



**VTG Aktiengesellschaft  
Hamburg**

WKN (German Securities Identification Number): VTG999  
ISIN (International Securities Identification Number): DE000VTG9999

**INVITATION**

The shareholders of our Company are hereby invited to the **Annual General Meeting** to be held on

**June 5, 2014 at 10:30 a.m.**

at the CCH - Congress Center Hamburg, Am Dammtor/Marseiller Straße, 20355 Hamburg, Germany.

**Please note that the following translation in the English language has been prepared for convenience purposes only. Therefore, the shareholders are not entitled to rely on this translation in any respect and should, in case of doubt, refer to the original version in the German language.**

**Agenda**

- 1. Presentation of the adopted annual financial statements of VTG Aktiengesellschaft and the approved consolidated financial statements as of December 31, 2013, the management reports for VTG Aktiengesellschaft and the VTG Group including the explanatory reports of the Executive Board regarding the statements under Section 289 (4) and (5), Section 315 (4) of the German Commercial Code (*Handelsgesetzbuch*), the proposal of the Executive Board for the appropriation of net income as well as the report of the Supervisory Board for the fiscal year 2013**

The Supervisory Board has approved the annual financial statements prepared by the Executive Board as well as the consolidated financial statements; therefore, the annual financial statements are deemed adopted pursuant to Section 172 sentence 1 of the German Stock Corporation Act (*Aktiengesetz*). Adoption by the Annual General Meeting is thus not required.

The aforesaid documents are available for online inspection at [www.vtg.de/hauptversammlung](http://www.vtg.de/hauptversammlung) as of the date of convening the Annual General Meeting. They will also be available for inspection during the Annual General Meeting.

## **2. Resolution on the appropriation of net income**

The Executive Board and the Supervisory Board propose to appropriate the net income of the fiscal year 2013 in the amount of EUR 9,207,804.12 as follows:

(1) Distribution to the shareholders paid by means of a dividend of EUR 0.42 per no-par value share carrying dividend rights	EUR 8,983,333.38
(2) Profit carried forward	EUR 224,470.74

The dividend shall be paid on June 6, 2014.

## **3. Resolution on the approval of the acts of the members of the Executive Board for the fiscal year 2013**

The Executive Board and the Supervisory Board propose that the acts of the members of the Executive Board who were in office in the fiscal year 2013 be formally approved for this period.

## **4. Resolution on the approval of the acts of the members of the Supervisory Board for the fiscal year 2013**

The Executive Board and the Supervisory Board propose that the acts of the members of the Supervisory Board who were in office in the fiscal year 2013 be formally approved for this period.

**5. Resolution on the appointment of the auditors for the annual financial statements and the consolidated financial statements as well as the auditors for the review of the half-yearly financial report for the fiscal year 2014**

The Supervisory Board proposes that PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hamburg, Germany, be appointed as auditors for the annual financial statements and the consolidated financial statements for the fiscal year 2014, who shall also be responsible for reviewing interim financial reports, where such review is undertaken.

The Supervisory Board had PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hamburg, Germany, provide to it a statement regarding the scope of the business, financial, personal and other relationships between the auditor, its executive bodies and head auditors, on the one hand, and the Company and companies of VTG Group and the members of its executive bodies, on the other hand, as well as the extent of the services (other than auditing services, in particular services in the field of consultancy) performed in the past fiscal year and contracted for the following year for the Company and companies of VTG Group. No indications have arisen from this which would suggest that the independence of PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hamburg, Germany, is not sufficiently warranted.

**6. Resolution on the authorisation to acquire and use, also under exclusion of the subscription right, treasury shares under revocation of the existing acquisition authorisation**

The authorisation to acquire and use treasury shares resolved at the Annual General Meeting of June 18, 2010 will expire on June 17, 2015. The Company shall again be authorised to acquire and use treasury shares, also under exclusion of the subscription right, under revocation of the existing authorisation to acquire treasury shares. In order to ensure that the Executive Board is authorised to reacquire treasury shares on a continuous basis irrespective of the date of the Annual General Meeting in 2015, this resolution shall already be passed at the Annual General Meeting convened herewith.

The Executive Board and the Supervisory Board propose to adopt the following resolutions:

1. The Executive Board shall be authorised, with the consent of the Supervisory Board, to acquire until June 4, 2019 treasury shares up to an aggregate amount of 10% of the current share capital or – where this value is lower – of the share capital existing at the time the present authorisation is exercised for any purpose permissible under the statutory restrictions and in accordance with the provisions set out below. The authorisation can be utilised by the Company or any of its Group companies or by third parties for its or their account.

Treasury shares may be purchased, at the discretion of the Executive Board, on the stock exchange or by way of a public purchase offer made to all shareholders or by way of a public invitation to all shareholders to submit offers for sale.

In the event of an acquisition through the stock exchange, the consideration per share paid by the Company (excluding incidental acquisition costs) must not exceed or fall below the average closing price of the Company's share in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange during the last three exchange trading days prior to the date of the obligation to acquire the treasury shares by more than 5%.

In the event of a public purchase offer, the consideration per share paid by the Company (excluding incidental acquisition costs) must not exceed or fall below the average closing price of the Company's shares in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange during the last three exchange trading days prior to the publication of the purchase offer by more than 10%.

In the event of an invitation to all shareholders to submit offers for sale, the consideration per share paid by the Company (excluding incidental acquisition costs) must not exceed or fall below the average closing price of the Company's shares in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange during the last three exchange trading days prior to the publication of the invitation to submit offers for sale by more than 10%.

If after the publication of a purchase offer or an invitation to submit offers for sale the applicable price is subject to significant changes, the purchase offer or the invitation to submit offers for sale, respectively, may be adjusted. In this case, the starting point for the determination of the

relevant periods during which the aforementioned average closing prices are calculated is neither the day of the publication of the purchase offer nor the day of the publication of the invitation to submit offers for sale, but the day of the adjustment. The purchase offer or the invitation to submit offers for sale may each provide for further conditions.

If a public purchase offer or a public invitation to submit offers for sale is oversubscribed, acceptance must be in proportion to each shareholder's current shareholding. The terms of such public purchase offer or public invitation may provide for priority acceptance of small amounts of offered shares per shareholder (up to 100 shares) and for rounding in accordance with commercial rounding principles.

2. The Executive Board is authorised to use the treasury shares acquired on the basis of this authorisation as follows:
  - a) The shares may, with the consent of the Supervisory Board, be sold on the stock exchange or by way of an offer made to all shareholders.
  - b) The shares may also be sold, with the consent of the Supervisory Board, in another manner provided that the shares are sold in return for cash and at a price that is not substantially lower than the stock exchange price of the Company's shares of the same class at the time of disposal. The time of disposal shall be deemed to be the time at which the obligation to transfer title in the shares is assumed, even if still conditional, or the time of the transfer in title itself in case such transfer is not preceded by a separate obligation to transfer or if such time is designated as relevant in the agreement containing the obligation to transfer. The final sales price for the treasury shares shall be determined according to these requirements at a time shortly before the sale of the treasury shares. The total pro rata amount of the share capital attributable to the number of shares sold under this authorisation, together with the pro rata amount of the share capital attributable to shares or option or conversion rights which are issued under exclusion of subscription rights in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act during the term of this authorisation, may not, in aggregate, exceed 10% of the Company's share capital existing at the time the General Meeting resolves to adopt this authorisation

or – if this value is lower – of the Company's share capital existing at the time the present authorisation is exercised.

- c) The shares may, with the consent of the Supervisory Board, be offered and transferred to third parties for the purpose of directly or indirectly acquiring companies, parts of companies or interests in companies as well as in the context of corporate mergers.
  - d) They may be appropriated to settle option and/or convertible bonds issued by the Company or an indirect or direct subsidiary of the Company.
  - e) The shares may also, with the consent of the Supervisory Board, be redeemed without the redemption or its implementation requiring a further resolution of the General Meeting. The Executive Board is authorised, with the consent of the Supervisory Board, to decrease the Company's share capital by the respective amount which is represented by the redeemed shares. Subject to the consent by the Supervisory Board, the Executive Board may stipulate, in derogation hereof, that the share capital shall remain unchanged at redemption and that the proportion of the remaining shares in the share capital is increased through redemption in accordance with Section 8 (3) of the German Stock Corporation Act instead. In this case, the Executive Board shall be authorised to adjust the number of shares stated in the Articles of Association.
3. Shareholders' subscription rights to treasury shares are excluded to the extent that these shares are used in accordance with the preceding authorisations specified in no. 2) lit. b) to d). Furthermore, the Executive Board may, with the consent of the Supervisory Board, exclude the subscription right of shareholders for fractional amounts if treasury shares are sold by means of an offer made to all shareholders in accordance with subsection 2) lit. a).
4. The authorisations to acquire, sell or redeem treasury shares may be exercised independently in whole or in part on one or several occasions.
5. The currently existing authorisation to acquire treasury shares granted by the Annual General Meeting on June 18, 2010 and expiring on June 17, 2015 shall be revoked as from the time the new authorisation takes effect; the authorisation granted in the aforesaid resolution of the Annual General

Meeting of June 18, 2010 for the use of treasury shares acquired on the basis of such resolution shall remain in effect.

