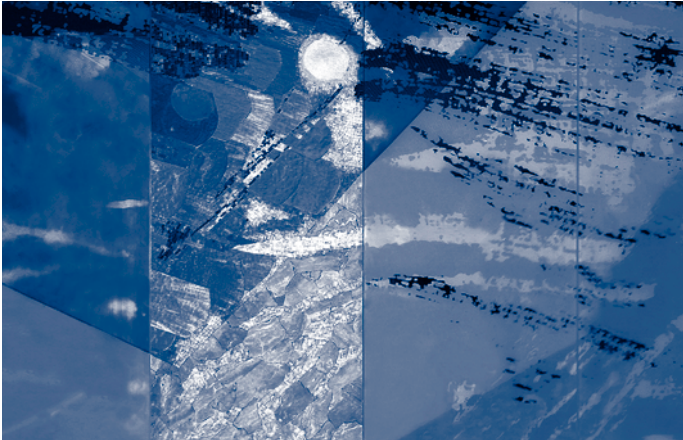


# Invitation

to the Ordinary Annual General Meeting on June 24, 2010





Dear Shareholders,

we hereby formally invite you to attend the

**Ordinary Annual General Meeting of BAUER AG**

to be held on

**Thursday, June 24, 2010 at 10 a.m.**  
**(doors open 9 a.m.)**

at the head office of BAUER Aktiengesellschaft  
at BAUER-Strasse 1 (prior to renaming: Wittelsbacherstrasse 5),  
86529 Schrobenhausen, Germany.

## Agenda

**1. Presentation of the confirmed annual financial statements of BAUER AG, the approved consolidated financial statements of the Group, the management report and Group management report and the report of the Supervisory Board in each case for the 2009 financial year, as well as the explanatory report of the Management Board relating to the disclosures pursuant to section 289, subsections 4 and 5 and section 315, subsection 4 of the German Commercial Code (HGB).**

Pursuant to section 124a, clause 1, item 2 of the German Stock Corporation Act (AktG), the following statement is made: The annual financial statements were confirmed by the Supervisory Board and the consolidated financial statements were approved on April 16, 2010. Consequently, in accordance with sections 172 f. AktG, no resolution is required in relation to this agenda item.

### **2. Resolution on the appropriation of net earnings available for distribution from the 2009 financial year**

The Management Board and Supervisory Board propose the following resolutions: that the net earnings of BAUER Aktiengesellschaft for the 2009 financial year totalling EUR 33,019,815.96 be appropriated as follows:

Payment of a dividend to shareholders of EUR 0.60

for each no-nominal-value share, with a total of

17,131,000 no-nominal-value shares	EUR 10,278,600.00
Allocation to other revenue reserves	EUR 5,000,000.00
Profit carried forward	EUR 17,741,215.96

that a partial amount possibly attributable to no-nominal-value shares not eligible for dividend also be carried forward.

### **3. Resolution on ratification of the actions of the members of the Management Board for the 2009 financial year**

The Management Board and Supervisory Board propose a resolution that the actions of the members of the Management Board during the 2009 financial year be ratified.

### **4. Resolution on ratification of the actions of the members of the Supervisory Board for the 2009 financial year**

The Management Board and Supervisory Board propose a resolution that the actions of the members of the Supervisory Board during the 2009 financial year be ratified.

#### **5. Resolution on the approval of the system of remuneration to the members of the Management Board**

Based on the German Act on the Appropriateness of Management Board Remuneration (VorstAG), section 120, subsection 4 AktG now enables the Annual General Meeting of a stock market quoted company to vote on approval of the remuneration system. The resolution entails neither rights nor obligations. In particular, it retains the obligations of the Supervisory Board pursuant to section 87 AktG.

The system of remuneration paid to members of the Management Board is detailed in the Remuneration Report under "Remuneration of the Management Board". This section of the Remuneration Report is printed as part of the Group management report for the financial year in the 2009 Annual Report, starting on page 42. The 2009 Annual Report is accessible on the Internet and will also be made available during the Annual General Meeting.

The Management Board and Supervisory Board propose a resolution that the system of remuneration paid to the members of the Management Board be approved.

