



Additional Information on Shareholders' Rights pursuant to Article 56 SE Regulation in connection with Section 50 para. 2 German SE Implementation Act, Section 121 para. 3 no. 3 German Stock Corporation Act

THE SHAREHOLDERS ARE ENTITLED, AMONGST OTHERS, TO THE FOLLOWING RIGHTS:

1. Request for Supplementing the Agenda of the General Meeting, Art. 56 sent. 2 and sent. 3 SE Regulation, Section 50 para. 2 SEAG, Section 122 para. 2 German Stock Corporation Act¹

Shareholders whose total shareholding is equivalent to five per cent of the share capital or exceeds a pro rata amount of EUR 500,000 to the share capital (i.e. equal to 500,000 shares), may request that certain items be included in the agenda of the General Meeting and published. Any new item for the agenda has to be accompanied by a stating of reasons or a proposed draft resolution. The request has to be addressed to the Administrative Board of the Company in writing. It has to be received by the Company at least 30 days prior to the meeting, i.e. no later than the end of 28 November 2016 (24:00 hrs.). The minimum holding period of three months applicable to shareholders of a German stock corporation does not apply to the shareholders of a European Company (SE).

Any requests for supplementing the agenda have to be sent in writing to the following address:

ROY Ceramics SE
– The Administrative Board –
Bockenheimer Landstraße 17/19
60325 Frankfurt am Main
Germany

Any supplements to the agenda of the meeting that have to be published will — to the extent that they have not already been published together with the calling of the meeting — be announced promptly upon receipt of the request in the Federal Gazette and submitted to those media for publication which may be presumed to distribute the information throughout the European Union. In addition, such requests will be published on the Internet under <http://www.roykeramik.de/investor-relations/hauptversammlung.html>.

The relevant provisions of the SE Regulation, the German SE Implementation Act (SEAG) and the German Stock Corporation Act (*Aktiengesetz* — AktG) read as follows:

Art. 56 SE Regulation

One or more shareholders who together hold at least 10% of an SE's subscribed capital may request that one or more additional items be put on the agenda of any general meeting. The procedures and time limits applicable to such requests shall be laid down by the national law of the Member State in which the SE's registered office is situated or, failing that, by the SE's statutes. The above proportion may be reduced by the statutes or by the law of the Member State in which the SE's registered office is situated under the same conditions as are applicable to public limited-liability companies.

¹ The provisions of the German Stock Corporation Act apply to the Company pursuant to Art. 9 para. 1 lit. c) ii) of Council Regulation (EC) No. 2157/2001 of October 8, 2001, on the Statute for a European Company (SE).

Section 50 SEAG Convening and supplementing the agenda at the request of a minority (excerpts)

- (2) The supplementing of the agenda of a general meeting with one or several items can be requested by one or several shareholders, provided that his/her or their participation amounts to 5 percent of the subscribed capital or the proportionate amount of EUR 500,000.

Section 122 AktG Convening a meeting at the request of a minority (excerpts)

- (1) A shareholders' meeting shall be called if shareholders jointly representing at least one-twentieth of the subscribed capital request such meeting in writing, stating the purpose and the reasons of such meeting; such request shall be addressed to the managing board. The articles of association may provide that the right to request a shareholders' meeting shall require another form and the holding of a lower portion of the subscribed capital. (...)
- (2) In the same manner shareholders jointly representing at least one-twentieth of the subscribed capital or a proportionate ownership of at least €500,000 may request that items be included in the agenda and be disclosed. Each new item must be accompanied by supporting information or a formal resolution proposal. The request within the meaning of sentence 1 must be received by the company no later than 24 days, in the case of listed companies no later than 30 days, prior to the meeting; the day of receipt shall not be counted.

Section 124 AktG Announcement of requests for amendment; proposals for resolution (excerpts)

- (1) If the minority pursuant to Section 122 para. 2 has requested that items be placed on the agenda, these shall be announced either together with the convening of the meeting already or otherwise without undue delay after receipt of the request. Section 121 para. 4 shall apply mutatis mutandis; furthermore, in case of listed companies, Section 121 para. 4a shall apply mutatis mutandis. Announcement and sending shall in this case take place in the same manner as with the convening of a meeting.

2. Counter-Motions and Election Proposals, Sections 126 para. 1, 127 German Stock Corporation Act

Pursuant to Section 126 para. 1 AktG, any shareholder is entitled to send to the Company counter-motions regarding the resolution proposals for the items of the agenda. If it is intended that the counter-motions are made accessible by the Company, they have to be sent to the following address until no later than 14 days prior to the meeting, i.e. until no later than the end of 14 December 2016:

ROY Ceramics SE
c/o HCE Haubrock AG
Landshuter Allee 10
80637 München
Germany
Telefax: +49 89 21027-289
E-Mail: gegenantraege@hce.de

Counter-motions and election proposals that are addressed differently will not be made accessible.

