



**Explanatory report on matters relevant to acquisitions (section 289 (4) and section 315 (4) HGB (Handelsgesetzbuch – German Commercial Code) and explanatory report to describe the accounting-related internal control and management system (section 289 (5) HGB)**

In the following matters pursuant to section 289 (4) and section 315 (4) and to section 289 (5) as evident in the annual financial statements and the consolidated financial statements shall be described and if applicable be explained.

**Section 315(4) no. 1 HGB**

NORMA Group SE's share capital totalled EUR 31,862,400.00 on 31 December 2013. This is divided into 31,862,400 registered shares with no par value. Each share entitles the bearer to one vote. There are no other classes of shares. NORMA Group SE holds no treasury shares.

**Section 315(4) no. 2 HGB**

The Management Board of NORMA Group SE is not aware of any restrictions affecting voting rights or the transfer of shares or any agreements between shareholders which could result in such restrictions.

**Section 315(4) no. 3 HGB**

There are no direct or indirect capital holdings exceeding one tenth of the voting rights other than those voting rights listed in the Notes to the consolidated financial statements.

**Section 315(4) no. 4 HGB**

There are no shares in NORMA Group SE that confer special control rights to the holder.

**Section 315(4) no. 5 HGB**

There are no employee share schemes through which employees can acquire shares of NORMA Group SE. Employees with shareholdings in NORMA Group SE exercise control rights in the same way as other shareholders in accordance with applicable legislation and the Articles of Association.

**Section 315(4) no. 6 HGB**

Management Board members are appointed and dismissed in accordance with section 84 et seq. of the German Stock Corporation Act (Aktiengesetz, AktG). The Articles of Association of NORMA Group SE do not contain any provisions related to this issue that contradict the applicable legislation. The Supervisory Board is responsible for determining the actual number of members on the Management Board. It can nominate a Chairman and Deputy Chairman of the Management Board or a Management Board spokesperson and a deputy spokesperson.



Changes to the Articles of Association are made by the Annual General Meeting in accordance with section 179(1) AktG. In accordance with section 179(1) sentence 2 AktG, the Annual General Meeting can authorise the Supervisory Board to make changes which affect only the wording of the Articles of Association. The Annual General Meeting of NORMA Group SE has chosen to do so: According to Article 14(2) of the Articles of Association, the Supervisory Board is authorised to make changes to the Articles of Association which only affect their wording. Changes to the Articles of Association are made by the Annual General Meeting in accordance with section 179(1) AktG. In accordance with section 179(1) sentence 2 AktG, the Annual General Meeting can authorise the Supervisory Board to make changes which affect only the wording of the Articles of Association. The Annual General Meeting of NORMA Group SE has chosen to do so: According to Article 14(2) of the Articles of Association, the Supervisory Board is authorised to make changes to the Articles of Association which only affect their wording. In accordance with article 20 sentence 3 of the Articles of Association, a simple majority of votes submitted is sufficient for a resolution on changing the Articles of Association if at least half of the share capital is represented when the resolution is adopted and a different majority is not required under the law.

If the Management Board exercises its right to retire treasury shares without a capital decrease and thereby increases the proportion of the share capital represented by the remaining shares, it is authorised to alter the number of shares in the Articles of Association. The Supervisory Board is authorised to alter the wording of the Articles of Association after capital increases from authorised capital 2011/II or following the expiry of the authorization period if this authorised capital is not used.

#### **Section 315(4) no. 7 HGB**

##### Authorised capital 2011/II

With the approval of the Supervisory Board, the Annual General Meeting held on 6 April 2011 authorised the Management Board to increase the company's share capital to a total of EUR 15,931,200.00 until 5 April 2016 through the issue of up to 15,931,200 new registered, no-par-value shares in exchange for cash or non-cash contributions (authorised capital 2011/II). With the approval of the Supervisory Board, the Annual General Meeting held on 6 April 2011 authorised the Management Board to increase the company's share capital to a total of EUR 15,931,200.00 until 5 April 2016 through the issue of up to 15,931,200 new registered, no-par-value shares in exchange for cash or non-cash contributions (authorised capital 2011/II). Article 5 of NORMA Group SE's Articles of Association adopts the provisions on the Company's Authorised Capital 2011/II from article 5 of NORMA Group AG's Articles of Association prior to the transformation. The only change compared to the Articles of Association of NORMA Group AG is the additional clarification that the Authorised Capital 2011/II only exists in NORMA Group SE to the extent remaining when the transformation went into effect, i.e. not yet used up.