#### **6. Election of auditors for the 2010 financial year**

On the recommendation of the Audit Committee, the Supervisory Board proposes that PricewaterhouseCoopers AG, Wirtschaftsprüfungsgesellschaft, Stuttgart be elected as auditors of the parent company's financial statements and the Group consolidated financial statements for the 2010 financial year.

#### **7. Resolution on authorization of the Management Board to acquire and appropriate treasury stock with the possibility to exclude the subscription rights and any other tendering of delivery rights of the shareholders**

The resolution on authorization to acquire treasury stock passed at the last Ordinary Annual General Meeting expires on December 24, 2010. Consequently, it is proposed that, on cancelling the said authorization, the Management Board be again authorized to acquire treasury stock. In accordance with the German Act implementing the Shareholders'

Rights Directive dated July 30, 2009 (ARUG), the authorization can now be issued for a period of up to five years.

The Management Board and Supervisory Board propose the following resolutions:

a) that the company be authorized, in accordance with section 71, subsection 1, clause 8 AktG, by June 23, 2015, to acquire treasury stock with a proportional amount attributable to it of up to a total of 10 percent of the share capital of the company existing at the time the resolution is passed, subject to the proviso that shares acquired pursuant to the said authorization, together with other shares in the company which the company itself has already acquired and still owns, or which are attributable to it in accordance with sections 71 d and 71 e AktG, at no time account for more than 10 percent of the share capital of the company. The rules laid down in section 71, subsection 2, clauses 2 and 3 AktG must be observed.

The shares shall be acquired at the discretion of the Management Board by means of a public tender offer or by means of a public invitation to submit such a tender offer (in the following referred to as a "public tender offer") or by way of the stock market.

aa) that if the acquisition is effected by way of the stock market, the acquisition price (excluding ancillary costs) may be no more than 10 percent above or 20 percent below the price determined by the opening auction on the trading day for shares in the company in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange.

bb) that if the acquisition is effected by means of a public tender offer, the purchase price or the limits of the purchase price span per share (excluding ancillary costs) may be no more than 10 percent above or 20 percent below the average of the closing prices per share in the company in Xetra trading (or a comparable successor system) on the three trading days prior to the day of issue of the public tender offer. If not insignificant variations of the decisive share price occur after the day of issue of the public tender offer, the purchase price may be adjusted. In this case, the basis shall be the average of the closing prices per share in the company in Xetra trading (or a comparable successor system) on the three trading days prior to the day of issue of any adjustment.

The public tender offer may stipulate additional conditions. Where the total number of shares tendered in respect of a public tender offer exceeds the volume of the offer, the acquisition may be effected according to the ratio of tendered shares (tender ratios). Additionally, preferential acceptance of low volumes (up to 50 shares per shareholder) may be stipulated, as may rounding in accordance with commercial principles in order to avoid arithmetic fractions of shares. Any further tendering of delivery rights of shareholders is thus excluded.

- b) that the authorization under lit. a) may be exercised in full or in multiple partial amounts spread across multiple acquisition dates until the maximum acquisition volume is reached. The proposal also stipulates that the acquisition may also be effected by dependent Group subsidiaries as per the definition in section 17 AktG or by third parties for the company's account or for the dependent Group subsidiaries' account.
- c) that the Management Board be authorized to appropriate shares in the company acquired pursuant to the above authorizations for all legally admissible purposes, in particular in pursuing one or more of the following purposes:
  - aa) that the shares acquired pursuant to the above authorization may also be sold by means other than by way of the stock market or by means of an offer to the shareholders, if the shares are sold for cash at a price (excluding ancillary costs) not materially below the price determined by the opening auction on the trading day for shares in the company in Xetra trading (or a comparable successor system). This authorization shall be restricted to shares accounting for no more than 10 percent of the share capital in total, either at the time this authorization comes into force or – if this value is less – at the time of exercising the said authorization. The maximum limit of 10 percent of the share capital shall be reduced by the proportional amount of the share capital accounted for by the shares issued or sold during the term of this authorization excluding subscription rights in accordance with or corresponding to section 186, subsection 3, clause 4 AktG.
  - bb) that the aforementioned shares may be sold in return for non-cash payment, provided this is done for the purpose of effecting company mergers or acquiring companies, parts of companies, shareholdings in companies or other assets.

cc) that the aforementioned shares may be redeemed without need of a further Annual General Meeting in order to approve the redemption or its execution. They may also be redeemed by a simplified procedure entailing no reduction in capital by adjustment of the proportional arithmetic amount of the remaining no-nominal-value shares constituting the company's share capital. In such a case the Management Board shall be authorized to adjust the number of no-nominal-value shares in the company's Articles of Association.