Subject to Section 126 para. 2 and 3 AktG, counter-motions from shareholders that are to be made accessible will be published on the Internet under <http://www.royceramics.de/en/investor-relations/annual-general-meeting.html>, including the name of the shareholder and the reasons stated therefore, as well as the comments from the management of the Company, if any.

Pursuant to Section 127 AktG, the above provisions also apply, mutatis mutandis, to a shareholder's proposal for the election of members of the Administrative Board (provided that this is an item on the agenda of the annual General Meeting of Shareholders) or of auditors. However, no reasons have to be stated in respect of proposals of this kind. In addition to the reasons stipulated in Section 126 para. 2 AktG, a proposal has not to be made accessible is further not obliged to make an election proposal accessible, amongst other things, if the proposal does not contain the name, profession and place of residence of the proposed candidate. Proposals for the election of members of the Administrative Board do not require to be made accessible also if they do not include information regarding the membership of the proposed candidates for the Administrative Board in other supervisory boards which are to be established pursuant to statutory law as defined in Section 125 para. 1 sent. 5 AktG.

The underlying legal provisions read as follows:

Section 126 AktG Motions by shareholders

- (1) Motions by shareholders, including the shareholder's name, supporting information and, if any, management's discussion shall be made accessible to the eligible persons referred to in Section 125 para. 1 through para. 3, subject to the conditions specified therein, provided that the shareholder has submitted at least 14 days prior to the meeting a counterproposal to a proposal of the managing board and the supervisory board regarding a specific item on the agenda, together with supporting information, to the address designated for this purpose in the shareholders' meeting notice. The day of receipt shall not be counted. In the case of listed companies, the required accessibility shall be provided via the Internet website of the company. Section 125 para. 3 shall apply mutatis mutandis.
- (2) A counterproposal and supporting information need not be made accessible
 1. insofar as the managing board would by reason of such accessibility become criminally liable;
 2. if the counterproposal would result in a resolution of the shareholders' meeting that would be illegal or would violate the articles of association;
 3. if the reasons contain statements which are manifestly false or misleading in material respects or which are libelous;
 4. if a counterproposal of such shareholder based on the same facts has already been made accessible pursuant to Section 125 for the purpose of a shareholders' meeting of the company;
 5. if the same counterproposal of such shareholder based on essentially identical supporting information has already been made available pursuant to Section 125 to at least two shareholders' meetings of the company within the past five years and at such shareholders' meetings less than one-twentieth of the subscribed capital represented has voted in favor of such counterproposal;
 6. if the shareholder indicates that he/she will neither attend nor be represented at the shareholders' meeting; or

7. if within the past two years at two shareholders' meetings the shareholder has failed to make or cause to be made on his/her behalf a counterproposal communicated by him/her.

The supporting information need not be made accessible if it exceeds a total of 5,000 characters.

- (3) If several shareholders make counterproposals for resolution in respect of the same subject matter, the managing board may combine such counterproposals and the respective supporting information.

Section 127 AktG Election nominations by shareholders

Section 126 shall apply mutatis mutandis to a nomination by a shareholder for the election of members of the supervisory board or external auditors. Such nomination need not be supported by a statement of the reasons therefor. Furthermore, the managing board need not make such nomination accessible also if it fails to contain the information pursuant to Section 124 para. 3, sent. 3 and Section 125 para. 1, sent. 5.

Section 124 Announcement of requests for amendment; proposals for resolution (excerpts)

- (3) In the announcement, the management board and the supervisory board, or in the case of the election of supervisory board members and auditors of the annual financial statements, only the supervisory board, shall make proposals for a resolution in respect of each item on the agenda which is to be decided by the general meeting. In the case of companies, that are capital markets oriented within the meaning of Section 264d of the German Commercial Code (*Handelsgesetzbuch*), that are CRR-Credit Institutions in the meaning of Section 1 para. 3d, sent. 1 of the German Banking Act (*Kreditwesengesetz, KWG*), with the exception of institutions named in Section 2 para. 1, no. 1 and 2 KWG, or that are Insurance Undertakings in the meaning of Section Article 2, para. 1 of Directive 91/674/EWG, the proposal of the supervisory board for the election of the auditor of financial statements shall be based on the recommendation of the audit committee. Sentence 1 shall not apply if the general meeting is bound to nominations for the election of supervisory board members pursuant to Section 6 of the Coal, Iron and Steel Codetermination Act (*Montan-Mitbestimmungsgesetz*) or if the item on which a resolution is to be adopted was placed on the agenda at the request of a minority. The proposal for the election of supervisory board members or auditors of the annual financial statements shall state their name, practiced profession and place of residence. If employee representatives are also to be included on the supervisory board, resolutions adopted by the supervisory board concerning nominations of supervisory board members shall only require the majority of votes cast by the shareholder members of the supervisory board; this shall not affect Section 8 of the Coal, Iron and Steel Codetermination Act (*Montan-Mitbestimmungsgesetz*).

