

**91st 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 notes
pursuant to section 121 paragraph 3 No. 3 German Stock Corporation Act (AktG)
on the shareholders' rights
pursuant to sections 122 paragraph 2, 126 paragraph 1, 127, 131 paragraph 1 German
Stock Corporation Act**

**1. Requests for additions to the agenda pursuant to section 122 paragraph 2 Stock
Corporation Act**

Shareholders of the Koenig & Bauer AG 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 pursuant to section 122 paragraph 2 Stock Corporation Act.

Any new agenda item must be accompanied by grounds or a draft resolution. The request is to be sent in written form to the management board of Koenig & Bauer AG 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, April 18, 2016 (24:00). Any supplementary requests received after this date shall not be considered.

Please send respective written requests to the following address:

To the Management Board
Koenig & Bauer AG
Friedrich-Koenig-Straße 4
97080 Würzburg
Germany

Pursuant to section 122 paragraph 2 sentence 1 Stock Corporation Act, the provisions of section 122 paragraph 1 sentence 3 in connection with section 142 paragraph 2 sentence 2 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 petition. Section 70 Stock Corporation Act is to be adhered to for the calculation of this period.

Any additions to the agenda to be published shall be published in the Bundesanzeiger (federal gazette) 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 communicated pursuant to the relevant provisions and published on <http://www.kba.com/investor-relations/hauptversammlung/hv-2016/> pursuant to the relevant provisions.

The provisions of the German Stock Corporation Act that these shareholders' rights are based on are the following:

*Section 122 German Stock Corporation Act
Calling of a Meeting at the Request of a Minority (excerpt)*

(1) The general meeting is to be called, if shareholders whose holding in aggregate equals or exceeds one-twentieth of the share capital demand such meeting in writing stating the purpose and the reasons of such meeting; such demand is to be addressed to the management board. The articles of association may provide that the right to demand a general meeting shall require another form or the holding of a lower proportion of the share capital. Section 142 paragraph 2 sentence 2 shall apply accordingly.

(2) In the same manner, shareholders whose shares amount in aggregate to not less than one-twentieth of the share capital or represent an amount of the share capital corresponding to 500,000 Euros may demand that items be put on the agenda and published. Each new item is to be accompanied by reasons or a draft resolution. The demand in the sense of sentence 1 shall be provided to the company at least 24 days, in case of listed companies at least 30 days, prior to the meeting; the day of receipt shall not be included in this calculation.

[...]

*Section 142 German Stock Corporation Act
Appointment of Special Auditors (excerpt)*

[...]

(2) [...] [Sentence 2:] The petitioners must provide evidence that they have been the holders of the shares for at least three months prior to the date of the general meeting and will continue to hold the shares until a decision on the petition is made. [...]

2. Counter-applications and voting proposals pursuant to sections 126 paragraph 1, 127 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 paragraph 1 Stock Corporation Act as well as voting proposals as to the elections of annual auditors or members of the supervisory board pursuant to section 127 Stock Corporation Act, too.

Counter-applications must be substantiated (section 126 paragraph 1 sentence 1 Stock Corporation Act); this is not applicable to voting proposals (section 127 sentence 2 Stock Corporation Act).

Proposals as to the election of members of the supervisory board or annual auditors are to include the name, current occupation and the place of residence of the proposed person (in case of legal entities the name of the company and the seat) pursuant to section 124 paragraph 3 sentence 4 Stock Corporation Act. Pursuant to section 125 paragraph 1

sentence 5, proposals as to members of the supervisory board are furthermore to include information on their memberships in other statutory supervisory boards in the sense of section 125 paragraph 1 sentence 5 Stock Corporation Act; Information on their memberships in comparable domestic and foreign control commissions of commercial enterprises should be added.

Counter-applications and voting proposals by shareholders regarding the general meeting are to be exclusively sent to the following address of the company:

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

The Koenig & Bauer AG shall make any counter-applications and voting proposals by shareholders that have been received **until Wednesday, May 4, 2016 (24:00) at the latest** and are to be published available on its webpage on <http://www.kba.com/investor-relations/hauptversammlung/hv-2016/> 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, if one of the grounds for exclusion pursuant to section 126 paragraph 2 Stock Corporation Act is applicable. Pursuant to section 126 paragraph 2 Stock Corporation Act, a counter-application and its grounds do not need to be made accessible,

- if the management board would by reason of such communication become criminally liable;
- if the counter-motion would result in a resolution of the general meeting which would be illegal or would violate the articles of association;
- if the grounds contain statements which are obviously false or misleading in material respects or which are offensive;
- if a counter-motion of such shareholder based on the same facts has already been communicated to a general meeting of the company pursuant to section 125 Stock Corporation Act;
- if the same counter-motion of such shareholder on essentially identical grounds has already been communicated pursuant to section 125 Stock Corporation Act to at least two general meetings of the company within the past five years, and at such general meetings less than one-twentieth of the share capital represented has voted in favor of such counter-motion;
- if the shareholder indicates that he will neither attend nor be represented at the general meeting; or
- if within the past two years at two general meetings the shareholder has failed to file or cause to be filed on his behalf a counter-application communicated by him.

