



## **Annual General Meeting of KUKA Aktiengesellschaft on 31 May 2017**

### **Explanation of shareholders' rights according to article 121 para. 3, sentence 3, no. 3 of the German Stock Corporation Act**

The invitation to the Annual General Meeting already contains information on the shareholders' rights according to articles 122 para. 2, 126 para. 1, 127 and 131 para. 1 of the German Stock Corporation Act; the following information is provided as a further explanation of these rules.

#### **1. Applications for additions to the agenda at the request of a minority (article 122 para. 2 of the German Stock Corporation Act)**

Shareholders whose holding in aggregate equals one twentieth (5 percent) of the share capital or the proportionate amount of the share capital of € 500,000 may demand that items be placed on the agenda and disclosed. Every new item must be accompanied by an explanation or a draft resolution. In all other respects, reference is made to the pre-conditions of article 122 para. 2 in conjunction with para. 1 of the German Stock Corporation Act and article 70 of the German Stock Corporation Act.

Applications for additions along with justifications or draft resolutions, along with the proof of the time the shares have been held, must be received by the Executive Board of KUKA Aktiengesellschaft at the address given in the invitation to attend (KUKA Aktiengesellschaft, Executive Board, reference "Annual General Meeting", Zugspitzstraße 140, 86165 Augsburg or by e-mail to [hauptversammlung2017@kuka.com](mailto:hauptversammlung2017@kuka.com)) at least thirty days before the Annual General Meeting; i.e., by Sunday, 30. April 2017, 24.00 hrs. CEST.

If the requests for additions that have been received on time are subject to compulsory disclosure, they are published immediately on receipt of the request in the Federal Gazette and distributed throughout Europe, published on the company's Web site and notification sent to the shareholders together with the notice for the Annual General Meeting according to article 125 para. 1 sentence 3 of the German Stock Corporation Act.

The provisions of the Stock Corporation Act on which these shareholder rights are based are as follows:

## "Article 122 Convening at the request of a minority

- (1) The Annual General Meeting shall be convened if shareholders whose holding in aggregate equals one twentieth of the share capital demand such meeting in writing, stating the purpose and the reasons for such meeting; the demand shall be addressed to the Executive Board. The articles of association may provide that the right to demand an Annual General Meeting shall require another form and to the holding of a lower proportion of the share capital. The applicants have to prove that they have been shareholders for at least 90 days prior to the day of the receipt of the demand and that they will continue to hold the shares until the decision of the Executive Board regarding their request is made. Article 121 para. 7 shall apply correspondingly.
- (2) Similarly, shareholders whose holding in aggregate equals one twentieth of the share capital or the proportionate amount of € 500,000 may demand that items be placed on the agenda and disclosed. Each new item shall be accompanied by an explanation or a draft resolution. The demand in the sense of sentence 1 shall be provided to the company at least 24 days, or in the case of listed companies at least 30 days, prior to the meeting; the day of receipt shall not be included in this calculation.
- (3) If any such demand is not complied with, the court may authorize the shareholders who have made the demand to call a shareholders' meeting or publish such items. At the same time the court may appoint the chairman of the meeting. The notice of the meeting or the publication shall refer to such authorization. An immediate appeal may be made against the decision of the court.
- (4) The company shall bear the costs of the Annual General Meeting and, in the case of paragraph 3, also the court costs if the court has granted such motion."

## "Article 70 Calculating the shareholding period

If the exercise of rights from a share depends on the shareholder having held the share for a certain period of time, the right to demand transfer of title from a credit institution, a financial service institution, or an enterprise operating in accordance with article 53 para. 1 sentence 1 or article 53b para. 1 sentence 1 or para. 7 of the German Banking Act [Gesetz über das Kreditwesen] shall be considered equivalent to ownership. The period during which the share was owned by a predecessor in title shall be attributed to the shareholder, provided that the latter has acquired the share without consideration, from the latter's fiduciary, as the universal successor, on the liquidation of a community, or on a transfer of assets in accordance with article 13 of the German Insurance Supervision Act [Versicherungsaufsichtsgesetz] or article 14 of the German Savings and Loan Associations Act [Bausparkassengesetz]."

## 2. **Motions and election proposals from shareholders (articles 126 para. 1 and 127 of the German Stock Corporation Act)**

Nominations by the shareholders for the election of Supervisory Board members or auditors do not need to be justified, unlike other proposals from shareholders (counter motions).

