



GESCO AG

Wuppertal

- ISIN DE000A1K0201 -

- Securities Identification Number A1K020 -

**Invitation
to the Annual General Meeting**

Notice is hereby given that the **Annual General Meeting** will be held at the Stadthalle Wuppertal, Johannisberg 40, 42103 Wuppertal, Germany on **Tuesday, 18 August 2015** at **10:00 am** (doors open 09:00 am).

Agenda

POINT 1

Presentation of the adopted annual financial statements and approved consolidated financial statements for financial year 2014/2015 (1 April 2014 to 31 March 2015) as well as the management report of GESCO AG and the Group management report, the report from the Supervisory Board and the report of the Executive Board in accordance with Sections 289 para. 4 and 315 para. 4 of the German Commercial Code (HGB).

At its meeting on 3 June 2015, the Supervisory Board of GESCO AG approved the annual financial statements presented by the Executive Board. The annual financial statements have therefore been approved pursuant to Section 172 AktG, according to which a resolution of the Annual General Meeting regarding this matter is not required. The consolidated financial statements were also approved by the Supervisory Board at the same meeting. In accordance with Section 173 para. 1 sentence 2 AktG, the Annual General Meeting is not required to pass a resolution on this matter either.

The above-mentioned documents are available online at <http://www.gesco.de/en/annual-meeting> from the day the Annual General Meeting is convened. Shareholders may also inspect them at the meeting room during the Annual General Meeting. Upon request, shareholders will be sent a free copy without delay.

POINT 2

Resolution on the appropriation of retained profit for financial year 2014/2015

The Executive Board and Supervisory Board of GESCO AG propose the following appropriation of retained profit for financial year 2014/2015 in the amount of €5,818,328.25:

Distribution of a dividend of € 1.75 per share on the current share capital entitled to dividends (3,325,000 shares less 241 treasury shares)	€5,818,328.25
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POINT 3

Resolution on the approval of the actions of the Executive Board for financial year 2014/2015

The Supervisory Board and Executive Board propose to approve the actions of Executive Board members in financial year 2014/2015.

POINT 4

Resolution on the approval of the actions of the Supervisory Board for financial year 2014/2015

The Executive Board and Supervisory Board propose to approve the actions of Supervisory Board members in financial year 2014/2015.

POINT 5

Appointment of an auditor for the annual and consolidated financial statements 2015/2016

The Supervisory Board proposes to appoint RSM Breidenbach und Partner PartG mbB, Wirtschaftsprüfungsgesellschaft - Steuerberatungsgesellschaft, Wuppertal, as auditors of the annual and consolidated financial statements 2015/2016. It also proposes to appoint the same company as auditors for any potential audit of the abbreviated financial statements and interim management report included in the half-year report 2015/2016.

POINT 6

Election to the Supervisory Board

The conclusion of the Annual General Meeting of GESCO AG on 18 August 2015 marks the end of the terms of service of Supervisory Board members Stefan Heimöller, Klaus Möllerfriedrich and Rolf-Peter Rosenthal. In accordance with Section 96 AktG and Section 8 para. 1 of the Articles of Association, the Supervisory Board consists of three members who are all elected by the Annual General Meeting. The Annual General Meeting is not bound by a list of proposed candidates. In accordance with the German Corporate Governance Code, the election to the Supervisory Board is intended to be carried out as an individual election.

The Supervisory Board proposes

- 6.1 Mr Stefan Heimöller**, Managing Partner of Platestahl Umformtechnik GmbH, Lüdenscheid, and of Helios GmbH, Neuenrade, resident of Neuenrade,
- 6.2 Mr Klaus Möllerfriedrich**, independent German public auditor/tax auditor and member of PARES Strategiepartner in Cologne, resident of Düsseldorf,
- 6.3 Dr Nanna Rapp**, Chief Executive Officer of E.ON Inhouse Consulting GmbH, Essen, resident of Düsseldorf,

as members of the Supervisory Board by the end of the Annual General Meeting, which shall resolve on the approval of their actions for the fourth financial year following the start of their terms. The financial year in which the term of office begins is not included. If elected, Mr Möllerfriedrich intends to stand as a candidate for the position of Chairman of the Supervisory Board.

