



**KPS AG**

Unterföhring

**ISIN DE000A1A6V48**

**WKN A1A6V4**

**Invitation to the ordinary Annual General Meeting**

We have pleasure in issuing a warm invitation to our shareholders to attend the

**Ordinary Annual General Meeting**

to be held at the

Haus der Bayerischen Wirtschaft, Max-Joseph-Straße 5, 80333 Munich, Germany

**at 10:00 (CET) on Friday, 23 March 2018**

**I.**

**Agenda**

- 1. Submission of the adopted Annual Financial Statements and the Management Report for KPS AG including the explanatory report of the Executive Board on the information pursuant to Article 289 Section 4 German Commercial Code (HGB) on 30 September 2017 and the approved Consolidated Financial Statements and the Management Report for KPS AG and the Group at 30 September 2017 including the explanatory report of the Executive Board on the information pursuant to Article 315 Section 4 German Commercial Code (HGB) as at 30 September 2017 and submission of the Report of the Supervisory Board for the business year 2016/2017.**

The documents referred to above will be available at the Annual General Meeting and the Executive Board and – as far as these relate to the Report of the Supervisory Board – the Chairman of the Supervisory Board will provide more detailed explanations of these documents at the meeting. In accordance with the statutory regulations, no resolution is provided for on this agenda item, because the Supervisory Board already approved the an-

nual and consolidated financial statements at its meeting on 30 January 2018 and the annual financial statements have thereby been adopted.

The statutory regulations defined in accordance with Article 80 of the Introductory Law (Einführungsgesetz) for the German Commercial Code (Handelsgesetzbuch, HGB), in particular Articles 289 Section. 4, 315 Section 4 German Commercial Code (HGB) in the version valid as at 18 April 2017 were to be applied to the financial statements and management reports to be submitted under agenda item 1.

The documents referred to are also available on our Internet site at <http://www.kps.com> (in the "Investor Relations" and there under "Annual General Meeting"). On request, shareholders of the company will be sent a copy of the documents by post once only and free of charge.

2. **Resolution on the appropriation of the net profit of KPS AG**

The Executive Board and the Supervisory Board propose that the net profit for the business year 2016/2017 of KPS AG amounting to EUR 30,388,902.54

- a) be appropriated in the amount of EUR 13,094,235.00 for the payout of a dividend of EUR 0.35 for each no-par value share entitled to receive a dividend, and
- b) that the remaining sum in the amount of EUR 17,294,667.54 be carried forward to new account.

A dividend adopted by a resolution of the Annual General Meeting only becomes due on the third business day following the Annual General meeting pursuant to Article 58 Section 4 sentence 2 Stock Corporation Law (AktG) (i.e. on Wednesday 28 March 2018) and such dividend will also only be paid out then.

3. **Resolution on the discharge of the Members of the Executive Board for the business year 2016/2017**

The Executive Board and the Supervisory Board propose that the actions of the Members of the Executive Board incumbent during the business year 2016/2017 be approved for this period and that they be discharged.

4. **Resolution on the discharge of the Members of the Supervisory Board for the business year 2016/2017**

The Executive Board and the Supervisory Board propose that the actions of the members of the Supervisory Board incumbent during the business year 2016/2017 be approved for this period and that they be discharged.

5. **Resolution on the appointment of the auditor of the financial statements and the auditor of the consolidated financial statements and of the auditor for any audit inspection of interim reports for the business year 2017/2018**

The Supervisory Board proposes that Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (audit firm) (formerly: Baker Tilly Roelfs AG Wirtschaftsprüfungsgesellschaft), Munich, be appointed as the auditor of the financial statements and auditor of the consolidated financial statements for the business year 2017/2018, and as the auditor for any audit inspection of the half-year report and any ad-

ditional financial reports pursuant to Article 115 Securities Trading Law (WpHG) for the business year 2017/2018, insofar as such interim reports are to be subject to an audit inspection.

The Supervisory Board has declared that its proposal is free from undue influence from third parties and that it was not subject to any clause restricting potential choice pursuant to Article 16 Section 6 of Directive (EU) no. 537/2014.

## II.

### Further disclosures and information

#### 1. Prerequisites for participation in the Annual General Meeting and the exercise of the voting right

Pursuant to Article 15 of the Articles of Incorporation only those shareholders are entitled to participate in the Annual General Meeting and to exercise their voting right who register for the Annual General Meeting in text form (Article 126b German Civil Code (BGB)) and who have entered the registered shares in the Share Register of the company. The company must receive the registration for participation in the Annual General Meeting at the latest by the end of 16 March 2018, 24.00 (CET) at the following address, fax number or email address:

KPS AG  
c/o Computershare Operations Center  
80249 Munich  
Germany  
Fax: +49 89 30903-74675  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