Counter motions by shareholders do not need to be made available

- (1) if the Executive Board would as a result become criminally liable,
- (2) if the counter motion would result in a resolution at the Annual General Meeting that would be illegal or that would violate the articles of association,
- (3) if the justification contains statements that are obviously false or misleading in material respects or that are libelous,

- (4) if a counter motion by the shareholder based on the same facts has already been communicated at an earlier General Meeting of the company pursuant to article 125 of the German Stock Corporation Act,
- (5) if the same counter motion of the shareholder with essentially the same justification has already been communicated according to article 125 of the German Stock Corporation Act at at least two Annual General Meetings of the company in the last five years and at the Annual General Meeting less than one twentieth of the share capital represented voted for it,
- (6) if the shareholder indicates that he or she will neither attend the Annual General Meeting nor be represented at it, or
- (7) if the shareholder, within the last two years at two Annual General Meetings has failed to make or cause to be made on his or her behalf any counter motion communicated by him or her.

The same applies accordingly for the communication of election nominations. In addition, the Executive Board does not need to make nominations for the election of Supervisory Board members and auditors available if they do not contain the name, exercised profession and place of residence of the proposed candidates, and for legal entities, the company and its registered office and, in the case of nominations for the election of Supervisory Board members, if no information is provided about their membership on other Supervisory Boards to be formed by law. Information about their membership on comparable German and foreign monitoring bodies of commercial companies must be enclosed.

The grounds for counter motions and election nominations do not need to be made available if they exceed more than 5,000 characters in total. If several shareholders submit counter motions with respect to the same item in the resolution or if they submit the same election nominations, the Executive Board may summarize the counter motions and election nominations and their grounds.

The provisions of the Stock Corporation Act on which these shareholder rights are based are as follows:

#### **"Article 126 Motions by shareholders**

- (1) Motions by shareholders including the shareholder's name, the grounds and any position taken by the Management shall be made available to the persons entitled pursuant to article 125 para. 1 to 3 under the conditions stated therein if at least 14 days before the company's meeting the shareholder sends to the address indicated in the notice convening the meeting a motion counter to a proposal of the Executive Board and Supervisory Board as to a particular item on the agenda with an explanation. The date of receipt shall not be taken into account. In the case of listed companies, access shall be provided by the company's Web site. Article 125 para. 3 applies accordingly.
  
- (2) A counter motion and the grounds for this need not be made available
  1. if the Executive Board would as a result become criminally liable,
  2. if the counter motion would result in a resolution at the Annual General Meeting that would be illegal or that would violate the articles of association,
  3. if the justification contains statements that are obviously false or misleading in material respects or that are libelous,
  4. if a counter motion of the shareholder based on the same facts has already been communicated at an earlier General Meeting of the company pursuant to article 125 of the German Stock Corporation Act,
  5. if the same counter motion of the shareholder with essentially the same justification has already been communicated according to article 125 of the German Stock Corporation Act at at least two Annual General Meetings of the company in the last five years and at the Annual General Meeting less than one twentieth of the share capital represented voted for it,
  6. if the shareholder indicates that he or she will neither attend the Annual General Meeting nor be represented at it, or
  7. if the shareholder, within the last two years at two Annual General Meetings has failed to make or cause to be made on his or her behalf any counter motion communicated by him or her.

The grounds for counter motions and election nominations do not need to be made available if they exceed more than 5,000 characters in total.
  
- (3) If several shareholders submit counter motions with respect to the same item in the resolution or if they submit the same election nominations, the Executive Board may summarize the counter motions and election nominations and their grounds."

#### **"Article 127 Nominations by shareholders**

Article 126 shall apply analogously to a nomination by a stockholder for the election of a member of the Supervisory Board or the external auditor. Such nomination need not be supported by a statement of the grounds for this. The Management Board also need not communicate such nomination if it fails to contain the particulars required by article 124 para. 3 sentence 3 and article 125 para.1 sentence 5. For the election of Supervisory Board members of listed corporations that are subject to the Co-Determination Act, the Coal and Steel Co-Determination Act or the Supplemental Co-Determination Act, the Management Board shall provide the following information:

- (1) notice of the requirements of article 96 para. 2,
- (2) information on whether the joint fulfilment of the quotas was contested in accordance with article 96 para. 2 sentence 3 Stock Corporation Act, and
- (3) information on how many positions on the Supervisory Board must be filled by women and men respectively in order to fulfil the minimum quota requirements pursuant to article para. 2 sentence 1 Stock Corporation Act.