Mr Heimöller, Mr Möllerfriedrich and Dr Rapp do not have any personal or business relationships with GESCO AG, its parent company or the executive bodies of GESCO AG, which would have to be disclosed under Section 5.4.1 of the German Corporate Governance Code. Mr Heimöller holds 13.6% of the share capital of GESCO AG and is therefore its largest single shareholder. As a matter of precaution, it is noted that Platestahl Umformtechnik GmbH maintains business relationships to a minor extent with Dörrenberg Edelstahl GmbH, a 90 % subsidiary of GESCO AG.

Mr Möllerfriedrich is currently a member of the following Supervisory Boards which must be formed under law:

- TopAgers AG, Langenfeld,
- Dr Ing. Thomas Schmidt AG, Cologne
- HINKEL & CIE. Vermögensverwaltungs AG, Düsseldorf.

Mr Möllerfriedrich is not a member of any other comparable controlling bodies of commercial enterprises in Germany or abroad. **Dr Rapp** is currently a member of the following Supervisory Boards which must be formed under law:

- E.ON Energie AG, Düsseldorf.
- E.ON Kraftwerke GmbH, Düsseldorf
- E.ON Kernkraft GmbH, Hanover

Dr Rapp is also a member of the following comparable controlling bodies of commercial enterprises in Germany and abroad:

- E.ON Generation GmbH, Hanover

Mr Heimöller does not belong to any other Supervisory Board which must be formed under law or any other comparable controlling bodies of commercial enterprises in Germany or abroad.

POINT 7

Resolution on the annulment of the existing authorised capital and the creation of new authorised capital as well as the corresponding change to the Articles of Association

The authorisation granted by the Annual General Meeting on 30 August 2012 to increase the share capital by up to € 864,500.00 expires on 29 August 2015. To ensure that the company continues to have the option to increase share capital flexibly and without requiring a further resolution by the Annual General Meeting, the creation of a new share capital is to be proposed as follows together with the annulment of the existing authorisation. The new authorised capital is identical in volume to the existing authorised capital, which expires on 29 August 2015. In the exploitation of the authorised capital, the shareholders are to be granted subscription rights. However, the Executive Board is to also be entitled to exclude subscription rights of shareholders with the consent of the Supervisory Board.

The Executive Board and the Supervisory Board propose the following resolution:

1) Annulment of the existing authorised capital

The authorisation to increase the company's share capital, resolved as Point 6 on the agenda of the Annual General Meeting of GESCO AG on 30 August 2012 is annulled effective as of the entry of the new authorised capital into the commercial register to be resolved as follows in No. 2).

2) Creation of new authorised capital

The Executive Board is authorised to increase the company's share capital on one or several occasions by a total of € 864,500.00 until 17 August 2018 with the consent of the Supervisory Board by issuing up to 332,500 new no-par value registered shares in exchange for cash or contributions in kind. The new shares can be assumed by a credit institution or a company operating pursuant to Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or para. 7 of the German Banking Act (KWG) (financial institution) or a consortium of such credit or financial institutions on the condition that said institutions then offer them to shareholders for subscription (indirect subscription rights).

Shareholders have a fundamental subscription right. However, the Executive Board is entitled to exclude the statutory subscription right of shareholders with the consent of the Supervisory Board in the following cases:

- a) to avoid fractional amounts;
- b) if the share of share capital attributable to the new shares for which the subscription right is excluded does not exceed 10% of the share capital at the time of the resolution of the Annual General Meeting on this authorisation or, as the case may be, if this amount is lower, at the time of the resolution of the Executive Board on the utilisation of this authorisation and the issue price of the new shares is not considerably lower than the listing price of listed shares at the time of the final determining of the issue price by the Executive Board. If, during the term of this authorisation until the point at which it is utilised, any other authorisations to issue or sell company shares or to issue rights that

enable or oblige the purchase of company shares are exercised and the subscription right is excluded directly or by the application of Section 186 para. 3 sentence 4 AktG, this is to be offset against the aforementioned 10% limit.