The grounds of a counter-application do not have to be made accessible, if they exceed 5,000 characters in total (section 126 paragraph 2 sentence 2 Stock Corporation Act).

A voting proposal does also not need to be made available, if the proposal does not include the name, the current occupation and the place of residence (in case of legal entities the name of the company and the seat) of the proposed person.

Voting proposals regarding the election of members of the supervisory board do in addition not need to be made available, if they do not include information on the proposed candidate's memberships in other statutory supervisory boards in the sense of section 125 paragraph 1 sentence 5 Stock Corporation Act (section 127 sentence 3 Stock Corporation Act).

Shareholders are kindly asked to already provide proof of their share ownership at the time of submitting the counter-application and respectively the voting proposal. Please note that counter-applications and voting proposals being submitted to the company in advance will only be considered in the general meeting, if they are proposed during the meeting.

The right of every shareholder to file counter-applications during the general meeting regarding the various items of the agenda or to make voting proposals as regards the election of the annual auditor (agenda item 4) or the election of members of the supervisory board (agenda item 5) also without prior and timely submission to the company remains unaffected.

The provisions of the German Stock Corporation Act that these shareholders' rights are based on are the following:

*Section 124 German Stock Corporation Act
Publication of Requests for Supplements; Proposals for Resolutions (excerpt)*

[...]

(3) [...] [Sentence 4:] The proposal for the election of members of the supervisory board or auditors shall state their name, current occupation and place of residence. [...]

*Section 126 German Stock Corporation Act
Applications by Shareholders*

(1) Motions by shareholders along with the shareholder's name, the grounds and any potential statement by the management shall be made available to the persons entitled pursuant to section 125 paragraphs 1 to 3 Stock Corporation Act under the conditions stated therein, if at least 14 days before the meeting the shareholder sends to the address indicated in the notice calling the meeting a counter-motion to a proposal of the management board and supervisory board as to an item on the agenda. The date of receipt shall not be taken into account. In case of listed companies, access shall be provided via the company's Internet page. Section 125 paragraph 3 shall apply analogously.

(2) A counter-motion and its grounds do not need to be made available,

- 1. if the management board would by reason of such communication become criminally liable;*
- 2. if the counter-motion would result in a resolution of the general meeting which would be illegal or would violate the articles of associations;*
- 3. if the grounds contain statements which are obviously false or misleading in material respects or which are offensive;*
- 4. if a counter-motion of such shareholder based on the same facts has already been communicated with respect to a general meeting of the company pursuant to section 125 Stock Corporation Act;*
- 5. if the same counter-motion of such shareholder on essentially identical grounds has already been communicated pursuant to section 125 Stock Corporation Act to at least two general meetings of the company within the past five years, and at such general meetings*

less than one-twentieth of the share capital represented has voted in favor of such counter-application;
6. if the shareholder indicates that he will neither attend nor be represented at the general meeting; or
7. if within the past two years at two general meetings the shareholder has failed to make or cause to be made on his behalf a counter-application communicated by him.

The statement of the grounds does not need to be communicated, if it exceeds 5,000 characters in total.

(3) If several shareholders file counter-applications for resolution in respect to the same subject matter, the management board may combine such counter-applications and the respective statements of the grounds.

Section 127 German Stock Corporation Act Nominations by Shareholders

Section 126 shall apply analogously to a nomination by a shareholder for the election of a member of the supervisory board or annual auditors. Such nomination does not need to be supported by a statement of the grounds for this. The management board also does not need to communicate such nomination, if it fails to contain the particulars required by section 124 paragraph 3 sentence 3 and section 125 paragraph 1 sentence 5.

3. Information right pursuant to sections 131 paragraph 1 German Stock Corporation Act,

Pursuant to section 131 paragraph 1 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 general meeting, as far as this is required for the appropriate assessment of the agenda item.