The share portfolio recorded in the share register on the date of the Annual General Meeting is relevant for the participation and voting right. This recorded share portfolio will correspond to the portfolio recorded at the registration closure on Friday 16 March 2018 at 24:00 (CET) (technical record date), since for technical reasons share re-registrations cannot be registered in the share register during the period from registration closure up to and including the day of the Annual General Meeting (cessation of changes in the share register). However, the cessation of changes in the share register does not entail a block on the availability of the shares. Shareholders are therefore free to dispose over the shares after they have successfully completed the registration. However, purchasers of shares whose reregistration applications are received by the company after 16 March 2018 at 24:00 (CET) will not be able to exercise their participation and voting rights, unless they have appointed a proxy holder or issued an authorization to exercise such rights. In such cases the participation and voting rights remain with the shareholder registered in the share register until the date of reregistration. Purchasers of shares in the company who are not yet registered in the share register are therefore requested to submit reregistration applications as soon as possible.

Banks and shareholders associations and other equivalent institutions or persons defined pursuant to Article 135 Stock Corporation Law (AktG) may only exercise the voting right for shares which do not belong to them, where however they are registered as their holder in the share register, on the basis of an authorization. More information on this is provided in Article 135 Stock Corporation Law (AktG).

## 2. Procedure for granting voting proxies

Shareholders who do not personally want to participate in the Annual General meeting are able to have their vote exercised by appointing a proxy, such as e.g. by a bank, a shareholders' association, other third party or a voting proxy appointed by the company. In this case, a formal and timely registration in accordance with the above Section 1 is necessary.

Notification for the granting of a proxy, its revocation and verification of authorization to the company must be made in text form (Article 126b German Civil Code (BGB)). The revocation can also be effective if the authorizer of the proxy comes to the Annual General Meeting in person.

### *Banks, financial services institution, shareholders' associations and equivalent persons*

If a bank, a financial services provider equivalent to a bank pursuant to Articles 135 Section 10, 125 Section 5 Stock Corporation Law (AktG), a shareholders' association or another equivalent person pursuant to Article 135 Section 8 Stock Corporation Law (AktG) is to be given authorization, there are no special formal requirements for notification pursuant to the law or the Articles of Incorporation. However, we draw your attention to the fact that in these cases the institution or person to be authorized may require a special form of proxy because they must be able to prove the authorization in verifiable form pursuant to Article 135 Section 1 p. 2 Stock Corporation Law (AktG). The shareholders should therefore agree the possible form of the proxy with the institution or person who they would like to authorize in good time.

### *Other authorized persons*

If neither a bank nor a shareholders' association, nor any other person or institution equivalent to them pursuant to Articles 135 Section 8 and 10, 125 Section 5 Stock Corporation Law (AktG) is authorized, the proxy can either be granted to the authorized person or to the company in text form (Article 126b BGB). The same is applicable for revocation of the proxy.

The authorization can be made using the proxy form included in the registration form, the proxy form included in the entry ticket or any other procedurally correct manner.

If the authorization is granted to the company, the proxy should be sent to the following address, fax number or email address:

KPS AG  
c/o Computershare Operations Center  
80249 Munich  
Germany  
Fax: +49 89 30903-74675  
Email: ir@kps.com

If the proxy is granted to the authorized person, the authorized person will require verification of the authorization to the company in text form (Article 126b German Civil Code (BGB)). This verification can be provided on the day of the Annual General Meeting at the entry checkpoint. The verification of authorization can also be sent to the above address, fax number or email address.

If the shareholder gives authorization to more than one person, the company is entitled to reject one or more of such authorizations.

*Proxy representatives of the company*

The shareholders also have the option of authorizing their voting rights to be exercised by the proxy representative nominated by the company in accordance with the granting of corresponding authorizing and instructing proxies. Also in this case, a formal and timely registration is necessary in accordance with the above Section 1.

A form for the granting of authorizing and instructing proxies is included in the registration form and in the entry ticket.

The granting, amendment or revocation of proxy and instructions to the proxy representative of the company should be made for organizational reasons by Thursday 22 March 2018 at 24:00 (CET) in text form (Article 126b German Civil Code (BGB)) to the following address, fax number or email address.

KPS AG  
c/o Computershare Operations Center  
80249 Munich  
Germany  
Fax: +49 89 30903-74675  
Email: anmeldestelle@computershare.de

Furthermore, we offer shareholders, shareholders representatives or the authorized proxies who have registered correctly and by the deadline and come to the Annual General Meeting the opportunity to authorize the proxy representative of the company to exercise the voting right as instructed or to change instructions already given directly at the Annual General Meeting up until the beginning of the casting of votes.

Insofar of the proxy representatives of the company are authorized as proxies, they must in each case be provided with instructions for the exercise of the voting right. The proxy representatives of the company are obliged to vote in accordance with the instructions. The proxy representatives of the company must not exercise the voting right when voting takes place on matters the subject of which was not known in advance of the Annual General Meeting (for example in the case of points of order). In these cases, the proxy representatives of the company must abstain or not participate in voting. The same is applicable for voting in relation to a countermotion or nomination with express instruction. The authorization of the proxy representative of the company to file objections or to put forward motions or ask questions is not possible.