The Management Board is authorised, subject to the Supervisory Board's approval, to disapply the pre-emptive rights of shareholders for one or more capital increases in connection with the authorised capital



for fractional amounts resulting from the shareholders' subscription ratio, for capital increases in exchange for non-cash contributions, in particular to acquire companies, for capital increases in exchange for cash contributions limited to a maximum of 10% of the share capital, provided the issue price is not significantly lower than the stock market price (simplified disapplication of pre-emptive rights in accordance with section 186(3) sentence 4), to fulfil obligations resulting from conversion and option rights or profit participation rights or participating bonds.

#### Contingent capital

Article 6 of NORMA Group SE's Articles of Association adopts the Contingent Capital 2011 from article 6 of NORMA Group AG's Articles of Association prior to the transformation and also clarifies that the Contingent Capital 2011 only exists to the extent remaining when the transformation went into effect, i.e. capital increases under article 6 of NORMA Group AG's Articles of Association have not yet been carried out. The share capital was contingently increased by up to EUR 12,505,000.00 by issuing up to 12,505,000 new registered, no-par-value shares with dividend rights from the beginning of the financial year in which they were issued (contingent capital 2011). With the approval of the Supervisory Board, the Management Board is authorised to issue bonds with warrants or convertible bonds and convertible profit participation rights one or more times until the end of 5 April 2016 and to grant the bondholders or creditors of the bonds conversion or option rights on up to 12,505,000 new shares of NORMA Group SE with a proportionate interest in the share capital of up to EUR 12,505,000.00.

The purpose of the contingent capital increase is to grant shares to the holders or creditors of bonds with warrants or convertible bonds and profit participation rights with warrants or conversion rights which are issued by the Company or any company in which the Company owns a majority interest or which depends on the Company until the end of 5 April 2016 in accordance with the resolution of the Annual General Meeting held on 6 April 2011. The contingent capital increase is only carried out to the extent that holders of the aforementioned bonds with warrants or convertible bonds or profit participation rights with option or conversion rights exercise these options or conversion rights, or conversion obligations arising from such bonds are fulfilled and that the Company's treasury shares or new shares from the authorized capital are used for this purpose.

#### Authorisation to acquire treasury shares

The Annual General Meeting held on 6 April 2011 authorised NORMA Group SE to acquire treasury shares up to a total of 10% of the share capital existing when the resolution was passed over the stock market or by means of a purchase offer extended to all of NORMA Group SE's shareholders in accordance with section 71(1) no. 8 AktG. This authorisation may be exercised as a whole or in partial amounts on one or several occasions until 5 April 2016. The acquisition price (excluding transaction costs) may not deviate by more than 10% from the arithmetic average of the closing price of the shares of NORMA Group SE in XETRA trading or a successor system of the Frankfurt Stock Exchange over the five trading days immediately preceding the acquisition or the assumption of an obligation to acquire shares over the stock market or the publication of a public offer.



The authorisation may be exercised for any purpose permitted by law. The Management Board is authorised to retire all or part of the acquired shares with the approval of the Supervisory Board, whereby the Management Board may require the shares to be retired without a capital decrease, but is under no obligation to do so. Other than selling them on the stock market or offering them to all shareholders while partially or completely disapplying pre-emptive rights, the Management Board is also specifically authorised to use shares acquired on the basis of the aforementioned authorisation for any of the following purposes with the approval of the Supervisory Board: to disapply fractional amounts resulting from the subscription ratio from shareholders' pre-emptive rights, for sale in exchange for non-cash contributions, in particular as part of the acquisition of companies, for sale in exchange for cash contributions, provided the price is not significantly lower than the stock market price (simplified disapplication of pre-emptive rights in accordance with section 186(3) sentence 4 and section 71(1) no. 8 sentence 5 half sentence 2 AktG, limited to a maximum of 10% of the share capital), to fulfil obligations resulting from conversion and option rights or conversion obligations.

The Management Board of NORMA Group SE has yet to make use of this authorisation.

**Section 315(4) no. 8 HGB**

The promissory note loan that NORMA Group SE received in 2013 also includes the typical Change of Control Clause just as NORMA Group's other financing agreements. In the event of a takeover by a third party, the possibility that NORMA Group wouldn't be able to finance itself at similarly favourable terms and conditions cannot be ruled out.

**Section 315(4) no. 9 HGB**

NORMA Group SE has no agreements in place that provide compensation for members of the Management Board or employees in the event of a takeover bid. Please see the remuneration report for further details.