However, the management board may refuse to provide information pursuant to section 131 paragraph 3 Stock Corporation Act in all cases stated above,

- to the extent that providing such information is, according to sound business judgment, likely to cause material damage to the company or an affiliated enterprise;
- to the extent that such information relates to tax valuations or the amount of certain taxes;
- with regard to the difference between the value at which items are shown in the annual balance sheet and the higher market value of such items, unless the general meeting is to approve the annual financial statements;
- with regard to the methods of classification and valuation, if disclosure of such methods in the annex suffices to provide a clear view of the actual condition of the company's assets, financial position and profitability within the meaning of section 264 paragraph 2 German Commercial Code (HGB); the foregoing shall not apply, if the general meeting is to approve the annual financial statements;
- if provision thereof would render the management board criminally liable;

- if the information is continuously available on the company's webpage for seven or more days prior to the general meeting as well as during the meeting.

If a shareholder has been given information outside of the general meeting due to his status as shareholder, this information is to be given to every other shareholder upon his request during the general meeting, even if this information is not required for the appropriate assessment of the item of the agenda. In this case, the management board must not refuse to provide this information pursuant to section 131 paragraph 3 Nos. 1 to 4 Stock Corporation Act. The sentences stated above are not applicable, if a subsidiary (section 290 paragraphs 1, 2 Commercial Code), a community undertaking (section 310 paragraph 1 Commercial Code) or an affiliated company (section 311 paragraph 1 Commercial Code) gives this information to a parent enterprise (section 290 paragraphs 1, 2 Commercial Code) for the purpose of inclusion of the company in the group accounts of the parent enterprise and this information is required for this purpose.

A shareholder who has been denied information may demand that his request and the grounds for the refusal be included in the minutes on the general meeting.

In addition, the chairperson of the general meeting is entitled to take various leading and disciplinary measures in the general meeting. In this context, the chairperson of the general meeting is among other things entitled to limit the shareholders' rights to speak and ask questions during the general meeting if required.

The provisions of the German Stock Corporation Act that these shareholders' rights are based on are the following:

*Section 131 German Stock Corporation Act
Right of Shareholders to Information*

(1) Each shareholder shall upon request be provided with information at the general meeting by the management board regarding the company's affairs, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda. The duty to provide information shall also extend to the company's legal and business relations with any affiliated enterprise. If a company makes use of the simplified procedure pursuant to section 266 paragraph 1 sentence 3, section 276 or section 288 of the Commercial Code, each shareholder may request that the annual financial statements be presented to him at the general meeting on such annual financial statements in the form which would have been used, if such provisions on simplified procedure were not applied. A parent enterprise's (section 290 paragraphs 1 and 2 Commercial Code) management board's duty to inform in the general meeting that considers the consolidated financial statement and consolidated management report shall extend to the outlook of the group and the enterprises included in the consolidated financial statement.

(2) The information provided shall comply with the principles of conscientious and accurate accounting. The articles of association or the rules of procedure pursuant to section 129 may authorize the chairperson of the meeting to limit the number of questions and speaking time of shareholders as appropriate and to lay down general rules thereon.

(3) The management board may refuse to provide information:

- 1. to the extent that providing such information is, according to sound business judgment, likely to cause material damage to the company or an affiliated enterprise;*
- 2. to the extent that such information relates to tax valuations or the amount of certain taxes;*

3. with regard to the difference between the value at which items are shown in the annual balance sheet and the higher market value of such items, unless the general meeting is to approve the annual financial statements;
 4. with regard to the methods of classification and valuation, if disclosure of such methods in the notes suffices to provide a clear view of the actual condition of the company's assets, financial position and profitability within the meaning of section 264 paragraph 2 of the Commercial Code; the foregoing shall not apply, if the general meeting is to approve the annual financial statements;
 5. if provision thereof would render the management board criminally liable;
 6. if in the case of a credit institution or financial services institution information about the applied balance sheet and valuation methods or calculations made in the annual financial statements, the management report, the consolidated annual financial statement or the group's management report do not need to be provided;
 7. if the information is continuously available on the company's internet page for seven or more days prior to the general meeting as well as during the meeting.
- The provision of information may not be denied for other reasons.

(4) If information has been provided outside a general meeting to a shareholder by reason of his status as a shareholder, such information shall upon request be provided to any other shareholder at the general meeting, even if such information is not necessary to permit a proper evaluation of an item on the agenda. The management board may not refuse to provide such information on the grounds of paragraph 3 sentence 1 Nos. 1 to 4. Sentences 1 and 2 shall not apply, if a subsidiary (section 290 paragraphs 1 and 2 of the Commercial Code), a cooperative enterprise (section 310 paragraph 1 of the Commercial Code) or an affiliate (section 311 paragraph 1 of the Commercial Code) provides the information to a parent company (section 290 paragraphs 1 and 2 of the Commercial Code) for the purpose of inclusion in the consolidated annual financial statement of the parent company and the information is required for this purpose.

(5) A shareholder who has been denied information may request that his question and the reason for which the information was denied be recorded in the minutes of the meeting.

Würzburg, April 2016

Koenig & Bauer AG

The Management Board