federal Gazette (Bundesanzeiger).</p>	<ul style="list-style-type: none"> Corresponds to the previous provision, inclusion in new clause 3.

Provisions of the current Articles of Association	Proposed new version of the Articles of Association	Explanation of selected aspects
<p>§ 19</p> <p>The Annual General Meeting may be transmitted in audio and video form.</p>	<p>VI. Annual General Meeting</p> <p>14 Location, rights of participation, voting right</p> <p>14.1 [...] [...]</p> <p>14.8 The Annual General Meeting may be transmitted in audio and video form. The person leading the meeting pursuant to section VI clause 15.1 of these articles of association is authorized to allow the full or partial transmission of the Annual General Meeting by means of electronic media.</p>	<ul style="list-style-type: none"> • Corresponds to the previous provision – inclusion in the new clause 14.8 sentence 1.

III. Notices and information for the Shareholders

1. Number of shares and voting rights

The share capital of the Company at the time of calling of the Annual General Meeting amounts to € 42,964,435.80 and is divided up into 16.524.783 no-par value shares in the name of the owner. Every no-par value share is entitled to vote and grants one vote. The total amount of no-par value shares and voting rights at the time of the calling of the Annual General Meeting therefore amounts to 16.524.783. At the time of the calling of the Annual General Meeting, the Company does not hold own shares.

2. Participation in the Annual General Meeting and exercise of voting right

- a) Requirements for the participation in the Annual General Meeting and exercise of the voting right

Every Shareholder who has registered with the company until six days prior to the Annual General Meeting at the latest, consequently on Thursday, 14 May 2015 (midnight), and has provided proof for the share ownership to the Company by the custodian institute that

they were Shareholders of the Company at the beginning of the 21st day prior to the Annual General Meeting, namely at 0:00 hrs on Thursday, 30 April 2015 (called “cut-off date”), at the following address:

Koenig & Bauer Aktiengesellschaft
c/o Unicredit Bank AG
CBS51GM
80311 Munich
Germany
Fax: +49 (0) 89 5400-2519
Email: hauptversammlungen@unicreditgroup.de

is entitled to participate in the Annual General Meeting and to exercise his voting right. Equal to the registration, the evidence of share ownership must also have been received at the address of the company by 14 May 2015 (24:00 hrs) at the latest. Any registration and proof must be written in German or English. Text form is sufficient for means of proof.

After due receipt of registration and proof of share ownership by the registration office of Koenig & Bauer Aktiengesellschaft stated above, entry tickets for the participation in the Annual General Meeting will be sent

by the registration office to the Shareholders. In order to ensure timely receipt of the entry tickets, we kindly ask the Shareholders to request an entry ticket with the custodian institute as early as possible. The required registration and the submission of the proof for the decisive share ownership are in these cases carried out by the custodian institute. Please note that a maximum of four entry tickets is generally handed out per Shareholder. The entry tickets are mere means of organization and do not constitute an additional participation requirement.

The cut-off date is the decisive date for the extent and the exercise of the participation and voting right in the Annual General Meeting. For the participation in the Annual General Meeting or the exercise of the voting right only those persons are considered to be Shareholders towards the Company who have provided proof for share ownership on the cut-off date. Any changes of the share portfolio after the cut-off date are irrelevant for this. Shareholders who have only acquired their shares after the cut-off date can therefore not participate in the Annual General Meeting, unless they are empowered or authorized to exercise rights in this respect. Shareholders who have duly registered and provided proof are also entitled to participate in the Annual General Meeting and exercise their voting rights, if they dispose of the shares after the cut-off date. The cut-off date does not affect the possibility to dispose of the shares.

b) Procedure for voting by proxy holders

The Shareholders may also exercise their voting right in the Annual General Meeting by proxy holders, e.g. by a credit institute, a shareholders' association or a different person of their choice. The following is to be noted in this context:

In case of an authorization, timely registration and proof of the share ownership pursuant to the above provisions are also required. If a Shareholder authorizes more than one person, the Company may reject one or more of these persons.

The grant of proxy, its revocation and proof of the proxy towards the company require text form.

The grant of proxy and its revocation may either be declared towards the authorized person or towards the Company at the following address:

Koenig & Bauer Aktiengesellschaft
Investor Relations
Friedrich-Koenig-Straße 4
97080 Würzburg
Germany
Fax: +49 (0) 931 909-4880
Email: corinna.mueller@kba.com

Proof of proxy may also be submitted to the address stated above. Proof of proxy may also be provided on the day of the Annual General Meeting in written form at the entrance and exit control.