With the consent of the Supervisory Board, the Executive Board is entitled to determine further details concerning the performance of capital increases drawing on authorised capital. The Supervisory Board is authorised to amend the Articles of Association in accordance with the respective utilisation of authorised capital and, if the authorised capital is not or not fully utilised by 17 August 2018, following the expiry of the term of the authorisation.

3) Amendment to the Articles of Association

Article 5 (6) of the Articles of Association is amended as follows:

“The Executive Board is authorised to increase the company’s share capital on one or several occasions by a total of € 864,500.00 until 17 August 2018 with the consent of the Supervisory Board by issuing up to 332,500 new no-par value registered shares in exchange for cash or contributions in kind. The new shares can be assumed by a credit institution or a company operating pursuant to Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or para. 7 KWG (financial institution) or a consortium of such credit or financial institutions on the condition that said institutions then offer them to shareholders for subscription (indirect subscription rights).

Shareholders have a fundamental subscription right. However, the Executive Board is entitled to exclude the statutory subscription right of shareholders with the consent of the Supervisory Board in the following cases:

- a) to avoid fractional amounts;
- b) if the share of share capital attributable to the new shares for which the subscription right is excluded does not exceed 10% of the share capital at the time of the resolution of the Annual General Meeting on this authorisation or, as the case may be, if this amount is lower, at the time of the resolution of the Executive Board on the utilisation of this authorisation and the issue price of the new shares is not considerably lower than the listing price of listed shares at the time of the final determining of the issue price by the Executive Board. If, during the term of this authorisation until the point at which it is utilised, any other authorisations to issue or sell company shares or to issue rights that enable or oblige the purchase of company shares are exercised and the subscription right is excluded directly or by the application of Section 186 para. 3 sentence 4 AktG, this is to be offset against the aforementioned 10% limit.

With the consent of the Supervisory Board, the Executive Board is entitled to determine further details concerning the performance of capital increases drawing on authorised capital. The Supervisory Board is authorised to amend the Articles of Association in accordance with the respective utilisation of authorised capital and, if the authorised capital is not or not fully utilised by 17 August 2018, following the expiry of the term of the authorisation.”

Executive Board report pursuant to Section 203 para. 2 sentence 2, Section 186 para. 4 sentence 2 AktG on Point 7 of the agenda.

The Executive Board issues the following report pursuant to Section 203 para. 2 sentence 2 and Section 186 para. 4 sentence 2 AktG on Point 7 of the agenda on the reasons for the Executive Board authorisation to issue shares excluding shareholders' subscription rights with the consent of the Supervisory Board. This report is available at <http://www.gesco.de/en/annual-meeting> from the day the Annual General Meeting is convened. It is also available for inspection by shareholders in the meeting room during the Annual General Meeting itself. Copies can be sent to any shareholder upon request immediately and free of charge.

The report has the following content:

The Executive Board and Supervisory Board propose to the Annual General Meeting as Point 7 on the agenda the creation of new authorised capital. The previous authorised capital was resolved by the Annual General Meeting on 30 August 2012 for the duration of three years and therefore expires on 29 August 2015. Under Point 7 of the agenda, a proposal is made to the Annual General Meeting to create a new authorised capital of up to a total of EUR 864,500.00 (equating to 10% of the current share capital of the company) by issuing up to 332,500 new no-par value registered shares in exchange for cash or contributions in kind (authorised capital). The proposed authorised capital will put the Executive Board of GESCO AG in the position, within a suitable framework, to adjust the company's equity to commercial requirements at all times and act quickly and flexibly in the interests of its shareholders. To do so, the company must have continual access to the necessary capital procurement instruments – irrespective of specific utilisation plans. Given that decisions on covering capital requirements are usually made on a short-term basis, it is important that the company has the necessary flexibility and is not reliant on the annual rhythm of the Annual General Meeting. Legislators have taken these demands into account with the instrument of authorised capital.

Shareholders are to be fundamentally granted subscription rights upon the utilisation of the authorised capital. Pursuant to Section 186 para. 5 AktG, shares within the scope of these statutory subscription rights can also be granted to shareholders indirectly. However, the Executive Board is also entitled, with the consent of the Supervisory Board, to exclude subscription rights in certain specific cases listed in the proposed resolution.