Section 125 AktG Information for shareholders and supervisory board members (excerpts)

- (1) (...) In the case of listed companies, any nomination for the election of supervisory board members shall be accompanied by information concerning membership of such nominees in other supervisory boards required by law; information concerning their membership in comparable domestic and foreign supervisory bodies of commercial enterprises shall also be attached.

3. Right to Information, Section 131 para. 1 German Stock Corporation Act

To the extent this is necessary for the appropriate assessment of the matters on the agenda and no right to refuse information applies, the Administrative Board is obliged to provide to each shareholder information in the General Meeting regarding the affairs of the Company. This obligation to provide information also includes the legal and business relationships of the Company with affiliated enterprises as well as the situation of the group and the enterprises included in the consolidated financial statements.

The legal provision reads as follows:

Section 131 AktG Right of shareholders to obtain information

- (1) Each shareholder shall upon request be provided with information at the shareholders' meeting by the managing board regarding the company's affairs, to the extent that such information is necessary to allow for a proper evaluation of the relevant item on the agenda. The duty to provide information shall also extend to the company's legal and business relations with any affiliated enterprise. If a company makes use of the simplified procedure pursuant to Section 266 para 1, sent. 2, Section 276 or Section 288 of the German Commercial Code, each shareholder may request that the annual financial statements be presented to him at the shareholders' meeting on such annual financial statements in the form that would have been used if such provisions on the simplified procedure had not been applied. The duty of the managing board of a parent company (Section 290 para. 1 and para. 2 of the German Commercial Code) to provide information at the shareholders' meeting to which the consolidated financial statements and group management report are presented also extends to the consolidated group's situation and the affiliated enterprises included in the consolidated financial statements.
- (2) The information provided shall comply with the principles of conscientious and accurate accounting. The articles of association or the bylaws pursuant to Section 129 may authorize the chairman of the meeting to reasonably limit a shareholder's time to speak and ask questions and may provide relevant details in this respect.
- (3) The managing board may refuse to provide information:
 1. to the extent that providing such information is, according to sound business judgement, likely to cause a not inconsiderable disadvantage to the company or an affiliated enterprise;
 2. to the extent that such information relates to tax valuations or the amount of certain taxes;
 3. with regard to the difference between the value at which items are shown in the annual balance sheet and the higher market value of such items, unless the shareholders' meeting is to approve the annual financial statements;
 4. with regard to the methods of accounting and valuation, if disclosure of such methods in the notes suffices to provide a true and fair view of the actual condition of the company's assets, financial position and profitability within the meaning of Section 264 para. 2 of the German Commercial Code; the foregoing shall not apply if the shareholders meeting is to approve the annual financial statements;
 5. insofar as the provision of such information would render the managing board criminally liable;

6. insofar as, in the case of credit institutions or financial services institutions, information need not be provided on the methods of accounting and valuation applied and setoffs made in the annual financial statements, management report, consolidated financial statements or group management report;
7. if the information is continuously accessible on the Internet page of the company for at least seven days prior to the beginning and during the shareholders' meeting.

The provision of information may not be refused for other reasons.

- (4) If information has been provided to a shareholder by reason of his/her status as a shareholder outside a shareholders' meeting, such information shall upon request be provided to any other shareholder at the shareholders' meeting, even if such information is not necessary to permit a proper evaluation of an item on the agenda. The managing board may not refuse to provide such information on the grounds of para. 3, sent. 1, no. 1 through 4. Sentences 1 and 2 shall not apply if a subsidiary (Section 290 para. 1 and para. 2 of the German Commercial Code), a joint venture (Section 310 para. 1 of the German Commercial Code) or an associated company (Section 311 para. 1 of the German Commercial Code) provides information to a parent company (Section 290 para. 1 and para. 2 of the German Commercial Code) for the purpose of inclusion of the company in the consolidated financial statements of the parent company and such information is needed for such purpose.
- (5) A shareholder who has been denied information may request that his/her question and the reason for which the information was denied be recorded in the minutes of the meeting.

In addition, the chairman of the meeting is authorized to adopt various measures concerning proceedings and order at the General Meeting. This also includes the limitation of the right to speak and ask questions. The underlying provisions of the Company's Articles of Association read as follows:

Section 15 of the Articles of Association of ROY Ceramics SE (excerpts)

- (3) The Chairman of the General Meeting regulates the procedure of the General Meeting. He determines the order of the speakers. Furthermore, he may reasonably restrict, in terms of time, the right of the shareholders to put questions and to speak; in particular at the beginning of the General Meeting or in its course, he may determine, in terms of time, of the procedure of the General Meeting, the discussion on the agenda items as well as for individual questions and speaking contributions. In determining the time available for the individual questions and speaking contributions, the Chairman of the General Meeting may distinguish between first and repeated contributions and in accordance with further appropriate criteria.

Please note:

Only the German version of this document is legally binding.