

# Invitation

to the Ordinary Annual General Meeting on June 30, 2011



Dear Shareholders,

We hereby invite you to attend the

**Ordinary Annual General Meeting of BAUER AG**

on

**Thursday, June 30, 2011 at 10 a.m.**

**(doors open at 9 a.m.)**

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

## Agenda

### **1. Presentation of the confirmed annual financial statements of BAUER Aktiengesellschaft, the approved consolidated financial statements of the Group, the management report and Group management report and the report of the Supervisory Board for the 2010 financial year, together with 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 approved on April 14, 2011. 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 2010 financial year**

The Management Board and Supervisory Board propose the following resolutions:

that the net earnings of BAUER Aktiengesellschaft for the 2010 financial year totalling EUR 23,579,463.98 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 68,475.08
Profit carried forward	EUR 13,232,388.90

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 2010 financial year**

The Management Board and Supervisory Board propose a resolution that the actions of the members of the Management Board during the 2010 financial year be ratified.

#### **4. Resolution on ratification of the actions of the members of the Supervisory Board for the 2010 financial year**

The Management Board and Supervisory Board propose a resolution that the actions of the members of the Supervisory Board during the 2010 financial year be ratified.

#### **5. Election of auditors for the Company and the Group for the 2011 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 2011 financial year.

#### **6. Election of members of the Supervisory Board**

The end of the Annual General Meeting on June 30, 2011 marks the end of the period of office of all the members of the Supervisory Board. New elections are therefore required.

In accordance with section 96, subsection 1 and section 101, subsection 1 of the German Stock Corporation Act, section 7, subsection 1, clause 1, no. 1 of the German Codetermination Act and Article 7, paragraph 1 of the Articles of Association, the Supervisory Board is composed of six members representing the company's shareholders and six members representing the company's employees. The Annual General Meeting is not bound to abide by proposals for election.

On the recommendation of its Nominations Committee, the Supervisory Board proposes that

- a) Dr.-Ing. Johannes Bauer, Schrobenhausen  
construction engineer working for BAUER Designware GmbH,  
Schrobenhausen
- b) Prof. Dr.-Ing. E.h. Manfred Nußbaumer M.Sc., Munich  
retired construction engineer
- c) Dr. Klaus Reinhardt, Starnberg, General (retd.)
- d) Dipl.-Ing. (FH) Rainer Schuster, Freising  
freelance consultant working for Bilfinger Berger AG, Mannheim
- e) Dipl.-Ing. (FH) Elisabeth Teschemacher, nee. Bauer, Schrobenhausen  
freelance real estate and building consultant

f) Gerardus N. G. Wirken, Breda/Netherlands

freelance consultant on strategy, controlling and accounting

be elected as shareholders' representatives on the Supervisory Board with effect from the end of this Annual General Meeting until the end of the Annual General Meeting ratifying the actions of Supervisory Board members for the fourth financial year following the beginning of their period of office (not counting the financial year in which the period of office begins).

Among the proposed candidates for the Supervisory Board is Mr. Gerardus N. G. Wirken, who is an independent consultant and possesses expertise in accounting or auditing as stipulated by section 100, subsection 5 AktG.

It is intended that the elections to the Supervisory Board shall be conducted by individual election.

In the event of his being re-elected by the Annual General Meeting, Dr. Klaus Reinhardt intends to stand once again as a candidate for Chairman of the Supervisory Board.

Dr.-Ing. Johannes Bauer is not a member of any other legally constituted Supervisory Board or comparable corporate supervisory body in Germany or abroad.

Prof. Dr.-Ing. E.h. Manfred Nußbaumer is not a member of any other legally constituted Supervisory Board or comparable corporate supervisory body in Germany or abroad.

Dr. Klaus Reinhardt is not a member of any other legally constituted Supervisory Board or comparable corporate supervisory body in Germany or abroad.

Mr. Rainer Schuster (Dipl.-Ing. FH) is not a member of any other legally constituted Supervisory Board or comparable corporate supervisory body in Germany or abroad.

Mrs. Elisabeth Teschemacher (Dipl.-Ing. FH) is not a member of any other legally constituted Supervisory Board or comparable corporate supervisory body in Germany or abroad.