- a) The Executive Board is to be authorised to exclude subscriptions rights for fractional amounts in order to present a practical subscription ratio in terms of the amount of the respective capital increase. This eases the technical execution of the capital increase, in particular in the case of a capital increase of a rounded amount. The new shares, for which subscription rights are excluded, are known as fractional shares and are either sold via the stock exchange or otherwise liquidated to the best possible result for the company. Any possible diluting effect is small because any exclusion of subscription rights only applies to fractional amounts.
- b) The Executive Board is to be entitled to exclude subscription rights if the issue price of the new shares does not significantly exceed the listing price. This allows administration to issue new shares promptly and at a price close to the listing price, in other words generally with a lower discount than share issues with subscription rights.

This can lead to higher issue proceeds, which serves the interests of the company. The restriction on the volume of the capital increase as well as the fact that the issue price is close to the listing price takes into account the shareholders' interest in protection from a dilution of their shareholding. In accordance with Section 186 para. 3 sentence 4 AktG, the proposed authorisation only gives the Executive Board the opportunity to exclude subscription rights if the issued shares do not exceed 10% of share capital either at the time of the resolution on this authorisation or at the time of its utilisation. Any disposal of treasury shares and any issues of shares from another (future) authorised capital are to be offset against this 10% threshold, provided they are disposed of or sold under the exclusion of subscription rights pursuant to Section 186 para. 3 sentence 4 AktG during the term of this authorisation. Furthermore, shares which issued or are to be issued to service profit sharing rights and/or convertible bonds or warrant bonds or bonds with an obligation of conversion are to also be offset, provided the profit sharing rights and/or bonds are issued during the term of this authorisation under the exclusion of subscription rights in accordance with Section 186 para. 3 sentence 4 AktG. This ensures that, in accordance with the legal purpose of Section 186 para. 3 sentence 4 AktG, the utilisation of the authorised capital under the exclusion of subscription rights does not significantly affect the interests of the shareholders in terms of their assets and voting rights. Due to the fact that the issue price is roughly similar to the listing price and that the volume of the capital increase under the exclusion of subscription rights is limited, it is fundamentally possible and reasonable for the shareholders to maintain their investment ratios by purchasing additional shares on the stock market at roughly the same conditions as their original shares.

There are currently no plans concerning the utilisation of authorised capital. The Executive Board will carefully review its decision whether to utilise the authorisation to increase the capital under the exclusion of subscription rights in particular cases and only do so if it and the Supervisory Board believe that the utilisation of this measure is in the interests of the company and its shareholders. The Executive Board will report on any interim utilisation of the authorisation at the next Annual General Meeting. The Supervisory Board must consent to any cases of exclusion of subscription rights listed here.

POINT 8

Resolution on the authorisation to acquire treasury shares pursuant to section 71 para. 1 no. 8 AktG

Section 71 para. 1 no. 8 AktG gives the company the opportunity to acquire treasury shares in an amount that may not exceed 10% of the company's share capital. The Annual General Meeting on 2 September 2010 authorised the company to acquire up to ten out of every hundred shares of the share capital until 1 September 2015 under consideration of own shares already held. In order to enable the company to acquire treasury shares beyond this period of time, a resolution is to be proposed on the annulment of the existing authorisation and the creation of a new authorisation to acquire treasury shares.

The Executive Board and the Supervisory Board propose the following resolution:

1) Annulment of the existing authorisation

The authorisation to acquire treasury shares resolved as Point 8 of the agenda at the Annual General Meeting of GESCO AG on 2 September 2010 is annulled effective as at the end of the Annual General Meeting on 18 August 2015 and replaced by the following authorisation to acquire treasury shares; this does not affect the utilisation authorisations that exist for already acquired shares.