The aforementioned authorizations may be utilized once or more than once, individually or collectively, referred to portions of the treasury stock or to the totality of treasury stock. No trading in treasury stock may take place.

- d) that the subscription rights of shareholders be excluded if the acquired treasury stock is appropriated for one or more of the purposes cited in lit. c) aa) and bb). If the acquired treasury stock is sold by way of the stock market, subscription rights of shareholders shall likewise be excluded. In the event of sale of the acquired treasury stock by public offer to the shareholders, the Management Board shall be authorized to exclude the subscription rights of shareholders for residual amounts.
- e) that the Supervisory Board may stipulate that measures by the Management Board pursuant to this resolution of the Annual General Meeting be undertaken only with its consent. The Management Board may exercise the authorizations of appropriation in lit. c) aa) and bb) only with the consent of the Supervisory Board.
- f) that the resolution on authorization to acquire treasury stock passed by the company's Annual General Meeting on June 25, 2009 and expiring on December 24, 2010 shall be cancelled when the new authorization takes effect.

## **8. Resolution on amendments of the Articles of Association**

The German Act implementing the Shareholders' Rights Directive dated July 30, 2009 also changed the rules relating to allowable periods, deadlines and their calculation, as well as to proxy voting rights in connection with the Annual General Meeting. This, among other reasons, makes it necessary to amend the company's Articles of Association. The Management Board and Supervisory Board therefore propose the following resolutions:

a) that Article 3 of the Articles of Association be amended as follows:

"§ 3 Notifications, Information

1. The Company's notifications shall be published in the electronic Federal Gazette ("Bundesanzeiger"). Other legal obligations relating to publication shall remain unaffected.
2. The company shall be entitled, within the bounds of legal requirements, to transmit information to shareholders, with their consent, by means of electronic data transfer.
3. The issue of notifications pursuant to section 125, subsection 2 AktG is restricted to electronic means of communication. The Management Board shall be entitled, but not obliged, also to issue the said information by other means."

b) that Article 5, paragraph 2, clause 2 of the Articles of Association be amended as follows:

"In the event of a voting tie, the Chairman of the Management Board shall carry the casting vote, provided the Management Board comprises more than two members."

c) that Article 6, clause 3 of the Articles of Association be amended as follows:

"Furthermore, the Supervisory Board may determine generally or for an individual case that individual or all members of the Management Board are authorized to represent the company in legal transactions as representatives of a third party."

d) that Article 9, paragraph 2, clause 1 of the Articles of Association be amended as follows:

"The Supervisory Board has a quorum if the members have been invited in writing, by fax or by e-mail at the last notified address and at least half of the members of which it must consist in total take part in the decision-making in person or by casting their votes in writing, by fax, by e-mail or by telephone."

e) that Article 9, paragraph 3 of the Articles of Association be amended as follows:

"3. Decisions may also be taken in writing, by telephone or using similar voting methods (e.g. fax, e-mail, video conference), or by a combination of those forms, without convening a meeting, if the Chairman of the Supervisory Board so stipulates. This also applies to repeat voting procedures in accordance with section 29, subsection 2, clause 1 and section 31, subsection 4, clause 1 of the German Co-determination Act (MitbestG)."

f) that Article 11, letter c of the Articles of Association be amended as follows:

"c. Appointment and dismissal of members of the Management Board / directors of Group companies whose sub-group revenues exceed 15 percent of total Group revenues. The decisive factor is the share indicated by the breakdown of total Group revenues from the latest Group management report available at the time the resolution on appointment or dismissal was passed."

g) that Article 15, paragraph 2 of the Articles of Association be amended as follows:

"2. Unless otherwise stipulated by law, the Annual General Meeting shall be convened at least thirty days prior to its scheduled date. The period of notice shall be extended by the number of days allowed for registration (Article 16, paragraph 1 of the Articles of Association)."

h) that Article 15 of the Articles of Association be appended by the following paragraph 3:

"3. The Management Board is authorized to permit video and audio broadcasting of the Annual General Meeting."

i) that Article 16 of the Articles of Association be amended as follows:

"1. Only shareholders who have registered their attendance in text form with the office specified in the invitation to the Annual General Meeting and furnished proof of their right subject to Article 16, paragraph 2 at least six days before the date of the Annual General Meeting are entitled to attend the Annual General Meeting and exercise their voting right. The date of the Annual General Meeting and the date of receipt are not to be counted.