Mr. Gerardus N. G. Wirken is a member of the following other legally constituted Supervisory Boards or comparable corporate supervisory bodies in Germany or abroad:

- Batenburg Beheer N.V., Rotterdam/Netherlands, Chairman
- Vendor Beheer B.V., Tilburg//Netherlands, Chairman
- Winters Bouw- en Ontwikkeling B.V., Breda/Netherlands, Chairman
- Rabobank Breda, Breda/Netherlands, Chairman
- Egeria Investments B.V., Amsterdam/Netherlands, Chairman
- Holonite B.V., Tholen/Netherlands, Chairman
- ICTS Europe Holdings B.V., Amsterdam/Netherlands, Chairman

**7. Resolution on omission from the parent company and Group consolidated annual financial statements of the disclosures stipulated in section 285, no. 9, letter a, sentences 5 to 8 and section 315a subsection 1 and section 314, subsection 1, no. 6, letter a, sentences 5 to 8 of the German Commercial Code (HGB)**

In accordance with section 286, subsection 5 HGB and section 315 a, subsection 1 and section 314, subsection 2, clause 2 HGB, disclosure of the remuneration paid to individual members of the Management Board in the parent company and Group consolidated annual financial statements may be omitted if the Annual General Meeting so resolves by a qualified majority of at least three quarters of the share capital represented in the vote passing the said resolution. On April 28, 2006 the Annual General Meeting voted to adopt this option for a period of five years.

The Management Board and Supervisory Board continue to hold the view that individualized disclosure would represent an excessive infringement of the privacy of the persons concerned.

The Management Board and Supervisory Board propose the following resolutions:

The disclosures stipulated in section 285, no. 9, letter a, sentences 5 to 8 and section 315a, subsection 1 and section 314, subsection 1, no. 6, letter a, sentences 5 to 8 HGB (or in corresponding follow-up regulations respectively) will be omitted for the current financial year 2011 and for the subsequent four financial years.

## 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:

In accordance with Article 16, paragraph 1 of the company's Articles of Association, 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 from 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 9, 2011, 00.00 hours (record date).

Registration and proof of share ownership, in German or English, must be received by midnight on **June 23, 2011** at the following address:

**BAUER Aktiengesellschaft**

**c/o Deutsche Bank AG**

**Securities Production**

**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, by no later than midnight on June 29, 2011 to the following address:

BAUER Aktiengesellschaft  
c/o Computershare HV-Services AG  
Prannerstrasse 8  
80333 Munich, Germany  
Fax: +49 89 30903 74675  
e-mail: hv2011@bauer.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. Proxy assignments and voting instructions must be received by no later than midnight on June 29, 2011 at

BAUER Aktiengesellschaft  
c/o Computershare HV-Services AG  
Prannerstrasse 8  
80333 Munich, Germany  
Fax: +49 89 30903 74675  
e-mail: hv2011@bauer.de

Proxy assignments and voting instructions submitted to the said address can no longer be changed after midnight on June 29, 2011 by such communication path. The right to revoke a proxy on condition of personal attendance at the Annual General Meeting remains unaffected. Even where company-appointed proxies are assigned, registration and proof of share ownership from the depository bank pursuant to the provisions set out above must still be received in the required form by the stipulated date and time.

It will additionally be possible for shareholders attending the Annual General Meeting who leave before votes are cast to assign proxy rights and issue voting instructions to the company-appointed proxies on leaving in order to exercise their voting rights.

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. Any new item must be accompanied by a statement of reasons or a submission document.

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 no later than midnight on May 30, 2011.

The shareholders concerned must furnish proof that they have owned the required number of shares since at least midnight on March 30, 2011.

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

Furthermore, all shareholders are entitled to submit motions relating to agenda items in accordance with section 126, subsection 1 AktG or proposals for the election of auditors and/or members of the Supervisory Board 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> in the Investor Relations/Annual General Meeting section, to the extent stipulated by law, 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 15, 2011. A proposal for election need not be made accessible, among other reasons, if it does not include the name, profession and place of residence of the candidate. Furthermore, proposals for election of Supervisory Board members need not be made accessible if they are not accompanied by particulars of the memberships of the proposed candidate on other legally constituted Supervisory Boards or other corporate supervisory bodies under the terms of section 125, subsection 1, clause 5 AktG. 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 Aktiengesellschaft  
Investor Relations  
BAUER-Strasse 1  
86529 Schrobenhausen, Germany  
Fax: +49 8252 97-2900  
e-mail: hv2011@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 and to the position of the Group and of the companies consolidated into the Group's annual financial statements. 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**

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. The results of voting will also be published there when the Annual General Meeting has ended.

Schrobenhausen, May 2011

BAUER Aktiengesellschaft

The Management Board