In case of proxy of credit institutes, shareholders' associations or any institutes, companies and persons equal to these pursuant to section 135 para. 8 or 10 of the German Stock Corporation Act, particularities are usually to be respected which can be requested with the person or entity to be respectively authorized. We therefore kindly ask the Shareholders intending to authorize a credit institute, a shareholders' association or a different company or person equal to these pursuant to section 135 para. 8 or 10 of the German Stock Corporation Act to exercise their voting rights to confer with the person or entity to be authorized on the form of proxy.

You will receive a form that may be used for granting proxy along with the entry ticket to be sent to the Shareholders after due and timely registration for the Annual General Meeting. The respective form may also be accessed on the website of the Company at <http://www.kba.com/investor-relations/hauptversammlung/hv-2015>.

After grant of proxy registered Shareholders may still attend the Annual General Meeting in person.

c) Procedure for voting by proxies of the Company

The Company additionally offers the Shareholders once again the option of having their voting rights exercised through a company voting representative bound to comply with specific voting instructions. The Company has appointed Mr Christopher Kessler and Dr Torsten Bolz – both employees of Koenig & Bauer Aktiengesellschaft – each individually and with power to grant substitute proxies as company voting representatives. A proxy for the benefit of the company voting representatives requires that they be given express instructions regarding the subject matter of the resolution. Company voting representatives are obliged to vote according to the instructions given to them; they must not exercise the voting rights in their discretion. An instruction of the company voting representative is particularly also applicable to an adjusted proposed resolution as well as in the event that individual votes be held on individual agenda items. The company voting representatives do not accept any instructions to request to speak, to file objections against resolutions of the Annual General Meeting or to ask questions or file applications.

Granting a company voting representative proxy, the revocation of such proxy and evidence for the grant of proxy with regard to the company require text form. Shareholders who wish to grant proxy to the company voting representative may use the form to be received along with the entry tickets for this purpose as well as for giving instructions. Shareholders who wish to use this option must send their entry tickets along with the proxy bound by instruction to the company by Wednesday, 20 May 2015 (24:00 hrs) in text form to the following address:

Koenig & Bauer Aktiengesellschaft
 Rechtsabteilung
 Friedrich-Koenig-Straße 4
 97080 Würzburg
 Germany
 Fax: +49 (0) 931 909-6172
 Email: stimmrechtsvertreter@kba.com

The form for granting proxy and giving instructions as well as further information on granting proxy may also be

accessed on the Company's website at <http://www.kba.com/investor-relations/hauptversammlung/hv-2015> .

In addition, Shareholders who registered in due time and form and attend the Annual General Meeting as well as their proxies may also grant proxy to the company voting representative to exercise their voting right and give them instructions during the Annual General Meeting until the end of the general debate.

After granting the company voting representatives proxy to exercise their voting rights, registered Shareholders may still attend the Annual General Meeting in person.

3. Shareholders' rights

a) Supplementary requests pursuant to section 122 para. 2 of the German Stock Corporation Act

Shareholders whose shares reach together the twentieth part of the share capital (this amounts to € 2,148,221.79 or rounded up to the next higher number of shares 826,240 no-par value shares) or the proportional amount of € 500,000 (this corresponds rounded up to the next higher number of shares 192,308 no-par value shares) may demand that items be added to the agenda and be published. The request is to be sent in written form to the Management Board of Koenig & Bauer Aktiengesellschaft and must have been received by the Company at least 30 days prior to the Annual General Meeting; the day of receipt and the day of the Annual General Meeting are not to be included in the calculation. Therefore, the last possible date for receipt is Monday, 20 April 2015 (midnight). Any supplementary requests received after this date shall not be considered. Please send respective requests to the following address:

The Management Board
 Koenig & Bauer Aktiengesellschaft
 Friedrich-Koenig-Straße 4
 97080 Würzburg
 Germany

Any new agenda item must be accompanied by grounds or a draft resolution.

Pursuant to section 122 para. 2 sentence 1 of the German Stock Corporation Act, the provisions of section 122 para. 1 sentence 3 in connection with section 142 para. 2 sentence 2 of the German Stock Corporation Act are applicable to supplementary requests. The latter provision regulates that the applicants are to prove that they have owned the shares for at least three months prior to the day of the Annual General Meeting and that they will continue to hold the shares until the resolution on the application. Section 70 of the German Stock Corporation Act is to be adhered to for the calculation of this period.