**Report of the Executive Board to the Annual General Meeting on agenda item 6 regarding the exclusion of subscription rights upon use of treasury shares**

Under agenda item 6, the Executive Board and the Supervisory Board propose to authorise the Company pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act and in accordance with common business practice to acquire, until June 4, 2019, treasury shares up to an aggregate amount of 10% of the current share capital or – if this value is lower – of the share capital existing at the time the present authorisation is exercised. The Annual General Meeting of June 18, 2010 had already authorised the Executive Board to acquire treasury shares up to a pro rata amount of 10% of the share capital. As of now, this authorisation has not been used. Such authorisation expires on June 17, 2015. In order to ensure that the Executive Board is authorised to reacquire treasury shares on a continuous basis irrespective of the date of the Annual General Meeting in 2015, a new authorisation shall be granted and the existing authorisation to acquire shall be cancelled already at the Annual General Meeting convened herewith.

When acquiring treasury shares, the principle of equal treatment under Section 53a of the German Stock Corporation Act is to be observed. The proposed acquisition of shares through the stock exchange, by way of a public purchase offer or by public invitation to submit offers for sale is in line with this principle. If a public purchase offer or a public invitation to submit offers for sale is oversubscribed, acceptance must be in proportion to each shareholder's current shareholding. The terms of such public purchase offer or public invitation may provide for priority acceptance of small amounts of offered shares per shareholder (up to 100 shares) and for rounding in accordance with commercial rounding principles. These options serve to avoid fractions when fixing the acceptance quotas and to avoid smaller residual quantities and, by doing so, to facilitate the technical processing.

Pursuant to the proposed authorisation, the treasury shares acquired by the Company may either be redeemed – with or without a reduction of the share capital – or be resold by way of a public offer to all shareholders or via the stock exchange. By the last two options, the shareholders' right to equal treatment is observed also in the event of a disposal of the shares. In the event of a

redemption, no further resolution of the Annual General Meeting for the redemption or its implementation is required.

The proposed authorisation further provides, in accordance with the statutory provision of Section 71 (1) no. 8 sentence 5 of the German Stock Corporation Act, that the Executive Board, with the consent of the Supervisory Board, may sell the acquired treasury shares also in another manner than through the stock exchange or through an offer made to all shareholders provided that the acquired treasury shares are sold in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act in return for cash and at a price that is not substantially lower than the stock exchange price of the Company's shares of the same class at the time of disposal. The time of disposal shall be deemed to be the time at which the obligation to transfer title in the shares is assumed, even if still conditional, or the time of the transfer in title itself in case such transfer is not preceded by a separate obligation to transfer or if such time is designated as relevant in the agreement containing the obligation to transfer. The final sales price for the treasury shares shall be determined according to these requirements at a time shortly before the sale of the treasury shares. When selling treasury shares by means of a public offer made to all shareholders, the Executive Board shall be authorised, with the consent of the Supervisory Board, to exclude the shareholders' subscription right for fractional amounts. The exclusion of the subscription right for fractional amounts is necessary in order to make the sale of acquired treasury shares by way of an offer for sale to the shareholders technically feasible. The treasury shares excluded from shareholders' subscription rights as free fractions are either sold on the stock exchange or are otherwise disposed of for the Company based upon the best terms and conditions available.

The option of a sale in a manner other than through the stock exchange or by way of an offer to all shareholders is in the interest of the Company and the shareholders since additional domestic and foreign shareholders can be gained from such sale to institutional investors for instance. Furthermore, this enables the Company to adjust its equity capital to the respective business requirements and react quickly and flexibly to favourable stock market situations. Shareholders' pecuniary interests and voting rights are safeguarded. The shareholders will not suffer any disadvantage due to the small volume since the shares sold under exclusion of the shareholders' subscription right may be sold only at a price which is not substantially lower than the stock exchange price of the Company's shares of the same class at the time of disposal. When the authorisation is exercised, any other issue or sale of shares or any issue of option or conversion rights is to be taken into consideration if and to the extent such issue is made under the

exclusion of the subscription right in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act during the term of such authorisation. Interested shareholders can therefore acquire any shares necessary to maintain their participation quota through the stock exchange at virtually the same conditions.

Furthermore, the Company shall be given the possibility to offer treasury shares as consideration in connection with any merger and any (direct or indirect) acquisition of companies, parts of companies or interests in companies. This enables the Company to utilise the treasury shares as acquisition currency as is often required by national and international competition. As in the past, the Executive Board continuously examines opportunities for the Company to acquire companies or participations in companies. The acquisition of such participations or companies in consideration for shares is in the Company's interest if the acquisition strengthens or reinforces the market position of VTG Group or enables or facilitates market entry into new fields of business. In order to timely and flexibly meet the interest of the sellers or the Company to receive or offer payment in the form of Company shares in the event of a successful conclusion of such agreements, it is necessary, in case authorised capital shall not be used for such purpose, that the Executive Board is authorised to grant, with the consent of the Supervisory Board, treasury shares under the exclusion of the subscription rights of the shareholders. The interests of the shareholders are, on the one hand, protected by the limitation of the volume to 10%, which excludes any further-reaching losses in the proportions of their shareholdings. On the other hand, in determining the valuation ratios, the Executive Board will use the stock exchange price of the Company's shares as guidance. However, it is not planned to establish a schematic link with the stock exchange price, in particular in order to avoid that negotiation results already achieved be jeopardised by fluctuations in the stock exchange price. In light of the aforementioned considerations, the proposed disposal of treasury shares is, in the view of the Executive Board, in the Company's and the shareholders' interests and may in the individual case justify the exclusion of the shareholders' subscription right. The Executive Board and the Supervisory Board will in each individual case examine and consider whether the merger or the acquisition in consideration for treasury shares under the exclusion of subscription right is in the interest of the Company.

Furthermore, the Company shall be given the option of using treasury shares to settle option or conversion rights and conversion obligations arising from certain option and/or convertible bonds issued by the Company or a direct or indirect subsidiary of the Company. By the proposed resolution, no new or further authorisation to issue option and/or convertible bonds other than those under the

authorisation already existing or to be resolved under agenda item 7 to issue option and/or convertible bonds is created. It merely serves the purpose of providing the management with the possibility to settle option or conversion rights or conversion obligations which will be issued under other authorisations already existing or to be resolved under agenda item 7, by providing treasury shares instead of using the otherwise available conditional capital, if, as the case may be, the Executive Board and the Supervisory Board determine that this is in the Company's interest. The advantage of using already existing treasury shares lies, inter alia, in the fact that – in contrast to the use of the conditional capital – no new shares need to be created and thus the dilution effect which is typical of a capital increase can be avoided.

The authorisations to acquire, sell or redeem treasury shares may be exercised independently in whole or in part on one or several occasions.

The proposal for approval provides that the currently existing authorisation to acquire treasury shares granted by the Annual General Meeting on June 18, 2010 and expiring on June 17, 2015 shall be revoked as from the time the new authorisation takes effect; only the existing authorisation for the use of treasury shares reacquired on the basis of the resolution of the Annual General Meeting of June 18, 2010 shall remain in effect.

#### **Availability of the report of the Executive Board to the Annual General Meeting regarding agenda item 6**

The report of the Executive Board regarding agenda item 6 (the complete wording of which is set forth above) is available online at [www.vtg.de/hauptversammlung](http://www.vtg.de/hauptversammlung). The report will be available for inspection during the Annual General Meeting. The report is also available for inspection at the offices of the Company as from the day of the convening of the Annual General Meeting and will be mailed to each shareholder upon request.