2. Shareholders must furnish proof of their right to attend the Annual General Meeting and to exercise their voting rights. This requires documentary proof of shareholding issued in text form by the depository bank or other financial institution. The documentation must be in German or English, must relate to shares held at the legally stipulated date (section 123, subsection 3, clause 3 AktG) and be received by the office specified in the invitation to the Annual General Meeting at least six days before the date of the Annual General Meeting. The date of the Annual General Meeting and the date of receipt are not to be counted. The Company is entitled to demand appropriate additional proof if there are any doubts as to the accuracy or authenticity of the documentation. If

there are any doubts as to this also, or if no proof is furnished, the company may reject the shareholder's right to attend the Annual General Meeting and to exercise his or her voting right.

3. Voting rights may be exercised by authorized proxies. The assignment and revocation of proxy voting rights, as well as the proof of such authorization furnished to the company, must be in text form. The notification convening the Annual General Meeting may stipulate a relaxing of the requirement for the text form. Section 135 AktG remains unaffected. If a shareholder appoints more than one person as proxy, the company may reject one or more of them.
  4. The company may appoint one or more proxies to exercise shareholders' voting rights based on the latter's instructions. The details, in particular concerning formal requirements and periods for the granting and revocation of proxy voting rights, are announced when the respective Annual General Meeting is convened."
- j) that Article 18 of the Articles of Association be appended by the following paragraph 4:
- "4. The Management Board is authorized to enable shareholders to vote without attending the meeting, either in writing or by means of electronic communication (postal vote)."

**Report of the Management Board in accordance with section 71, subsection 1, clause 8 AktG in conjunction with section 186, subsections 3 and 4 AktG relating to agenda item 7**

Section 71, subsection 1, clause 8 AktG offers stock corporations the possibility to acquire treasury stock up to a total of 10 percent of their share capital based on authorization by the Annual General Meeting. Agenda item 7 contains a proposal to issue such an authorization, limited to a period of five years. The object of this is to enable the Management Board, in the interest of the company and its shareholders, to acquire treasury stock up to an amount equivalent to a total of 10 percent of the current share capital of the company, either by way of the stock market or by means of a public tender offer. The acquisition may also be effected by dependent Group subsidiaries as per the definition in section 17 AktG or by third parties for the company's account or for the dependent Group subsidiaries' account.

## **Acquisition of treasury stock**

As well as enabling acquisition by way of the stock market, the proposal also stipulates that the company should be able to acquire treasury stock through a public tender offer to the shareholders of the company or by public invitation to submit such an offer. Any such action must be in compliance with the principle of equality laid down in section 53 a AktG. In the case of public tender offers, the shareholders may decide how many shares are to be offered and – where a price span is stipulated – the price at which they wish to offer them to the company. If the number of shares offered at the set offer price exceeds the number of shares requested by the company, the proposed authorization permits the acquisition to be effected according to the ratio of tendered shares (tender ratios). Only if an acquisition is, by principle, based on tender ratios instead of on share ratios can the acquisition procedure be technically handled within a commercially reasonable framework. The proposal also stipulates preferential acceptance of smaller volumes up to a maximum of 50 shares per shareholder. The object of enabling this possibility is, firstly, to avoid small residual amounts, entailing a potential de facto disadvantage to small shareholders; secondly, it aims to simplify the technical handling of the acquisition procedure. Finally, it is proposed that in all cases, rounding according to commercial principles should be permissible, in order to avoid arithmetic fractions of shares. This is likewise intended to aid technical handling. An exclusion of any further tendering rights of shareholders entailed by this is considered objectively justified and appropriate with regard to the shareholders. The tender offer, or the invitation to submit such an offer, may stipulate additional conditions.