2) Creation of a new authorisation

- a) The company is authorised pursuant to Section 71 para. 1 no. 8 AktG until 17 August 2020 to acquire treasury shares accounting for up to 10 % of the share capital of the company at the time of the resolution by the Annual General Meeting – under consideration of own shares already held – or, if the figure is lower, at the time of the utilisation of this authorisation. The authorisation may be exercised for any purpose permitted under law; trade in treasury shares is not permitted. The acquisition of treasury shares takes place at the discretion of the Executive Board via the stock exchange or by means of a public purchase offer directed at all shareholders.
- b) The equivalent value for the acquisition per share (excluding auxiliary costs) in the case of acquisition through the stock market may not vary by more than +/- 10% of the rate of the company shares calculated on the trading day through the opening auction with the same terms in the Xetra trading system (or a comparable subsequent system) on the Frankfurt Stock Exchange.
- c) In the case of acquisition through a public purchase offer, the company can either publish a formal offer or request that offers be submitted. In both cases, the company sets a purchase price or a purchase price range per share; in the case of the latter, the final price is calculated on the basis of existing acceptance declarations or sales offers. The offer or the call for offers can stipulate an acceptance or offer period, terms and conditions as well as the possibility to adjust any purchase price range during the acceptance or offer period if there are any significant price movements during this period. The purchase price per share in the company (excluding auxiliary costs) may not vary from the listing price by more than +/- 10 %. In the case of the publication of a formal offer by the company, the reference listing price is considered to be the average closing price of shares in the company with the same terms in the Xetra trading system (or a comparable subsequent system) on the Frankfurt Stock Exchange on the five days preceding the day on which the Executive Board makes a final decision on the official offer or, in the case of an adjustment to the offer, preceding the day of the final decision of the Executive Board on the offer adjustment. In the case of the publication of a call for offers, the day of the acceptance of the offer by the company takes the place of the day on which the Executive Board makes a decision on the offer or the offer adjustment.

- d) If the volume of the tendered shares exceeds the intended buyback volume, the acquisition must take place according to the ratio of tendered and offered shares. Preferential acquisition of low volumes of up to 100 units of offered or tendered shares per shareholder as well as rounding according to commercial principles can be stipulated.
- e) The Executive Board is authorised to dispose of the acquired treasury shares, with the consent of the Supervisory Board, via the stock exchange or by means of a public offer directed at all shareholders. Shareholders are not granted any subscription rights in the case of shares disposed of via the stock exchange. For disposals through public offers, the Executive Board is authorised to exclude subscription rights for fractional amounts.

The Executive Board is also entitled to dispose of the acquired treasury shares in another fashion with the consent of the Supervisory Board, if the shares in the company are disposed of in return for cash or contributions in kind at a price (excluding auxiliary disposal costs) that does not fall significantly short of the listing price of the shares in the company at the time of the disposal. This authorisation is limited to a total of 10% of the share capital existing at the time of the Annual General Meeting resolution and, if this is lower, at the time of the utilisation of the authorisation to dispose of the company's existing share capital. If, during the term of this authorisation until the point at which it is utilised, any other authorisations to issue or sell company shares or to issue rights that enable or oblige the purchase of company shares are exercised and the subscription right is excluded directly or by the application of Section 186 para. 3 sentence 4 AktG, this is to be offset against the aforementioned 10% limit.

The Executive Board is also authorised with the consent of the Supervisory Board to dispose of the acquired treasury shares to third parties under the exclusion of subscription rights for existing shareholders, provided this serves the purpose of acquiring companies, parts of companies and/or investments in companies or of servicing convertible bonds or warrant bonds.

In the case of an offer to all shareholders, the Executive Board is also authorised to grant, with the consent of the Supervisory Board, all holders of convertible bonds and/or warrant bonds issued by the company or a Group company subscription rights to the shares to the extent they would be entitled to following the exercising of their warrants or conversion rights or following the fulfilment of their conversion obligation.

The Executive Board is also authorised to issue acquired treasury shares to shareholders within the scope of the company's stock option programme under the exclusion of subscription rights with the consent of the Supervisory Board.