**3. Information on the rights of shareholders pursuant to Articles 122 Section 2, 126 Section 1, 127, 131 Section 1 Stock Corporation Law (AktG)**

**a) Amendments to the agenda on request by a minority pursuant to Article 122 Section 2 Stock Corporation Law (AktG)**

Shareholders whose shares together make up one twentieth part of the capital stock (which corresponds to 1,870,605 shares) or the proportionate amount of EUR 500,000.00 (which corresponds to 500,000 shares) can request that items are placed on the agenda and published. Each new item must be accompanied by a justification or a proposed resolution. The request must be made in writing to

the Executive Board of KPS AG and must be received by the company by at the latest the end of 20 February 2018 at 24:00 (CET). We ask that requests for amendments should be sent to the following address:

KPS AG  
- Attn. of the Executive Board -  
Beta-Straße 10h  
85774 Unterföhring  
Germany

The shareholders in question must provide verification pursuant to Article 122 Section 1 and Section 2 Stock Corporation Law (AktG) that they have been the holders of the minimum number of shares set out above for at least 90 days prior to the day of receipt of the request and that they will hold these shares until the decision by the Executive Board about the proposal. Article 121 Section 7 Stock Corporation Law (AktG) should be applied for calculating the deadline. The receipt of the request should therefore not be included. A postponement of the deadline from a Sunday, a Saturday or a public holiday to a previous or subsequent working day is not possible. Articles 187 to 193 of the German Civil Code (Bürgerliches Gesetzbuch, BGB) should not be applied accordingly.

**b) Counter motions and nominations pursuant to Articles 126 Section 1, 127 Stock Corporation Law (AktG)**

Each shareholder is entitled pursuant to Article 126 Section 1 Stock Corporation Act (AktG) to submit counter motions on the proposals for resolution made by the Executive Board and the Supervisory Board on the agenda items without the requirement to announce, publish or take other special action to this effect prior to the Annual General Meeting. The same applies to counter motions on nominations for the election of Members of the Supervisory Board (insofar as this is an item on the agenda) and auditors (Article 127 Stock Corporation Act (AktG)).

However, shareholders can also submit counter motions against a proposal by the Executive Board and/or the Supervisory Board on items of the agenda and nominations before the Annual General Meeting. Such proposals should only be sent to the following address, fax number or email address:

KPS AG  
Investor Relations  
Beta-Straße 10h  
85774 Unterföhring  
Germany  
Fax: +49 89 35631-3300  
Email: [ir@kps.com](mailto:ir@kps.com)

The company – subject to Articles 126 Section 2 and 3, 127 Stock Corporation Act (AktG) – will immediately notify the other shareholders on the Internet site of the company at <http://www.kps.com> (in the area “Investor Relations” and there under “Annual General Meeting”) about counter motions and nominations received from shareholders at the above these contact points up to 14 days at the latest before the Annual General Meeting, i.e. at the latest by 8 March 2018 at 24:00 (CET). Any statements by the administration will also be published at the Internet address referred to above.

We draw your attention to the fact that counter motions and nominations which have been submitted to the company properly and timely will only be dealt with at the Annual General meeting if they are put forward orally at the Annual General Meeting. The right of each shareholder to submit counter motions or election proposals during the Annual General Meeting even without previous notification to the company shall not be affected.

**c) Right to information pursuant to Article 131 Section 1 Stock Corporation Act (AktG)**

At the Annual General Meeting every shareholder should be provided with information by the Executive Board about the affairs of the company, the legal or business relationships of the company with affiliated companies and the position of the Group and the companies consolidated in the consolidated financial statements, insofar as this information is necessary for the objective assessment of an item on the agenda. Information requests must be verbally at the Annual General Meeting during the public discussion. The Executive Board may refuse the information for the reasons specified in Article 131 Section 3 Stock Corporation Act (AktG).

Further explanations of shareholders rights can be found on the Internet page of the company under <http://www.kps.com> (in the area "Investor Relations" and there under "Annual General Meeting").

**4. Information and documents for the Annual General Meeting**

From the date of convening the Annual General Meeting, the documents designated in Article 124a Stock Corporation Act (AktG) have been made accessible for viewing and available for download on the Internet site of the company at <http://www.kps.com> (in the area "Investor Relations" and there under "Annual General Meeting"). Your attention is drawn to the fact that the statutory obligation has been complied with by making such information accessible on the Internet site of the company. However, on request the copies of the documents will be sent by simple post to shareholders once only free of charge.

**5. Total number of shares and voting rights**

The capital stock of the company amounts to EUR 37,412,100.00 on the date of convening this Annual General Meeting and is divided into 37,412,100 registered no-par shares. Each no-par share grants one vote. At the time of convening this Annual General Meeting, the company was holding no own shares (treasury shares).

Unterföhring, February 2018

KPS AG

The Executive Board