## **Appropriation of treasury stock**

The treasury stock acquired by the company may be sold-on by way of the stock market or by means of a public offer to all shareholders. This ensures conformance to the principle of shareholder equality on resale of the shares. Where the shares are sold by way of an offer to all shareholders, it is proposed that the Management Board be authorized to exclude the subscription rights of shareholders to the treasury stock for residual amounts. This very limited exclusion of subscription rights is often key to enabling the sale of shares at all, and is essential in order to present a technically feasible subscription ratio. The surplus treasury stock excluded from the shareholders' rights of subscription will be realized either by being sold off through the market or in some other way

to the optimum benefit of the company. The potential dilution is minimized because of the limitation to residual amounts and is therefore objectively justifiable.

Moreover, the proposed authorization enables the company also to sell the acquired treasury stock outside of the stock market for cash, without making a public offer to all shareholders. The precondition for this is that the shares are sold at a price not materially below the market price of shares in the company at the time of sale. This authorization utilizes the possibility to exclude subscription rights by a simplified procedure as permitted by section 71, subsection 1, clause 8 AktG in corresponding application of section 186, subsection 3, clause 4 AktG. The exclusion of subscription rights is in the interest of the company in terms of achieving the best possible price on selling the treasury stock. The revenue achievable by setting a price oriented to the market price generally results in a substantially higher in-flow of funds per share sold than share placements retaining subscription rights, which usually entail substantial discounts on the market price. Protection against share dilution is provided by the stipulation that the shares may only be sold at a price not materially below the determining market price. The authorization to exclude subscription rights when selling treasury stock pursuant to section 186, subsection 3, clause 4 AktG, incorporating any other authorizations to issue or sell shares excluding subscription rights in corresponding application of section 186, subsection 3, clause 4 AktG, is limited to a maximum of 10 percent of the share capital of the company in total. The determining criterion is the share capital at the time the authorization comes into force or when it is exercised, whichever is the lower. Protection against share dilution is provided by the stipulation that the shares may only be sold at a price not materially below the determining market price. The definitive selling price of the treasury stock will be set shortly prior to the sale. The Management Board will attempt to calculate any discount against the market price according to the market conditions prevailing at the time of the placement as low as possible. Shareholders wishing to maintain their relative equity ratio and voting rights have the opportunity to acquire the necessary number of shares to this end on the open market.

It is further proposed that the company be enabled to transfer treasury stock as quid pro quo consideration to third parties, provided this is done for the purpose of acquiring companies, parts of companies, sharehold-

ings in companies or other assets or effecting company mergers. Thereby the shareholders' subscription rights shall be likewise excluded. International competition and the globalization of the economy often demands that payment for such transactions be made in the form of shares. In view of the ever-increasing scale of corporate units involved in such transactions, funding can often not be provided in cash without placing major strain on the liquidity of the company or increasing the company's indebtedness to an unacceptable level. The possibility of acquiring shares for these purposes is already provided by the Authorized Capital in Article 4, paragraph 4 of the Articles of Association, but it is further proposed that the possibility be established to allot shares in the company for these purposes without having to increase the capital, which would be more time-consuming because of the required entry in the Register of Companies and also would entail higher administrative costs. The proposed authorization seeks to provide the company with the necessary freedom to enter into mergers or undertake acquisitions quickly and flexibly as opportunities arise. If subscription rights were granted this would not be possible, and the associated benefits for the company would not be achievable. When concrete opportunities arise to acquire companies, parts of companies, shareholdings in companies or other assets, the Management Board will diligently review whether it should exercise the authorization to allot treasury stock. It will only do so if the undertaking is in the clearly understood interest of the company. In setting the valuation ratios, the Management Board will ensure that the interests of the shareholders are appropriately maintained. It will orient its assessment of the value of the shares tendered by way of quid pro quo to the market price of the company's shares. No schematic linkage to a market price is proposed, in particular to ensure that achieved negotiation outcomes are not placed in question by fluctuations in the market price.

