

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.

Profit and loss transfer agreement
between KRONES Aktiengesellschaft
and KRONES Beteiligungsgesellschaft mbH

Recitals

- (1) KRONES Aktiengesellschaft, headquartered in Neutraubling, Germany, is registered in the Commercial Register of the Regensburg Local Court under HR B 2344 (hereinafter referred to as “**Controlling Entity**” – Organträger).
- (2) KRONES Beteiligungsgesellschaft mbH, headquartered in Neutraubling, Germany, is registered in the Commercial Register of the Regensburg Local Court under HR B 15694 (hereinafter referred to as “**Controlled Company**” – Organgesellschaft).
- (3) Controlling Entity holds all shares in Controlled Company, with a nominal value of EUR 75,000.00. That corresponds to 100% of Controlled Company’s share capital carrying voting rights (financial integration). This financial integration of Controlled Company into Controlling Entity has been in place without interruption since the start of Controlled Company’s current financial year.
- (4) The parties intend to enter into a Profit and Loss Transfer Agreement. Now therefore the parties agree as follows:

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Profit and loss transfer agreement

- (1) Controlled Company agrees to transfer its entire profits to Controlling Entity for the first time after the start of the financial year that is ongoing at the time that this Agreement is entered into the Commercial Register. The profit to be transferred shall not exceed the amount permissible under Section 301 AktG, as amended.
- (2) Controlled Company can, with Controlling Entity’s approval, transfer amounts from net profit to profit reserves (Section 272 (3) of the German Commercial Code – HGB) provided that such transfer is permissible under commercial and tax law and justified by prudent business judgement.

- (3) To the extent permissible by law, amounts transferred to other profit reserves under Section 272 (3) HGB during the term of this Agreement may be withdrawn from such other profit reserves and transferred as profit at Controlling Entity’s request. Other reserves and any retained profits brought forward or profit reserves originating from the time before this Agreement entered into effect shall not be transferred to Controlling Entity as profit. The same is true for capital reserves, regardless of whether they were recognised before or after this Agreement entered into effect.
- (4) The entitlement to the transfer of profit shall arise at the end of Controlled Company’s financial year. This shall be the value date for the amount due.

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Loss absorption

The provisions of Section 302 AktG shall apply, as amended.

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Duration and termination of the Agreement

- (1) This Agreement is subject to the approval of the general meeting of Controlling Entity and of the shareholder meeting of Controlled Company. It shall take effect upon its entry into the Commercial Register of Controlled Company and shall apply retroactively to the start of Controlled Company’s financial year that is ongoing at the time that this Agreement is entered into the Commercial Register.
- (2) The Agreement is entered into for an indefinite period. It can only be terminated without cause as of the end of Controlled Company’s financial year, subject to a notice period of six months, and no sooner than the end of the financial year in which the consolidated tax group that this Agreement establishes for corporate income tax and trade tax purposes fulfils the minimum term for tax purposes (hereinafter “minimum term”), which, according to current law is five years (Section 14 (1) sentence 1 number 3 in conjunction with Section 17 of the German Corporate Income Tax Act – KStG and Section 2 (2) sentence 2 of the German Trade Tax Act – GewStG).

- (3) Both parties have the right to terminate this Agreement for good cause, in particular
- (a) if, as a result of the sale of shares or other reasons, the requirement of financial integration of Controlled Company into Controlling Entity is no longer met in a tax sense;
 - (b) if Controlling Entity contributes its interest in Controlled Company to another company; or
 - (c) if Controlling Entity or Controlled Company is merged, split up, or liquidated.
- (4) If the effectiveness of this Agreement or its proper implementation are not recognised for tax purposes or not fully recognised for tax purposes, the parties agree that the minimum term shall begin on the first day of Controlled Company's financial year for which the requirements for recognition of its effectiveness or proper implementation for tax purposes are met for the first time or for the first time again after an interruption in such recognition.

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Final provisions

- (1) Any changes or additions to this Agreement are subject to the approval of the general meeting of Controlling Entity and of the shareholder meeting of Controlled Company. Controlled Company's approval must be unanimous and must be entered into the Commercial Register of Controlled Company.
- (2) Furthermore, any changes or additions to this Agreement must be made in writing, provided that notarisation is not required. The same is true of removing the "in writing" requirement.

- (3) Should any provision of this Agreement be or become ineffective, invalid, or unenforceable, in whole or in part, or should the Agreement contain a gap, the validity and enforceability of the remaining provisions shall remain unaffected. The parties agree to replace the ineffective, invalid, unenforceable provision or fill any gap with an effective, valid, and enforceable provision that reflects as closely as possible the legal and economic intent of the parties when this Agreement was entered into.

Neutraubling, 30 March 2017



sgd. Christoph Klenk
KRONES Aktiengesellschaft

Neutraubling, 30 March 2017



sgd. Michael Andersen
KRONES Beteiligungsgesellschaft mbH

This version of the Profit and loss transfer agreement between KRONES Aktiengesellschaft and KRONES Beteiligungsgesellschaft mbH, prepared for the convenience of English-speaking readers, is a translation of the German original. For the purposes of interpretation the German text shall prevail.