#### **7. Resolution on the revocation of an existing and the granting of a new authorisation to issue warrant-linked and convertible bonds with the possibility to exclude the subscription rights for these warrant-linked and convertible bonds, the cancellation of the existing conditional capital and the creation of new conditional capital as well as the corresponding amendment of the Articles of Association**

The authorisation to issue warrant-linked and convertible bonds and to exclude the subscription rights for these warrant-linked and convertible bonds resolved by

the Annual General Meeting on June 18, 2010 expires on June 17, 2015. As of today, this authorisation has not been used. In order to ensure that the Executive Board is authorised to issue warrant-linked and convertible bonds with the possibility to exclude the subscription rights on a continuous basis irrespective of the date of the Annual General Meeting in 2015, a new authorisation shall already be granted to replace the existing authorisation at the Annual General Meeting convened herewith. Additionally, the conditional capital related to the existing authorisation shall be cancelled and replaced by a new conditional capital which serves the servicing of rights under warrant-linked and convertible bonds issued on the basis of the new authorisation. The Articles of Association shall be amended accordingly.

The Executive Board and the Supervisory Board propose to adopt the following resolutions:

**1. Revocation of the existing authorisation and the related conditional capital**

The authorisation to issue warrant-linked and convertible bonds and to exclude the subscription right for such warrant-linked or convertible bonds resolved by the Annual General Meeting of June 18, 2010 ad agenda item 7 will be revoked (i) upon expiry of the period for challenging the resolution (*Anfechtungsfrist*) pursuant to Section 246 (1) of the German Stock Corporation Act without an action challenging the validity of the resolution under agenda item 7 having been filed, or (ii) in case of the filing of such action in due time at the time such action has been dismissed in a legally binding manner or the court, upon application of the Company, has rendered a final and unappealable decision to the effect that the filing of the action does not prevent the registration of the resolution on the conditional capital increase – nos. 3) and 4) below – and/or that defects in the resolution of the Annual General Meeting do not affect the effectiveness of the registration.

The Executive Board is instructed to apply for registration with the commercial register of the resolution on the conditional capital increase – no. 3) below – as well as of the resolution on the amendment of the Articles of Association – no. 4) below – only subject to the preconditions set forth in the preceding paragraph. Upon registration with the commercial register, the existing conditional capital created by resolution of the Annual General Meeting of June 18, 2010 ad agenda item 7 under Sec. 4 (4) of the Articles of Association in the existing wording is cancelled.

**2. Authorisation to issue warrant-linked bonds and convertible bonds with the possibility to exclude the subscription rights in respect of such warrant-linked or convertible bonds**

The Executive Board is authorised, with the consent of the Supervisory Board, to issue bearer or registered warrant-linked bonds and/or bearer or registered convertible bonds (collectively the "Bonds") with limited or unlimited maturities, up to an aggregate nominal amount of EUR 300,000,000, on one or several occasions until June 4, 2019, and to grant to or impose upon the bearers and holders of warrant-linked bonds option rights or obligations, and to grant to or impose upon the bearers and holders of convertible bonds conversion rights or obligations relating to no-par value bearer shares of VTG Aktiengesellschaft with a pro rata amount of the share capital of up to a total of EUR 10,694,444.00 in accordance with the more detailed provisions of the terms and conditions of such Bonds.

Other than in Euro, the Bonds may – up to the maximum of the equivalent amount in the Euro currency – also be denominated in the legal currency of an OECD country. They may also be issued by a subordinate group company of VTG Aktiengesellschaft; in such instances, the Executive Board shall be authorised, with the consent of the Supervisory Board, to assume, on behalf of VTG Aktiengesellschaft, the guarantee for the Bonds and to grant to or impose upon the bearers and holders option or conversion rights or obligations relating to no-par value bearer shares of VTG Aktiengesellschaft.

To the extent that the shareholders are not allowed to directly subscribe for the Bonds, the shareholders are granted the statutory subscription right such that the Bonds are subscribed for by a credit institution or a syndicate of credit institutions subject to the obligation to offer the Bonds to the shareholders for subscription. If the Bonds are issued by a subordinate group company, VTG Aktiengesellschaft must ensure that the shareholders of VTG Aktiengesellschaft are granted their statutory subscription rights in accordance with the previous sentences.

However, the Executive Board is authorised, with the consent of the Supervisory Board, to exclude from the shareholders' subscription rights any fractional amounts resulting from the subscription ratio and to exclude the subscription right also to such extent as may be necessary in order to

be able to grant to the holders of option or conversion rights or obligations already issued at an earlier point in time subscription right to such extent as they would be entitled to as shareholders after the exercise of their option or conversion rights or upon fulfilment of the option or conversion obligations respectively.

The Executive Board is further authorised, with the consent of the Supervisory Board, to completely exclude the subscription rights of the shareholders regarding Bonds with option and/or conversion rights or obligations issued against cash payment, if the Executive Board, upon due review, determines that the issue price of the Bonds is not substantially below their theoretical market value as calculated in accordance with recognised calculation methods, in particular actuarial methods. However, such authorisation to exclude the subscription right applies only to Bonds issued with option or conversion rights or obligations relating to shares representing an aggregate pro rata amount in the share capital of no more than 10%, whether at the time of coming into effect or – if such value is lower – at the time of exercise of the present authorisation. When calculating the aforementioned 10% limit, treasury shares are taken into account which are sold under exclusion of the subscription right pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act during the term of this authorisation until the issue of Bonds with option and/or conversion rights or obligations under the exclusion of the subscription right pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act. Furthermore, when calculating the aforementioned 10% limit, those shares are to be taken into account which are issued out of authorised capital under exclusion of the subscription right pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act during the term of this authorisation until the issue of Bonds with option and/or conversion rights or obligations under the exclusion of subscription rights pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act.

The individual Bond issues are divided into different partial bonds (*Teilschuldverschreibungen*). Where warrant-linked bonds are issued, one or more warrants shall be attached to each partial bond granting to the holder the right to subscribe for no-par value bearer shares of VTG Aktiengesellschaft subject to the terms and conditions of the warrants (*Optionsbedingungen*) to be determined by the Executive Board. In the case of warrant-linked bonds issued by VTG Aktiengesellschaft and denominated in Euro, the terms and conditions of the warrants

(*Optionsbedingungen*) may provide that the option price can also be paid by transfer of partial bonds and, if applicable, additional cash payment. The pro rata amount of the share capital represented by the shares to be subscribed for under each partial bond must not exceed the nominal amount of the partial bond. To the extent that fractions of shares arise it may be provided that these fractions are consolidated into full shares for subscription pursuant to the terms and conditions of the warrants (*Optionsbedingungen*) and/or Bonds (*Anleihebedingungen*), if applicable, against additional payment.

If convertible bonds are issued, in case of bearer convertible bonds, the bearers, and in all other cases, the holders of the partial bonds are granted the right to convert their partial bonds into no-par value bearer shares of VTG Aktiengesellschaft pursuant to the terms and conditions of the convertible bonds (*Wandelanleihebedingungen*) determined by the Executive Board. The conversion ratio is determined by dividing the nominal amount – or the issue price below the nominal amount – of the partial bond by the conversion price determined for one no-par value bearer share of VTG Aktiengesellschaft, and may be rounded up or down to a full number; furthermore, an additional payment in cash and consolidation of, or a compensation for, any non-convertible fractions may be determined. The terms and conditions of the Bonds (*Anleihebedingungen*) may provide for a variable conversion ratio and the determination of the conversion price (subject to the minimum price determined below) within a predetermined scope which depends on the development of the price of the no-par value share of VTG Aktiengesellschaft during the term to maturity of the Bond.

The relevant option or conversion price to be determined for a no-par value share of VTG Aktiengesellschaft must – except for the cases in which an option or conversion obligation or a right to deliver shares is provided for – correspond to at least 80% of the volume-weighted average price of the no-par value shares of VTG Aktiengesellschaft as such price is quoted in the electronic trading system on the Frankfurt Stock Exchange during the last 10 stock exchange days prior to the date of the resolution by the Executive Board on the issuance of the Bond to which an option or conversion right or obligation is attached, or – in case a subscription right is granted – at least 80% of the volume-weighted average price of the shares of VTG Aktiengesellschaft as such price is quoted in the electronic trading system of the Frankfurt Stock Exchange during the subscription period (with the exception of the days of the subscription period which are

necessary for the option or conversion price to be published in due time pursuant to Section 186 (2) sentence 2 of the German Stock Corporation Act). Section 9 (1) of the German Stock Corporation Act and Section 199 of the German Stock Corporation Act remain unaffected.