Finally, the proposed resolution authorizes the company to redeem treasury stock without further resolution of the Annual General Meeting. The authorization enables the company to respond appropriately and flexibly to prevailing capital market conditions. Pursuant to section 237, subsection 3, clause 3 AktG, the proposed authorization also permits the Management Board to redeem the shares without reducing the capital. By redeeming the shares without reducing the capital, the proportional amount of the remaining no-nominal-value shares as a percent-

age of the company's share capital is increased. By redeeming the treasury stock without reducing the capital, the arithmetic proportion of the remaining no-nominal-value shares as a percentage of the company's share capital is automatically increased. The Management Board is therefore authorized to amend the Articles of Association with regard to the changed number of no-nominal-value shares.

The Management Board shall only be allowed to utilize the authorization to acquire treasury stock outside of the stock market for cash, without making a public offer to all shareholders, or the authorization to transfer treasury stock, provided this is done for the purpose of acquiring companies, parts of companies, shareholdings in companies or other assets or effecting company mergers, with the consent of the Supervisory Board. Furthermore, the Supervisory Board may stipulate that measures by the Management Board pursuant to the proposed resolution of the Annual General Meeting be undertaken only with its consent.

In concurrence with the Supervisory Board, the Management Board considers the exclusion of subscription rights in the cases cited, for the reasons set out, taking into account a potential share dilution, as objectively justified and appropriate with regard to the shareholders. The Management Board will notify the next Annual General Meeting of its exercising of the authorization.

### **Share capital and voting rights**

At the time of convening the Annual General Meeting the share capital of the company totalling EUR 73,001,420.45 is divided into 17,131,000 no-nominal-value bearer shares with the equivalent voting rights. At the time of convening the Annual General Meeting the company holds no treasury shares.

### **Requirements for attendance at the Annual General Meeting and exercising of voting rights**

Only those shareholders shall be entitled to participate in the Annual General Meeting and exercise their voting rights who have registered in text form with the office designated below and furnished proof of their entitlement. Documentary confirmation of share ownership issued in text form by the depository bank shall suffice as proof.

The proof of ownership shall be referred to the start of the 21st day before the meeting – that is, June 3, 2010, 00.00 hours (record date). Registration and proof of share ownership, in German or English, must be received by midnight on **June 17, 2010** at the following address:

**BAUER Aktiengesellschaft**

**c/o Deutsche Bank AG**

**- General Meetings -**

Postfach 20 01 07

60605 Frankfurt am Main, Germany

Fax: +49 69 12012-86045

e-mail: WP.HV@Xchanging.com

On receipt of their registration and proof of shareholding by the designated office, shareholders will be sent tickets to attend the Annual General Meeting including proxy voting forms.

### **Significance of the record date**

The record date is the key date for determining the extent and exercise of attendance and voting rights at the Annual General Meeting. Only those parties who have furnished proof of share ownership to the company by the record date shall be acknowledged as company shareholders authorized to attend the Annual General Meeting or exercise voting rights. Changes to the share stock after the record date are irrelevant. Shareholders who acquired their shares only after the record date are thus not entitled to attend the Annual General Meeting. Shareholders who have duly registered and furnished proof of share ownership are still entitled to attend the Annual General Meeting and exercise their voting rights even if they sell the shares after the record date. The record date has no influence on the saleability of the shares, and is not a relevant date for determining any possible dividend entitlement.

### **Proxy voting procedure**

Shareholders may also exercise their entitlement to participate and vote by means of a proxy, such as by the depository bank, a shareholders' association or another person of their choosing. In this case, too, timely registration and proof of share ownership in accordance with the above provisions is required. The assignment and revocation of proxy voting rights, as well as the proof of such authorization furnished to the company, must be in text form.

Proof of proxy voting rights must either be presented on the day of the Annual General Meeting by the authorized proxy or be furnished by means of a declaration to the company by post or fax, or electronically by e-mail, to the following address:

BAUER Aktiengesellschaft  
c/o Computershare HV-Services AG  
Prannerstraße 8  
80333 Munich, Germany  
Fax: +49 89 3090374675  
e-mail: [VollmachtBauer2010@computershare.de](mailto:VollmachtBauer2010@computershare.de)

A proxy form will be issued to the parties duly registered to attend the Annual General Meeting along with their entry ticket.

