

KRONES Aktiengesellschaft, Neutraubling  
Annual general meeting of KRONES AG  
on Tuesday, 20 June 2017, 2:00 pm,  
in the Stadthalle Neutraubling,  
Regensburger Strasse 9,  
93073 Neutraubling, Germany.

**Explanatory report on the disclosures pursuant  
to Sections 289 (4) and 315 (4) of the German  
Commercial Code (HGB)**

## 1. Composition of share capital

Pursuant to Section 4 (1) of the articles of association, KRONES AG's share capital amounts to €40,000,000.00 and is divided into 31,593,072 ordinary bearer shares.

## 2. Voting rights and right of participation in the annual general meeting

Under Section 20 (1) of the articles of association, each share entitles its holder to one vote in the annual general meeting. Unless mandatory provisions of the law stipulate otherwise, resolutions of the annual general meeting are made by a simple majority of the votes cast or, in cases in which the law prescribes a majority of shares in addition to a majority of votes, by a simple majority of the share capital represented in the vote.

Pursuant to Section 18 (1) of the articles of association, only those shareholders who register with the company in writing in German or English and provide proof of their shareholding prior to the annual general meeting are entitled to participate and vote in the annual general meeting. Special verification of the shareholding in text form, issued in German or English by the institution with which the account is held, shall constitute sufficient evidence of the shareholding. The evidence of shareholding must refer to the start of the twenty-first day prior to the annual general meeting.

Pursuant to Section 18 (2) of the articles of association, voting rights can be exercised by proxy. Granting, revocation, and evidence of proxy authorisation must be submitted to the company in text form. The notice convening the general meeting may specify a relaxation of this requirement. Section 135 of the German Stock Corporation Act (AktG) remains unaffected.

In the annual general meeting, the chair of the meeting can set appropriate time limits for shareholders' questions and comments (Section 19 (3) of the articles of association).

The Executive Board of the company is not aware of any other restrictions relating to voting rights or the transfer of shares.

## 3. Direct and indirect ownership of company's capital exceeding 10% of voting rights

The company is aware of the following direct and indirect shareholdings in the company's capital that exceed 10% of voting rights:

Name of shareholder	Total share of voting rights	Of which attributable indirect voting rights pursuant to Section 22 (2) of the Securities Trading Act
Familie Kronseder Konsortium GbR, Neutraubling, Germany	51.58%	51.58%

Partners to this civil law partnership (GbR) are as follows: Beteiligungsgesellschaft Kronseder mbH, Harald Kronseder Holding GmbH, VMAX Familienstiftung, Harald Kronseder, Gunter Kronseder, Nora Kronseder, and Leopold Kronseder

Changes to the shareholdings listed above that are not required to be reported to the company may have occurred since the date given above (February 2017). Because the company's shares are bearer shares, the company is generally only aware of changes in shareholdings if these changes are subject to reporting requirements.

## 4. Provisions in law and in the articles of association governing the appointment and dismissal of Executive Board members and changes to the articles of association

The appointment and dismissal of Executive Board members is governed by Sections 84 and 85 of the German Stock Corporation Act (AktG). Pursuant to Section 6 (1) of the articles of association, the Executive Board consists of at least two members. Pursuant to Section 6 (2) of the articles of association, determination of the number of Executive Board members, the appointment of regular and deputy members of the Executive Board, the execution of their employment contracts, and revocation of appointments are the responsibility of the Supervisory Board.

Amendments to the articles of association are subject to the provisions of Sections 179 et seq. of the German Stock Corporation Act. Such amendments are to be resolved by the annual general meeting (Section 119 (1) No. 5 and Section 179 (1) of the German Stock Corporation Act). The Supervisory Board is authorised to make amendments that affect only the wording of the articles of association (Section 13 of the articles of association).

## 5. Executive Board authority to issue or buy back shares

Pursuant to Section 4 (4) of the articles of association, the Executive Board may, with the approval of the Supervisory Board, increase the share capital by a total of up to €10 million (authorised capital) through the issuance once or repeatedly of ordinary bearer shares against cash contributions up to and including 15 June 2021.

Shareholders must be granted subscription rights to these shares. The Executive Board may exclude the subscription rights of shareholders for any fractional amounts that may arise.

By resolution of the annual general meeting of 25 June 2014, the company is authorised up to and including 24 June 2019 to buy treasury shares totalling up to 10% of the share capital at the time that the resolution took effect or – if smaller – at the time that the authorisation is exercised, in compliance with the provisions of the law and of the resolution by the annual general meeting.

By resolution of the annual general meeting of 25 June 2014, the Executive Board is authorised to cancel treasury shares of KRONES AG acquired on the basis of the above authorisation without the cancellation or its execution requiring a further resolution by the annual general meeting.

## 6. Agreements relating to a change or acquisition of control

KRONES AG has not made any material agreements containing special provisions relating to a change or acquisition of control following a takeover offer.

## 7. Agreements with members of the Executive Board or company employees relating to compensation in the event of a takeover offer

The company has not made any agreements with members of the Executive Board or company employees relating to compensation in the event of a takeover offer.

Neutraubling, 10 March 2017

KRONES AG

The Executive Board



Christoph Klenk  
CEO



Michael Andersen  
CFO



Rainulf Diepold



Thomas Ricker



Markus Tischer



Ralf Goldbrunner