In the case of Bonds to which option or conversion rights or obligations are attached, the option or conversion price, respectively, may be reduced due to an anti-dilution provision in accordance with the more detailed provisions of the terms and conditions of the Bonds and notwithstanding Section 9 (1) of the German Stock Corporation Act if VTG Aktiengesellschaft, during the period for exercising option or conversion rights, (i) implements an increase of the share capital using the Company's reserves, or (ii) increases the share capital or sells treasury shares while granting an exclusive subscription right to its shareholders, or (iii) issues or guarantees to its shareholders additional Bonds to which an option or conversion right or obligation is attached while granting an exclusive subscription right, and if in the cases (i) to (iii) no subscription right is granted to the holders of already existing option or conversion rights or obligations as would be due to them following the exercise of the option or conversion right or upon fulfilment of their option or conversion obligation. The option or conversion price may also be reduced through cash payment upon the exercise of the option or conversion right or upon fulfilment of an option or conversion obligation. Furthermore, the terms and conditions of the Bonds to which option and conversion rights or obligations are attached may provide for an adjustment of the option and/or conversion rights or obligations in case of a capital reduction or other extraordinary measures or events relating to the economic dilution of the value of the option or conversion rights or obligations (e.g. acquisition of control by third parties). Section 9 (1) of the German Stock Corporation Act and Section 199 of the German Stock Corporation Act remain unaffected.

The terms and conditions of the Bonds may provide that, in case of conversion or exercise of the option, VTG Aktiengesellschaft is entitled, in lieu of granting new no-par value shares, to pay an amount in cash equivalent to the volume-weighted average price of the amount of no-par value shares of VTG Aktiengesellschaft otherwise to be delivered as such price is quoted in the electronic trading system on the Frankfurt Stock Exchange during a time period to be determined in the terms and conditions of the Bonds. The terms and conditions of the Bonds may also provide that the Bond to which option or conversion rights or obligations are attached, may, instead of being converted into new shares out of

conditional capital, be converted, at the discretion of VTG Aktiengesellschaft, into already existing shares of VTG Aktiengesellschaft or in shares of another listed company, or that the option right or the option obligation may be satisfied by delivery of such shares.

The terms and conditions of the Bonds may also provide for a conversion obligation or an option obligation as of the end of the term to maturity of the Bonds (or as of any other point in time) or for the right of VTG Aktiengesellschaft, upon maturity of the Bond to which option or conversion rights or obligations are attached (including maturity due to termination), to grant to the bearers and the holders of the Bonds no-par value shares in VTG Aktiengesellschaft in lieu of payment of the amount due (or parts thereof). In these cases, the option price or the conversion price respectively may, in accordance with the more detailed provisions of the terms and conditions of the Bonds, either at least correspond to the aforementioned minimum price or to the volume-weighted average price of the no-par value share of VTG Aktiengesellschaft as such price is quoted in the electronic trading system on the Frankfurt Stock Exchange during a reference period of 15 stock exchange days prior to the day of maturity or the other determined point in time, even if such average price is below the aforementioned minimum price (80%). The pro rata amount of the share capital represented by the no-par value shares of VTG Aktiengesellschaft to be issued upon conversion and/or exercise of the option must not exceed the nominal amount of the convertible bonds. Section 9 (1) in conjunction with Section 199 (2) of the German Stock Corporation Act is to be observed.

The Executive Board is authorised, with the consent of the Supervisory Board, to determine all other details regarding the issuance and the features of the Bonds, including, without limitation, the interest rate, issue price, term to maturity and denomination, anti-dilution provisions, the applicable option and conversion periods and – within the limits set out above – the conversion and option price, and/or, where applicable, to determine such details in consultation with the relevant bodies of the group company of VTG Aktiengesellschaft issuing the warrant-linked bonds or convertible bonds.

### **3. Conditional capital**

The share capital is conditionally increased by up to EUR 10,694,444.00 by issuing up to 10,694,444 new no-par value bearer shares (conditional

capital). The conditional capital increase serves the purpose of granting no-par value bearer shares upon the exercise of conversion or option rights (or upon fulfilment of corresponding option/conversion obligations), or upon exercise of VTG Aktiengesellschaft's right to grant, instead of payment of the amount due (or parts thereof) in cash, no-par value shares of VTG Aktiengesellschaft to the holders of convertible bonds or warrant-linked bonds issued until June 4, 2019 by VTG Aktiengesellschaft or by a subordinate group company on the basis of the authorisation resolved by the Annual General Meeting of June 5, 2014. The new shares are issued at the option or conversion price, as the case may be, to be determined in accordance with the above authorisation resolution.

The conditional capital increase shall be implemented only if Bonds with option or conversion rights or obligations are issued pursuant to the resolution on the authorisation of the Annual General Meeting of June 5, 2014 and only to the extent that option or conversion rights are exercised, or holders of Bonds subject to the obligation to convert their Bonds or exercise the option comply with such obligation, or to the extent that VTG Aktiengesellschaft exercises its right to grant no-par value shares of VTG Aktiengesellschaft in lieu of payment of the amount due (or parts thereof) in cash, and unless cash settlement has been accepted or treasury shares or shares of another listed company are used for performance purposes. The newly issued shares are entitled to dividends as of the beginning of the fiscal year in which the shares are created; as far as legally permissible, the Executive Board, with the consent of the Supervisory Board, may determine the dividend right in respect of new shares in deviation herefrom and also in deviation of Section 60 (2) of the German Stock Corporation Act also for such fiscal year that has already ended. The Executive Board is authorised, with the consent of the Supervisory Board, to determine the further details concerning the implementation of the conditional capital increase.

#### **4. Amendment of the Articles of Association**

Sec. 4 (4) of the Articles of Association is re-stated as follows:

"The share capital is conditionally increased by up to EUR 10,694,444.00, divided into up to 10,694,444 no-par value bearer shares (Conditional Capital). The conditional capital increase is implemented only to the extent that the bearers or holders of option or conversion rights, and/or the bearers/holders subject to the obligation to convert their bonds or to exercise the options under warrant-linked bonds or convertible bonds

issued or guaranteed by the Company or a subordinate group company of the Company until June 5, 2014, on the basis of the authorisation resolved by the Annual General Meeting of June 4, 2019, exercise their option or conversion rights or, to the extent they are subject to the obligation to convert their bonds or to exercise the options, comply with such obligations, or to the extent that the Company exercises its right to grant shares of the Company in lieu of payment of the amount due (or parts thereof) in cash, and unless in each case cash settlement has been accepted or treasury shares or shares of another listed company are used for performance purposes. The new shares are issued at the option or conversion price, as the case may be, to be determined in accordance with the above authorisation resolution. The newly issued shares are entitled to dividends as of the beginning of the fiscal year in which the shares are created; as far as legally permissible, the Executive Board, with the consent of the Supervisory Board, may determine the dividend right in respect of new shares in deviation herefrom and also in deviation of Section 60 (2) of the German Stock Corporation Act also for such fiscal year that has already ended. The Executive Board is authorised, with the consent of the Supervisory Board, to determine the further details regarding the implementation of the conditional increase in capital."

#### **5. Authorisation to amend the Articles of Association**

The Supervisory Board is authorised to amend the wording of Sec. 4 (1), (2) and (4) of the Articles of Association in accordance with the relevant issue of the new shares and to effect all other amendments to the Articles of Association in connection therewith relating only to their wording. The same applies accordingly in case the authorisation to issue Bonds is not used after expiry of the term of the authorisation, as well as in case the conditional capital is not used after expiry of the term for the exercise of the option or conversion rights or, respectively, for the fulfilment of conversion or option obligations.

#### **Report of the Executive Board to the Annual General Meeting re. agenda item 7 pursuant to Section 221 (4) sentence 2 and Section 186 (4) sentence 2 of the German Stock Corporation Act**

In order to ensure that the Executive Board is authorised to issue warrant-linked and convertible bonds with the possibility to exclude the subscription right on a continuous basis irrespective of the date of the Annual General Meeting in 2015, a new authorisation shall already be granted at the Annual General Meeting

convened herewith to replace the existing authorisation to issue warrant-linked and/or convertible bonds ("Bonds").

The proposed authorisation to issue Bonds in the total nominal amount of up to EUR 300,000,000 and to create the conditional capital in the amount of up to EUR 10,694,444.00 is intended to enhance the options of VTG Aktiengesellschaft for financing its activities, as described in detail below, and to enable the Executive Board, with the consent of the Supervisory Board, to seize flexible and short-term financing opportunities in the interest of VTG Aktiengesellschaft, in particular if favourable capital market conditions arise.

Shareholders will generally be entitled to the statutory subscription rights in respect of Bonds with option or conversion rights or obligations attached (Section 221 (4) in conjunction with Section 186 (1) of the German Stock Corporation Act). To the extent that the shareholders are not allowed to directly subscribe for the Bonds, the Executive Board may, at its discretion, issue the Bonds to a credit institution or a syndicate of credit institutions subject to the obligation to offer the Bonds to the shareholders for subscription in accordance with their subscription rights (indirect subscription right within the meaning of Section 186 (5) of the German Stock Corporation Act).