The above provisions regarding the form of proxy voting rights do not extend to the form of assignment and revocation of proxy voting rights and proof of such proxy voting rights assigned to banks, shareholders' associations or equivalent bodies pursuant to section 135 AktG. Special provisions may apply in this respect. We would therefore request our shareholders who are intending to appoint banks, shareholders' associations or equivalent organizations pursuant to section 135 AktG as their proxies to consult the organizations concerned in good time with regard to the appropriate form of proxy.

The company further offers its shareholders the option of being represented by company proxies. The assignment and revocation of proxy voting rights, as well as the proof of such authorization furnished to the company, must be in text form. Where company-appointed proxies are assigned, they must in all cases be issued with instructions as to how voting rights are to be exercised. Without such instructions the proxy assignment is invalid. The proxies are obliged to vote in accordance with instructions. Details, as well as a proxy authorization and voting form, are included in the documentation package sent out to duly registered shareholders.

If a shareholder appoints more than one person as proxy, the company may reject one or more of them. There is no obligation to use the company proxy authorization and voting forms offered by the company.

### **Shareholders' rights: Additional agenda items**

In accordance with section 122, subsection 2 AktG, shareholders whose shares together account for one twentieth part of the share capital, or reach the proportional amount of EUR 500,000, may demand that items be placed on the agenda and publicized as such. The demand must be submitted in writing to the Management Board. Demands for the inclusion of additional agenda items must be received by the company at least 30 days before the Annual General Meeting – that is, by midnight on May 24, 2010.

### **Shareholders' rights: Motions and proposals for election**

Furthermore, all shareholders are entitled to submit motions relating to agenda items in accordance with section 125, subsection 1 AktG or proposals for the election of auditors in accordance with section 127 AktG. The company will make available motions and proposals for election received from shareholders, including the name of the shareholder, the reason for the submission and any comments of the management in response, at <http://www.bauer.de>, provided the shareholder has submitted to the company an admissible motion relating to a specific agenda item, together with the reasoning behind it, or an admissible proposal for election, including the legally required information, at least 14 days before the Annual General Meeting – that is, by midnight on June 9, 2010. No reason need be given for a proposal for election. Shareholders are requested to furnish proof of their shareholding when submitting motions or proposals for election.

Motions and proposals for election are to be sent only to the following address:

BAUER AG  
Investor Relations  
BAUER-Strasse 1  
86529 Schrobenhausen, Germany  
Fax: +49 8252 97-2900  
e-mail: [investor.relations@bauer.de](mailto:investor.relations@bauer.de)

### **Shareholders' rights: Right of information**

At the Annual General Meeting, all shareholders have a right to receive information on demand from the Management Board concerning matters relating to the company, providing the said information is necessary to obtain an accurate assessment of the agenda item in question.

The duty to disclose information also extends to the legal and commercial relations of the company with an affiliated company. To facilitate full and accurate response, shareholders and their proxies wishing to ask questions at the Annual General Meeting are kindly requested to submit such questions as early as possible to the above address. This submission is not a formal requirement in terms of receiving a reply to a question. The right of information remains unaffected.

### **Information on the company's website**

Immediately after the Annual General Meeting has been convened, the information pursuant to section 124a AktG will be made available on the company's website at <http://www.bauer.de> under Investor Relations/Annual General Meeting, in particular:

- the announcement convening the Annual General Meeting;
- an explanatory statement where no resolution is to be passed in relation to an agenda item;
- the documentation to be made available to the Annual General Meeting, in particular
  - the annual financial statements and management report of BAUER AG;
  - the consolidated financial statements and Group management report;
  - the report of the Supervisory Board;
  - the proposal on appropriation of net earnings available for distribution;
  - the presentation of the system of remuneration paid to members of the Management Board;
  - the explanatory report of the Management Board relating to the disclosures pursuant to section 289, subsections 4 and 5 and section 315, subsection 4 of the German Commercial Code (HGB).
  - the report of the Management Board in accordance with section 71, subsection 1, clause 8 AktG, in conjunction with section 186, subsections 3 and 4 AktG relating to the agenda item 7;
- the total number of shares and voting right at the time the Annual General Meeting was convened;
- details of shareholders' rights in relation to submission of additional agenda items, motions and proposals for election, and rights of information.

Schrobenhausen, May 2010

BAUER Aktiengesellschaft

The Management Board