

**91<sup>st</sup> Annual General Meeting of the Koenig & Bauer AG  
on Thursday, May 19, 2016,  
at 11:00 a.m. at the Vogel Convention Center, Würzburg**

**Explanatory note on agenda item 1 pursuant to section 124a sentence 1 No. 2 German Stock Corporation Act (AktG)**

Agenda item 1 provides for the presentation of the adopted annual financial statements and of the management report (including the explanatory report regarding the information pursuant to section 289 paragraph 4 German Commercial Code (HGB) and pursuant to section 289 paragraph 5 German Commercial Code) for the Koenig & Bauer AG for the business year 2015, 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 paragraph 4 German Commercial Code) of the Koenig & Bauer group of companies for the business year ending 31 December 2015 as well as the report of the supervisory board for the business year 2015.

A resolution on this agenda item is not intended for for the following reasons:

The expediency of a resolution of the Annual General Meeting is drawn from the fact that , the annual financial statements were approved by the management and the supervisory board pursuant to s. 172 para. 1 1.halfsentence as both corporate bodies did not make use of the possibility granted pursuant to s. 172 172 para. 1 2. halfsentence in connection with s. 173 AktG.

A resolution on the consolidated financial statements is expedient as well since the supervisory board has approved the consolidated financial statements in his meeting on 22 March 2016. A resolution of the Annual General Meeting is however only provided for if the supervisory board does not approve the consolidated financial statements (s. 173 para. 1 sentence 1 AktG). If determination and approval of the annual financial statement and the consolidated financial statements are rendered through the management and the supervisory board- as provided for by law - the Annual General Meeting is to be convened for means of acceptance of the documents pursuant to s. 175 para. 1 AktG.

With respect to the management report including the explanatory report regarding the information pursuant to section 289 paragraph 4 German Commercial Code (HGB) and pursuant to section 289 paragraph 5 German Commercial Code for the Koenig & Bauer AG for the business year 2015, and the group management report including the explanatory report regarding the information pursuant to section 315 paragraph 4 German Commercial Code the statutory law provides solely for a duty to make such reports available to the shareholders pursuant to s. 175 para. 2 and 176 para. 1 AktG. Furthermore the management board has to give an explanation on his submission and the chairman of the supervisory board has to outline the report of the supervisory board in the Annual General Meeting.

The documents stated under item 1 of the agenda will be available and downloadable on the company's webpage on <http://www.kba.com/investor-relations/hauptversammlung/hv-2016/>. The documents will be sent to the shareholders by mail upon request. Furthermore, all stated documents will be made available during the general meeting.

## Convenience Translation

Within the Annual General Meeting the supervisory board will explain its report in accordance with s. 176 para. 1 AktG. The management board will give an explanation on its submissions, in particular the consolidated financial statements and the reports contained herein.

Würzburg, April 2016

Koenig & Bauer AG

The Management Board