The exclusion of the subscription right in respect of fractional amounts enables the use of the requested authorisation through full amounts. This facilitates the settlement of the subscription rights of the shareholders. The advantage of the exclusion of the subscription right in favour of the bearers or holders of already issued conversion and option rights or obligations lies in the fact that the conversion or option price for already issued conversion or option rights or obligations need not be reduced, thereby enabling an altogether higher cash inflow. Thus, both cases of exclusion of the subscription right are in the best interest of VTG Aktiengesellschaft and its shareholders.

Unless there is an option or conversion obligation or the right to delivery of shares, the issue price for the new shares in each case must equal at least 80% of the volume-weighted average price of the no-par value shares of VTG Aktiengesellschaft, as such price is quoted in the electronic trading system on the Frankfurt Stock Exchange determined as close as possible to the time of issue of the Bonds with option or conversion rights or obligations. The possibility of charging a premium (which may increase after the term to maturity of the warrant-linked bond or convertible bond) will provide the basis for adjusting the terms and conditions of the convertible (*Wandelanleihen*) or warrant-linked bonds

(*Optionsanleihen*) to the prevailing capital market situation at the time of their issuance.

The Executive Board is further authorised, with the consent of the Supervisory Board, to completely exclude the shareholders' subscription right if Bonds with option or conversion rights or obligations are issued against cash payment at a price which is not substantially lower than the market value of such Bonds. This enables VTG Aktiengesellschaft to quickly seize favourable market opportunities on a short-term basis and, by determining the conditions in accordance with prevailing market terms, to achieve better terms regarding interest rates, option or conversion price and issue price of the Bonds. If the subscription rights were not excluded, any such market-oriented determination of the conditions and a smooth placement would not be possible. While Section 186 (2) of the German Stock Corporation Act permits disclosure of the subscription price (and thus of the terms and conditions of such Bonds) until three days prior to the end of the subscription period, considering the frequently observed volatility on the stock markets, the market risk will still be inherent for a number of days, which results in safety margins to be deducted in the determination of the terms and conditions of the Bonds (*Anleihekonditionen*) and, eventually, in conditions which are not based on market terms. Also, the existence of a subscription right could jeopardise any successful placement with third parties or result in additional expenses due to the uncertainty of the exercise thereof (subscription behaviour). Finally, the granting of a subscription right would hinder VTG Aktiengesellschaft to respond to favourable or adverse market conditions on a short-term basis due to the length of the subscription period, and VTG Aktiengesellschaft would instead be subject to declining share prices during such period, which, in turn, could deteriorate VTG Aktiengesellschaft's options for raising capital.

In this case of a full exclusion of the subscription rights, Section 186 (3) sentence 4 of the German Stock Corporation Act shall apply accordingly pursuant to Section 221 (4) sentence 2 of the German Stock Corporation Act. This provision prescribes a limit of 10% of the share capital in respect of the exclusion of subscription rights which is to be observed according to the resolution. The amount of conditional capital which in this case may only be made available for the purpose of securing option or conversion rights or obligations must not exceed 10% of the share capital existing at the time the authorisation to exclude the subscription right pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act comes into force. The resolution on the authorisation contains a corresponding provision which also ensures that, even in case of a capital reduction, the limit of 10% of the share capital is not exceeded, since the authorisation to exclude the subscription right expressly prescribes that the 10%

limit must not be exceeded either at the time the authorisation takes effect or – if such value is lower – at the time the granted authorisation is exercised. In this context, treasury shares that are sold under exclusion of the subscription rights pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act as well as those shares issued out of authorised capital under exclusion of the subscription right pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act shall be taken into account, provided that such sale or issue takes place during the term of this authorisation until the issue of Bonds with option and/or conversion rights or obligations under exclusion of subscription rights pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act; the above amount is thus reduced accordingly. Section 186 (3) sentence 4 of the German Stock Corporation Act further provides that the issue price must not be substantially lower than the stock exchange price. This provision is intended to prevent a significant economic dilution of the value of the shares. Whether or not such dilutive effect will occur in connection with the issue of Bonds with option or conversion rights or obligations under exclusion of subscription rights can be determined by calculating the theoretical market value of the Bonds in accordance with recognised calculation methods, in particular actuarial methods, and comparing such price with the issue price. If, following due review, such issue price is deemed to be only insignificantly lower than the notional stock exchange price at the time of issue of the Bonds, the exclusion of subscription rights is deemed permissible in accordance with the intent and purpose of the provision laid down in Section 186 (3) sentence 4 of the German Stock Corporation Act owing to the insignificant discount. Thus, the resolution provides that the Executive Board, prior to issuing the Bonds with option or conversion rights or obligations, upon due review, must determine that the intended issue price will not cause any significant dilution of the value of the shares, as the issue price of the Bonds is not significantly lower than their theoretical market value calculated in accordance with recognised calculation methods, in particular actuarial methods. This means that the notional market value of each subscription right would decrease to almost zero with the effect that the shareholders will not suffer any significant economic disadvantages on account of the exclusion of the subscription rights. All this ensures that no significant dilution of the share value will result from the exclusion of the subscription right.

Furthermore, the shareholders have the opportunity to maintain their proportionate share in the share capital of VTG Aktiengesellschaft even after exercise of conversion or option rights, or after the point in time at which option or conversion obligations must be fulfilled, at any time by additional purchases of shares through the stock exchange. On the other hand, the authorisation to exclude subscription rights enables VTG Aktiengesellschaft to determine the

conditions in accordance with prevailing market terms and to obtain the highest possible degree of certainty that the Bonds can be placed with third parties and that favourable short-term market opportunities can be seized.

### **Availability of the report of the Executive Board to the Annual General Meeting regarding agenda item 7**

The report of the Executive Board to be rendered to the Annual General Meeting pursuant to Section 221 (4) sentence 2 in conjunction with Section 186 (4) sentence 2 of the German Stock Corporation Act (the complete wording of which is set forth above) is available online at [www.vtg.de/hauptversammlung](http://www.vtg.de/hauptversammlung). The report will be available for inspection during the Annual General Meeting. The report is also available for inspection at the offices of the Company as from the day of the convening of the Annual General Meeting and will be mailed to each shareholder upon request.

### **8. Resolution on the cancellation of the existing authorised capital and the creation of a new authorised capital with the option of excluding subscription rights as well as the corresponding amendment of Sec. 4 (5) of the Articles of Association of VTG Aktiengesellschaft**

The Annual General Meeting of June 17, 2011 authorised the Executive Board, while abrogating the former authorised capital, to increase, with the consent of the Supervisory Board, the share capital of the Company by issuing new no-par value bearer shares against cash contributions and/or contributions in kind on one or more occasions by up to an aggregate amount of EUR 10,694,444.00 and resolved to amend the Articles of Association accordingly. So far, the Executive Board has not exercised such authorisation, which will expire on June 17, 2016.

Therefore, a resolution revoking this authorisation and on the creation of a new authorised capital in the amount of EUR 10,694,444.00 including the corresponding amendment of Sec. 4 (5) of the Articles of Association of the Company shall be adopted to procure that the Executive Board continues to have long-term planning reliability and to be able to quickly and flexibly adjust the equity capital base of the Company in accordance with the financial requirements. In the event of an exercise of this new authorised capital, the shareholders shall generally be granted subscription rights; however, the Executive Board shall be authorised, subject to the consent of the Supervisory Board, to exclude the subscription rights for specific purposes.