Any additions to the agenda to be published shall – as far as these have not already been published upon the calling – be published in the German federal gazette (Bundesanzeiger) immediately after receipt of the request by the Company and shall be forwarded to such media for publication for which it can be assumed that the information will be disseminated by in the whole European Union as well as published at <http://www.kba.com/en/investor-relations/annual-general-meeting/agm-2015/>.

Counter-applications and voting proposals pursuant to sections 126 para. 1 and 127 of the German Stock Corporation Act

Shareholders of the company may file counter-applications as to the proposals of the Management Board and/or the Supervisory Board regarding certain items of the agenda pursuant to section 126 para. 1 of the German Stock Corporation Act as well as voting proposals as to the voting of annual auditors or members of the Supervisory Board pursuant to section 127 of the German Stock Corporation Act. Such applications (along with grounds) and voting proposals are to be sent exclusively to the Company's following address:

The Management Board
Koenig & Bauer Aktiengesellschaft
Friedrich-Koenig-Straße 4
97080 Würzburg
Germany
Fax: +49 (0) 931 909-4880
Email: corinna.mueller@kba.com

Counter-applications must be substantiated as this is not applicable for voting proposals.

Koenig & Bauer Aktiengesellschaft shall make any counter-applications and voting proposals by Shareholders which have been received by Wednesday, 6 May 2015 (24:00 hrs) at the latest available and publish these in the original language on its website at <http://www.kba.com/investor-relations/hauptversammlung/hv-2015> immediately after receipt. Potential statements by the administration shall also be made available on the stated webpage.

The company may decide not to publish a counter-application and its grounds or respectively a voting proposal, if one of the grounds for exclusion pursuant to section 126 para. 2 of the German Stock Corporation Act is existent, for example because the voting proposal or counter-application would lead to an unlawful resolution by the Annual General Meeting or a resolution that violates the articles of association. A voting proposal does also not have to be made accessible, if the proposal does not contain the name, the current occupation and the place of residence of the proposed person. The grounds for a counter-application do not have to be made accessible, if they amount in total to more than 5,000 characters. Proposals for the voting of the Supervisory Board do additionally not have to be made accessible, if no information on memberships of the suggested candidate in other statutory Supervisory Boards in the sense of section 125 para. 1 sentence 5 of the German Stock Corporation Act is attached.

Shareholders are kindly asked to provide proof of their share ownership at the time of sending the counter-application or respectively the voting proposal. It is pointed out that counter-applications and voting proposals sent to the Company in advance shall only be considered in the Annual General Meeting, if they are proposed during the meeting. The right of every Shareholder to file counter-applications during the Annual General Meeting regarding the various items of the agenda or voting proposals also without prior submission to the Company remains unaffected.

b) Information right pursuant to section 131 para. 1 of the German Stock Corporation Act, sections 123 para. 3 No. 1, 125, 64 para. 2 of the German Transformation Act

Pursuant to section 131 para. 1 of the German Stock Corporation Act, every Shareholder is upon request to be granted information by the Management Board on the business of the Company including the legal and commercial relations to affiliated companies as well as the situation of the group and the companies included in the collective accounts during the Annual General Meeting, as far as this is required for the appropriate assessment of the agenda item. The Management Board may refuse to provide information for the reasons stated in section 131 para. 3 of the German Stock Corporation Act.

In addition, every Shareholder is to be granted information on agenda item 6 upon request during the Annual General Meeting, also as regards all matters of KBA-Sheetfed Solutions AG & Co. KG, KBA-Digital & Web Solutions AG & Co. KG, KBA-Industrial Solutions AG & Co. KG and KBA-NotaSys AG & Co. KG being essential for the spin-offs.

4. Additional explanations

Additional explanations of the Shareholders' rights pursuant to sections 122 para. 2, 126 para. 1, 127 and 131 para. 1 of the German Stock Corporation Act, sections 123 para. 3 No. 1, 125, 64 para. 2 of the German Transformation Act are available on the Company's website at:

<http://www.kba.com/investor-relations/hauptversammlung/hv-2015>

IV. Additional information and documents regarding the Annual General Meeting

Reference to the website

This invitation to the Annual General Meeting, any other documents to be made accessible for the Annual General Meeting and additional information in connection with the Annual General Meeting are available on the Company's website at:

<http://www.kba.com/investor-relations/hauptversammlung/hv-2015> . All information to be made accessible for the Annual General Meeting is additionally available for review during the Annual General Meeting.

Voting results

The voting results determined by the chairman of the Annual General Meeting will be published in German on the Company's website at

<http://www.kba.com/investor-relations/hauptversammlung/hv-2015>.

Würzburg, March 2015

Koenig & Bauer Aktiengesellschaft
The Management Board