### 3. Shareholders' right of information (article 131 para. 1 of the German Stock Corporation Act)

Every shareholder shall be given information about company matters by the Executive Board upon demand in the Annual General Meeting to the extent necessary for an appropriate appraisal of an agenda item. The duty to provide information shall also extend to the company's legal and business relations with any affiliated company. If a company makes use of the simplified procedure according to article 266 para. 1 sentence 3, article 276 or article 288 of the German Commercial Code, each shareholder may request that the annual financial statements be presented to him or her at the Annual General Meeting that considers the annual financial statements in the form that would have been used if such provisions on simplified procedure were not applied. The duty of the Executive Board of a parent company (article 290 para. 1 and 2 Commercial Code) to provide information in the Annual General Meeting that considers the consolidated financial statements and consolidated management report also covers the situation of the Group and the companies included in the consolidated financial statements.

The Executive 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 shareholders at the Annual General Meeting are to approve the annual financial statements,
- (4) with regard to the methods of classification and valuation, if disclosure of such methods in the notes is sufficient to provide a clear view of the actual condition of the company's assets, financial position and profitability within the meaning of article 264 para. 2 of the Commercial Code; the above shall not apply if the General Meeting is to approve the annual financial statements,
- (5) if provision thereof would render the Executive Board criminally liable,
- (6) if the information is continuously available on the company's Web site seven or more days prior to the Annual General Meeting as well as during the meeting.

The provision of information may not be denied for other reasons.

If information has been provided outside the Annual General Meeting to a shareholder by reason of his or her status as a shareholder, such information shall upon request be provided to any other shareholder at the Annual General Meeting, even if such information is not necessary to permit a

proper evaluation of the item on the agenda. In this case, the Executive Board may not refuse to provide such information on the grounds of items 1 to 4.

If a shareholder has been denied information, he or she may request that his or her question and the reason for which the information was denied be recorded in the minutes of the meeting.

### **"Article 131 Shareholders' right of information**

- (1) Every shareholder shall be given information about company matters by the Executive Board upon demand in the Annual General Meeting to the extent necessary for an appropriate appraisal of an agenda item. The duty to provide information shall also extend to the company's legal and business relations with any affiliated company. If a company makes use of the simplified procedure according to article 266 para. 1 sentence 3, article 276 or article 288 of the German Commercial Code, each shareholder may request that the annual financial statements be presented to him or her at the Annual General Meeting that considers the annual financial statements in the form which he would have had without such simplified procedure. The duty of the Executive Board of a parent company (article 290, para. 1 and 2 Commercial Code) to provide information in the Annual General Meeting that considers the consolidated financial statements and consolidated management report also covers the situation of the group and the companies included in the consolidated financial statements.
- (2) The information provided shall comply with the principles of conscientious and accurate accounting. The articles of association or the rules of procedure according to article 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 Executive 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 shareholders at the Annual General Meeting are to approve the annual financial statements;
  4. with regard to the methods of classification and valuation, if disclosure of such methods in the notes is sufficient to provide a clear view of the actual condition of the company's assets, financial position and profitability within the meaning of article 264 para. 2 of the Commercial Code; the above shall not apply if the General Meeting is to approve the annual financial statements;
  5. if provision thereof would render the Executive 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 need not be given;
  7. if the information is continuously available on the company's Web site seven or more days prior to the Annual 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 the Annual General Meeting to a shareholder by reason of his or her status as a shareholder, such information shall upon request be provided to any other shareholder at the Annual General Meeting, even if such information is not necessary to permit a proper evaluation of the item on the agenda. The Executive 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 (article 290 para. 1 and 2 of the Commercial Code), a cooperative enterprise (article 310 para. 1 of the Commercial Code) or an affiliate (article 311 para. 1 of the Commercial Code) provides the information to a parent company (article 290 para. 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) If a shareholder has been denied information, he or she may request that his or her question and the reason for which the information was denied be recorded in the minutes of the meeting."