The Executive Board and the Supervisory Board propose to adopt the following resolutions:

1. Present Sec. 4 (5) of the Articles of Association concerning the authorisation of the Executive Board to increase, subject to the consent of the Supervisory Board, the share capital of the Company by issuing new no-par value bearer shares against cash contributions and/or contributions in kind on one or more occasions by up to an aggregate amount of EUR 10,694,444.00 until June 17, 2016 shall be cancelled upon entry into force of the following new authorisation provided for in nos. 2 and 3.
2. The Executive Board is authorised to increase, subject to the consent of the Supervisory Board, the share capital of the Company by issuing new no-par value bearer shares with a proportionate interest in the share capital of EUR 1.00 each against cash contributions and/or contributions in kind on one or more occasions by up to an aggregate amount of EUR 10,694,444.00 until June 4, 2019 (Authorised Capital). In this context, the shareholders shall generally be granted a subscription right. The subscription rights may also be granted indirectly in a manner that the new shares are acquired by one or several banks or companies operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act (*Gesetz über das Kreditwesen*) to be specified by the Executive Board, subject to the obligation that these banks or other companies offer such shares to the shareholders (indirect subscription right). However, the Executive Board is authorised, subject to the consent of the Supervisory Board, to exclude shareholders' subscription rights in the following cases:
  - if the capital increase against contribution in kind is implemented in order to grant shares for the purpose of acquiring companies, parts of companies, interests in companies or other assets including rights and receivables or in the context of mergers;
  - insofar as this is necessary in order to grant holders of warrants (*Optionsscheine*) and convertible bonds (*Wandelschuldverschreibungen*) issued by the Company or its subsidiaries subscription rights to new shares to the extent to which they would be entitled upon exercising their option or conversion rights or, respectively, after fulfilment of option or conversion obligations;

- to exclude fractional amounts from the shareholders' subscription rights;
- in case of a capital increase against cash contribution if the issue price of the new shares, which is to be determined as close to their placement date as possible, is not significantly (within the meaning of Section 203 (1) and (2), Section 186 (3) sentence 4 of the German Stock Corporation Act (*Aktiengesetz – AktG*)) below the stock exchange price of listed shares of the same class carrying the same rights (*Aktien gleicher Gattung und Ausstattung*) at the time the Executive Board finally determines the issue price, and if the total pro rata amount of share capital represented by the new shares in respect of which the subscription rights are excluded does not exceed 10% of the share capital existing at the time when such authorisation takes effect or – in case this amount should be lower – as of the date of exercise of this authorisation. This limit of 10% also includes shares sold during the term of the authorised capital under exclusion of the shareholders' subscription rights pursuant to Sections 71 (1) no. 8 sentence 5, 186 (3) sentence 4 of the German Stock Corporation Act as well as shares to be issued to satisfy warrant-linked bonds (*Optionsanleihen*) or convertible bonds (*Wandelanleihen*) with option or conversion rights (*Options- oder Wandlungsrecht*) or option or conversion obligations (*Options- oder Wandlungspflicht*) provided that the bonds were issued under exclusion of the shareholders' subscription rights pursuant to Sections 221 (4), Section 186 (3) sentence 4 of the German Stock Corporation Act during the term of this authorisation.

The Executive Board shall be authorised to determine, subject to the consent of the Supervisory Board, the further details of the capital increase and its implementation including the content of the rights embodied in the shares and the terms and conditions of the share issuance.

3. Sec. 4 (5) of the Articles of Association shall be amended to read as follows:

"The Executive Board is authorised to increase, subject to the consent of the Supervisory Board, the share capital of the Company by issuing new no-par value bearer shares with a proportionate interest in the share capital of EUR 1.00 each against cash contributions and/or contributions in kind on one or more occasions by up to an aggregate amount of

EUR 10,694,444.00 until June 4, 2019 (Authorised Capital). In this context, the shareholders shall generally be granted a subscription right. The subscription rights may also be granted indirectly in a manner that the new shares are acquired by one or several banks or companies operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act (*Gesetz über das Kreditwesen*) to be specified by the Executive Board, subject to the obligation that these banks or other companies offer such shares to the shareholders (indirect subscription right). The Executive Board is authorised, subject to the consent of the Supervisory Board, to exclude the shareholders' statutory subscription rights in the following cases:

- a) if the capital increase against contribution in kind is implemented in order to grant shares for the purpose of acquiring companies, parts of companies, interests in companies or other assets including rights and receivables or in the context of mergers;
- b) insofar as this is necessary in order to grant holders of warrants (*Optionsscheine*) and convertible bonds (*Wandelschuldverschreibungen*) issued by the Company or its subsidiaries subscription rights to new shares to the extent to which they would be entitled upon exercising their option or conversion rights or, respectively, after fulfilment of option or conversion obligations;
- c) to exclude fractional amounts from the shareholders' subscription rights;
- d) in case of a capital increase against cash contribution if the issue price of the new shares, which is to be determined as close to their placement date as possible, is not significantly (within the meaning of Section 203 (1) and (2), Section 186 (3) sentence 4 of the German Stock Corporation Act) below the stock exchange price of listed shares of the same class carrying the same rights (*Aktien gleicher Gattung und Ausstattung*) at the time the Executive Board finally determines the issue price, and if the total pro rata amount of share capital represented by the new shares in respect of which the subscription rights are excluded does not exceed 10% of the share capital existing at the time when such authorisation takes effect or – in case this amount should be lower – as of the date of exercise of this authorisation. This limit of 10% also includes shares sold during

the term of the authorised capital under exclusion of the shareholders' subscription rights pursuant to Sections 71 (1) no. 8 sentence 5, 186 (3) sentence 4 of the German Stock Corporation Act as well as shares to be issued to satisfy warrant-linked bonds (*Optionsanleihen*) or convertible bonds (*Wandelanleihen*) with option or conversion rights (*Options- oder Wandlungsrechte*) or option or conversion obligations (*Options- oder Wandlungspflicht*) provided that the bonds were issued under exclusion of the shareholders' subscription rights pursuant to Sections 221 (4), Section 186 (3) sentence 4 of the German Stock Corporation Act during the term of this authorisation.

The Executive Board is authorised to determine, subject to the consent of the Supervisory Board, the further details of the capital increase and its implementation including the content of the rights embodied in the shares and the terms and conditions of the share issuance."

The Supervisory Board shall be authorised to amend Sec. 4 (5) of the Articles of Association accordingly to reflect the respective use of the authorised capital or upon expiry of the authorisation period.

The Executive Board is instructed to report the cancellation of the existing authorised capital together with the resolved creation of the new authorised capital in an amount of EUR 10,694,444.00 along with the corresponding amendment of the Articles of Association for entry into the commercial register providing that the cancellation of the existing authorised capital pursuant to Sec. 4 (5) of the Articles of Association is only to be entered into the commercial register when it has been ensured that the new authorised capital will be entered into the commercial register at the same time.

**Report by the Executive Board to the Annual General Meeting pursuant to Section 203 (2) sentence 2 of the German Stock Corporation Act in conjunction with Section 186 (4) sentence 2 of the German Stock Corporation Act ad agenda item 8**

Pursuant to Sec. 4 (5) of the Articles of Association, the Executive Board is authorised by resolution of the Annual General Meeting dated June 17, 2011 to increase, subject to the consent of the Supervisory Board, the share capital of the Company by issuing new no-par value bearer shares against cash contributions and/or contributions in kind on one or more occasions by up to a total of

EUR 10,694,444.00. So far, the Executive Board has not exercised such authorisation, which will expire on June 17, 2016. By resolution under agenda item 8 a new authorisation will be created already now which shall be valid for 5 years as from the date of the Annual General Meeting. Additionally, time synchronisation with the authorisations to reacquire treasury shares and to issue warrant-linked and convertible bonds is ensured. The proposed authorisation will allow the Executive Board also in the future to adjust the equity capital base of the Company to the business and legal requirements to a greater extent. It is intended to generally grant subscription rights to the shareholders upon making use of the authorisation. The new shares may also be acquired by one or several bank(s) or equivalent institutions subject to the obligation to offer such shares to the shareholders (indirect subscription right within the meaning of Section 186 (5) of the German Stock Corporation Act). By virtue of the involvement of banks or equivalent institutions merely the technical aspects of the implementation of share issuance will be facilitated. The Executive Board shall, however, be authorised to exclude the shareholders' subscription rights in the following cases:

The Executive Board shall be authorised, subject to the consent of the Supervisory Board, to exclude the subscription rights in case of capital increases against contribution in kind which serve the purpose of mergers or of acquiring companies, parts of companies, interests in companies or other assets including rights and receivables. In the case of acquiring interests in companies, interests of all sizes shall be covered. By this authorisation the Executive Board shall be enabled to use shares of the Company as consideration as appropriate in individual cases. The Company shall be enabled to react swiftly and successfully to advantageous offers or arising possibilities to merge with companies or to acquire companies, parts of companies, interests in companies or other assets including rights and receivables. As in the past, the Executive Board continuously examines opportunities for the Company to acquire companies or participations in companies.

The option to offer shares as consideration strengthens the negotiating position of the Company in the event that the acquisition of companies, parts of companies, interests in companies or a merger or the acquisition of other assets by way of a capital increase against contribution in kind results in tax savings for the seller or if, for other reasons, the seller is more interested in the acquisition of shares in the Company than in cash consideration. In the individual case, it may also be expedient to offer the seller new shares as consideration for a participation in a company due to special interests of the Company.

Moreover, the option to provide the seller consideration in the form of shares for the acquisition of companies, parts of companies, interests in companies or other assets including rights and receivables or in the context of mergers may be the less expensive – as it preserves corporate liquidity – form of financing for the Company as compared to cash consideration and thus be in the interests of the shareholders. The proposed range of the authorisation of 50% of the present share capital allows the Company to also acquire larger companies as appropriate in individual cases, if this is in the interests of the shareholders and the Company. The Executive Board and the Supervisory Board will carefully examine in each individual case whether the exclusion of the subscription rights is necessary for this purpose and whether the value of the company, parts of companies, interest in a company, or other assets to be acquired is reasonably proportionate to the value of the new shares of the Company.

The Executive Board shall further be authorised, subject to the consent of the Supervisory Board, to exclude the subscription rights in case of a capital increase against cash contribution in favour of the holders of option or conversion rights (*Options- oder Wandlungsrecht*) from warrant-linked bonds (*Optionsanleihen*) or convertible bonds (*Wandelenleihen*) issued by VTG Aktiengesellschaft. This enables the holders of option or conversion rights to be considered as if the respective right had already been exercised. The exclusion of subscription rights in favour of the holders of already issued option or conversion rights has the advantage that a reduction of the conversion or option price which might otherwise be required by the terms and conditions of the warrants or bonds (*Options- oder Anleihebedingungen*) can be avoided and hence, should this situation arise, a higher total cash inflow may be achieved.

The Executive Board shall further be authorised, subject to the consent of the Supervisory Board, to exclude fractional amounts from the shareholders' subscription rights. This provision serves to ensure a practicable subscription ratio regarding the amount of the respective capital increase. This facilitates the implementation of subscription rights and saves additional effort.

Furthermore, in case of a capital increase against cash contribution, the Executive Board shall be authorised, subject to the consent of the Supervisory Board, to exclude the subscription rights of the shareholders if the capital increase against cash contribution does not exceed 10% of the share capital existing at the time when such authorisation takes effect or – if that amount should be lower – at the time when such authorisation is exercised (taking into account a deduction for any exercise of other authorisations to sell treasury shares or to issue warrant-linked bonds (*Optionsanleihen*) or convertible bonds

(*Wandelanleihen*) under exclusion of the shareholders' subscription rights pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act) and the issue price of the new shares is not significantly below the stock exchange price. Such a capital increase against cash contribution under exclusion of the shareholders' subscription rights pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act enables the Company to take advantage of favourable market conditions very quickly and to obtain better economic conditions by a market-oriented determination of the issue price. If the subscription rights were not excluded, any such market-oriented determination of the conditions and a smooth placement would not be possible. While Section 186 (2) of the German Stock Corporation Act permits disclosure of the subscription price until three days prior to the end of the subscription period, considering the frequently observed volatility on the stock markets, the market risk will still be inherent for a number of days which results in safety margins to be deducted in the determination of the issue price and, eventually, in conditions which are not based on market terms. Also, the existence of a subscription right could jeopardise any successful placement with third parties or result in additional expenses due to the uncertainty of the exercise thereof (subscription behaviour). Finally, the granting of a subscription right would hinder the Company to respond to changing market conditions on a short-term basis due to the length of the subscription period and VTG Aktiengesellschaft would be subject to declining share prices during such period instead, which, in turn, could deteriorate the Company's options to raise capital.

This form of capital increase means that the strengthening of the equity base required for the future development of the business can be carried out by the Executive Board under optimal conditions with the flexibility to exploit favourable market situations. When exercising the authorisation, the Executive Board will determine the issue price in a way that it is not significantly below the stock exchange price and will provide that a potential discount on the quoted price is as low as possible considering the market conditions at the time of the final determination of the issue price. By these means and through the restriction of the authorisation to 10% of the share capital, the interests of the shareholders to be protected against a dilution of the value of their shareholdings are taken into account in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act and the loss of influence is limited for the shareholders. Shareholders that wish to maintain their participation quota in case of a capital increase under exclusion of the shareholders' subscription rights have the opportunity to purchase the required number of shares on the stock exchange.

The Executive Board and the Supervisory Board will carefully assess in each individual case whether making use of the proposed authorisation and potentially an exclusion of the subscription right is in the best interest of the Company while also taking the interests of the existing shareholders into account. The Executive Board will report to the Annual General Meeting on any use of the authorised capital.

### **Availability of the report of the Executive Board to the Annual General Meeting regarding agenda item 8**

The report of the Executive Board to be rendered to the Annual General Meeting pursuant to Sections 203 (2) sentence 2, 186 (4) sentence 2 of the German Stock Corporation Act (the complete wording of which is set forth above) is available online at [www.vtg.de/hauptversammlung](http://www.vtg.de/hauptversammlung). The report will be available for inspection during the Annual General Meeting. The report is also available for inspection at the offices of the Company as from the day of the convening of the Annual General Meeting and will be mailed to each shareholder upon request.

### **9. Resolution on the exemption from the obligation to disclose the compensation of the individual members of the Executive Board in the annual and consolidated financial statements of the Company**

The Annual General Meeting of VTG Aktiengesellschaft of June 18, 2010 adopted a resolution which provides for the exemption from the obligation to disclose the compensation of the individual members of the Executive Board in the annual and consolidated financial statements for the fiscal years 2010 to 2014 (including). The Annual General Meeting has thereby made use of the authorisation in Section 286 (5) sentence 1 and Section 314 (2) sentence 2 of the German Commercial Code, which stipulates that it can resolve with effect for a maximum term of five years that the information to be provided pursuant to Section 285 no. 9 lit. a sentences 5 to 8 of the German Commercial Code and Sections 315a (1) and 314 (1) no. 6 lit. a sentences 5 to 8 of the German Commercial Code need not be disclosed in the notes to the annual and to the consolidated financial statements. Since the exemption is only valid until the end of the fiscal year 2014, an exemption for another five years shall be issued.

The Executive Board and the Supervisory Board believe that a disclosure of the compensation of the individual members of the Executive Board of the Company in accordance with Section 285 no. 9 lit. a sentences 5 to 8 of the German Commercial Code (for the notes to the annual financial statements) or Sections 315a (1), 314 (1) no. 6 lit. a sentences 5 to 8 of the German Commercial

Code (for the notes to the consolidated financial statements) constitutes too great an invasion of privacy of the persons concerned. The compensation of each member of the Executive Board has been and will be determined in reasonable consideration of the Company's development. It ultimately is not the knowledge of the compensation of the individual Executive Board members, but the overall compensation of the body that is decisive for shareholders and investors, which is to be disclosed irrespective of the proposed resolution and shall continue to be disclosed as before. Thus, the Company shall continue to refrain from a disclosure of the compensation of the individual members of the Executive Board in the future.

The Executive Board and the Supervisory Board therefore propose to resolve:

The resolution of the Annual General Meeting of VTG Aktiengesellschaft of June 18, 2010 regarding the exemption from the disclosure of the compensation of the individual Executive Board members shall be revoked for the time as from the new exemption taking effect. The information to be provided pursuant to Section 285 no. 9 lit. a sentences 5 to 8 of the German Commercial Code and Sections 315a (1), 314 (1) no. 6 lit. a sentences 5 to 8 of the German Commercial Code shall not be disclosed in the annual and consolidated financial statements of the Company for the fiscal years 2014 to 2018 (including).

**Further Information in respect of the convening of the Annual General Meeting**

## **1. Total number of shares and voting rights**

The share capital of VTG Aktiengesellschaft amounts to EUR 21,388,889.00 and is divided into 21,388,889 no-par value bearer shares, each with a calculative participation in the share capital of EUR 1.00. Pursuant to Sec. 17 (1) of the Articles of Association of VTG Aktiengesellschaft, each share entitles to one vote in the General Meeting. At the time of convening the Annual General Meeting 2014, the total number of voting rights consequently amounts to 21,388,889.

## **2. Attendance at the Annual General Meeting**

Those shareholders who register with the Company at the latest by the end of May 29, 2014 (24:00 hrs. CEST) at the address set forth below have the right to participate in and exercise their voting right at the Annual General Meeting. The registration requires the text form (Section 126b of the German Civil Code [*Bürgerliches Gesetzbuch*]) and must be submitted in the German or English language.

In addition, shareholders are required to prove their entitlement to attend the Annual General Meeting and to exercise voting rights. For this purpose, a proof of their shareholding issued by the depository bank is required, which must refer to the beginning of May 15, 2014 (00:00 hrs. CEST, so-called record date) and which must be received by the Company at the address set forth below at the latest by the end of May 29, 2014 (24:00 hrs. CEST). The proof requires the text form (Section 126b of the German Civil Code) and must be prepared in the German or English language. In relation to the Company, only shareholders having submitted such proof will be deemed to be shareholders entitled to participate in the meeting and to exercise voting rights. The entitlement to participate in the meeting and the scope of the voting rights are exclusively determined by the shareholding owned by the shareholder on the record date. The record date will not lead to a block of the sale of the shareholding. Even in the event of a full or partial sale of the shareholding following the record date, solely the shares owned by the shareholder on the record date will be relevant for participation in the meeting and the scope of the voting rights, i.e., the sale of shares after the record date will not affect the entitlement to participate in the meeting and the scope of the voting rights. This also applies *mutatis mutandis* if additional shares are purchased after the record date. Persons who do not own any shares on the record date and become shareholders only after the record date, are not entitled to participate in the meeting and to exercise voting rights. The right of the acquirer to be authorised as proxy remains unaffected. The record date does not have any impact on the dividend entitlement.

The registration and the proof of shareholding are to be submitted to the following registration address:

VTG Aktiengesellschaft  
c/o Deutsche Bank AG  
Securities Production  
- General Meetings -  
Postfach 20 01 07  
D-60605 Frankfurt am Main  
Telefax: 069-12012-86045  
E-Mail: wp.hv@db-is.com

Following receipt of the proof of their shareholding, tickets of admission for the Annual General Meeting will be sent to the eligible shareholders. In order to facilitate the organisation of the Annual General Meeting, we kindly ask the shareholders to send the registration and the proof of their shareholding to VTG Aktiengesellschaft under the aforementioned address at an early stage.

### **3. Proxy voting**

After granting corresponding power of attorney, the shareholders may exercise their voting right and other rights in the Annual General Meeting also via an authorised agent, e.g. a credit institution, an association of shareholders, proxies designated by the Company who are bound by the instructions given to them, or a third party. In the case of proxy authorisation, it will also be necessary to register and provide proof of shareholding in due time in accordance with the aforesaid provisions.

Where neither a credit institution nor an association of shareholders or any other equivalent person pursuant to Section 135 of the German Stock Corporation Act is authorised, the granting of the power of attorney, its revocation and the proof of authorisation towards the Company require the text form. If a shareholder appoints more than one proxy, the Company may reject one or more of these proxies.

An authorised proxy may provide proof of the authorisation by presenting the proxy authorisation on the day of the Annual General Meeting to the persons checking attendance cards at the entrance to the meeting. If sending the proof via mail or telefax, shareholders or shareholder representatives are kindly asked to send the proof to the address set forth below:

VTG Aktiengesellschaft  
Investor Relations  
Nagelsweg 34  
D-20097 Hamburg  
Telefax: 040-2354-1360

The Company provides shareholders with the possibility to send the proof of authorisation through an electronic communication channel, i.e. via email to the email address [hv@vtg.com](mailto:hv@vtg.com). The aforementioned communication channels may also be used if the power of attorney is to be issued by declaration to the Company; in this case, separate proof of the issue of the power of attorney is not required. The revocation of a power of attorney already issued may also be submitted directly to the Company using the aforementioned communication channels. Shareholders who wish to authorise a proxy are kindly asked to use the form for the granting of a power of attorney which is available at the Company. Such form will be sent to the persons duly registered together with the admission ticket and can also be downloaded on the website of the Company at [www.vtg.de/hauptversammlung](http://www.vtg.de/hauptversammlung). In addition, it can be requested via mail, telefax or email at the address designated in this section.

Special requirements may apply to the appointment of credit institutions, associations of shareholders or equivalent persons or entities in accordance with Section 135 of the German Stock Corporation Act as proxies; in such cases, shareholders are requested to consult the person or entity to be appointed as proxy in good time in order to ensure that the requirements of such person or entity as regards the form of the power of attorney are satisfied.

As a special service for duly registered shareholders, the Company offers to authorise proxies designated by the Company already prior to the Annual General Meeting. Where the authorisation has been granted, the proxies designated by the Company exercise the voting right in accordance with the shareholder's instructions. The proxies designated by the Company are not entitled to exercise the voting right unless they have been provided with instructions of the shareholder. The power of attorney and the instructions must be issued in text form. Forms for the granting of power of attorney and the issuance of instructions to the proxies designated by the Company will be enclosed with each admission ticket. In addition, they can be requested via mail, telefax or email at the address designated in this section. Furthermore, they can be downloaded on the website of the Company at [www.vtg.de/hauptversammlung](http://www.vtg.de/hauptversammlung).

In order to facilitate the organisation of the Annual General Meeting, shareholders who wish to authorise the proxies designated by the Company are kindly asked to submit the powers of attorney with instructions at the latest by June 4, 2014 (24:00 hrs. CEST)

(date of receipt at the Company) by mail, telefax or email to the address designated in this section. More details regarding the granting of power of attorney and issuance of instructions to the proxies designated by the Company are set out in the forms provided for these purposes and on the website of the Company at [www.vtg.de/hauptversammlung](http://www.vtg.de/hauptversammlung).

#### **4. Rights of the shareholders**

##### **4.1. Additional agenda items**

Motions for the inclusion of supplementary items on the agenda pursuant to Section 122 (2) of the German Stock Corporation Act have to be received by the Company at the address stated below until the end of May 5, 2014 (24:00 hrs. CEST):

VTG Aktiengesellschaft  
Investor Relations  
Nagelsweg 34  
D-20097 Hamburg  
E-Mail: [hv@vtg.com](mailto:hv@vtg.com)  
Telefax: 040-2354-1360

Further explanations regarding motions for the inclusion of supplementary items on the agenda pursuant to Section 122 (2) of the German Stock Corporation Act and their requirements are available on the website of the Company at [www.vtg.de/hauptversammlung](http://www.vtg.de/hauptversammlung).

##### **4.2. Motions of shareholders (Section 126 (1) of the German Stock Corporation Act)**

Each shareholder is entitled to submit in the Annual General Meeting a counter-motion against the proposals of the Executive Board and/or the Supervisory Board regarding a certain agenda item.

Counter-motions of shareholders regarding a certain agenda item within the meaning of Section 126 (1) of the German Stock Corporation Act received by the Company at the address set forth in clause 4.1 until the end of May 21, 2014 (24:00 hrs. CEST) shall be made available to the shareholders without undue delay online at [www.vtg.de/hauptversammlung](http://www.vtg.de/hauptversammlung).

Further explanations regarding the counter-motions pursuant to Section 126 (1) of the German Stock Corporation Act and their requirements as well as regarding the reasons

due to which a counter-motion and its grounds need not be made available on the website pursuant to Section 126 (2) of the German Stock Corporation Act, are available on the website of the Company at [www.vtg.de/hauptversammlung](http://www.vtg.de/hauptversammlung).

### **4.3. Election proposals of shareholders (Section 127 of the German Stock Corporation Act)**

Each shareholder is entitled to submit in the Annual General Meeting election proposals for the election of auditors.

Election proposals of shareholders pursuant to Section 127 of the German Stock Corporation Act received by the Company at the address set forth in clause 4.1 until the end of May 21, 2014 (24:00 hrs. CEST) shall be made available to the shareholders online without undue delay at [www.vtg.de/hauptversammlung](http://www.vtg.de/hauptversammlung).

Further explanations regarding the election proposals pursuant to Section 127 of the German Stock Corporation Act and their requirements as well as regarding the reasons due to which an election proposal and its grounds need not be made available on the website pursuant to Sections 127 sentence 1 in conjunction with 126 (2) of the German Stock Corporation Act and Section 127 sentence 3 of the German Stock Corporation Act, are available on the website of the Company at [www.vtg.de/hauptversammlung](http://www.vtg.de/hauptversammlung).

### **4.4 Information right of the shareholders**

Pursuant to Section 131 (1) of the German Stock Corporation Act, at the Annual General Meeting, each shareholder shall upon request be provided by the Executive Board with information regarding the matters of the Company to the extent that such information is necessary for a proper evaluation of the relevant item on the agenda.

Further explanations regarding the information right of the shareholders pursuant to Section 131 (1) of the German Stock Corporation Act are available on the website of the Company at [www.vtg.de/hauptversammlung](http://www.vtg.de/hauptversammlung).

## **5. Reference to the website of the Company**

As from the convening of the Annual General Meeting, the information pursuant to Section 124a of the German Stock Corporation Act regarding the Annual General Meeting will be made available on the website of the Company at

[www.vtg.de/hauptversammlung](http://www.vtg.de/hauptversammlung)

Regarding agenda item 1, the documents listed thereunder and, regarding agenda items 6 to 8, the required reports regarding the exclusion of subscription rights will be made available.

The documents to be provided will also be available for inspection during the Annual General Meeting.

Any counter-motions or election proposals made, or additions to the agenda requested, by shareholders that must be published will also be made accessible via the aforesaid website.

HAMBURG, APRIL 2014

VTG AKTIENGESELLSCHAFT  
THE EXECUTIVE BOARD