The stock option programme is available to members of the company's Executive Board as well as other management personnel selected by the Executive Board with the consent of the Supervisory Board. The stock options are issued in yearly tranches at an exercise price corresponding with the

average Xetra closing price of the GESCO share on the ten consecutive stock exchange trading days after the Annual General Meeting in the year the options are issued. The options are issued within one month after the Annual General Meeting. The stock option programme is designed so that participants have to contribute GESCO shares acquired with their own private funds, which may not be resold for the duration of the waiting period. Ten options can be purchased for each share. The waiting period during which the options cannot be exercised is four years and two months; after the end of the waiting period, the options may be exercised at any time up to 15 March of the year after next. If and how many options can be exercised depends on the achievement of an absolute and relative performance target. The absolute performance target is met when the price of the GESCO share has developed positively at the time the option is exercised. The relative performance target is met when the price of the GESCO share has outperformed the SDAX at the time the option is exercised. If both targets are met, the participants are able to exercise all their options. If the absolute but not the relative target is reached, the participants can exercise only 75% of their options while the remaining 25% expire completely without recourse. One option entitles the holder to acquire one GESCO share. If neither targets are met at the time of exercise, all options of the corresponding tranche expire completely without recourse. In the programme that existed until 2012, any gains resulting from the programme could be settled by shares based on the allocation of GESCO share options or by the calculated gain in cash

Since the year 2013, the programme has been continued as a virtual stock option programme. Now, it is possible to have gains paid out either half in cash and half in GESCO shares, or the full amount paid out in cash. However, in the event that the full amount is paid out in cash, participants are required to purchase GESCO shares valued at least half of the amount paid.

- f) The Executive Board is authorised to retract some or all of the acquired treasury shares with the consent of the Supervisory Board without any further Annual General Meeting resolution.

The aforementioned authorisations can be exercised on one or several occasions and either in part or in full, either separately or altogether by the company, by an affiliated company, by a third party on behalf of the company or by companies affiliated to third parties.

Executive Board report pursuant to Section 71 para. 1 no. 8 sentence 5 and Section 186 para. 4 sentence 2 AktG on Point 8 of the agenda

The Executive Board issues the following report pursuant to Sections 71 para. 1 no. 8 sentence 5 and 186 para. 4 sentence 2 AktG on Point 8 of the Agenda concerning the reasons for the proposed Executive Board authorisation to exclude subscriptions rights when disposing of the company's treasury shares. This report is available at <http://www.gesco.de/en/annual-meeting> from the day the Annual General Meeting is convened. It is also available for inspection by shareholders in the meeting room during the

Annual General Meeting itself. Copies can be sent to any shareholder upon request immediately and free of charge.

The report has the following content:

The Executive Board and Supervisory Board propose to the Annual General Meeting to grant the company the authorisation to acquire treasury shares so that it can use the benefits of such acquisitions in the interests of the company and its shareholders.

The proposed authorisation will give the company the opportunity to acquire treasury shares in a volume of up to 10% of the current share capital by 17 August 2020. This corresponds to the maximum volume permitted under law. Acquisition of such shares may only take place through the stock exchange or on the basis of a public purchase offer directed at all shareholders. This ensures compliance with the duties of equal treatment for all shareholders pursuant to Section 71 para. 1 no. 8 sentences 3 and 4 AktG.

The authorisation stipulates that, when disposing of treasury shares by means of a public offer, which requires the consent of the Supervisory Board, subscription rights can be excluded for fractional amounts. This is aimed at allowing a practical subscription ratio, which eases the technical execution of the offer process.

The proposed authorisation also provides for the sale of treasury shares to third parties with the consent of the Supervisory Board in a different manner than via the stock exchange or a public offer directed at all shareholders, provided that the disposal of treasury shares takes place in return for cash or contributions in kind and at a price that does not fall significantly short of the reference listing price. This is aimed at giving the company the opportunity to sell shares to institutional investors, financial investors or other cooperation partners and, in doing so and by setting the purchase price close to market rates, generating high disposal gains and strengthening own funds to the maximum extent. This type of disposal takes place under the exclusion of subscription rights for existing shareholders, however this exclusion is permitted under law as it corresponds to a simplified exclusion of subscription rights according to Section 186 para. 3 sentence 4 AktG. This authorisation can only be exercised for up to 10 % of the share capital, including any existing authorisations on the exclusion of subscription rights at the company, pursuant to or in the same vein as Section 186 para. 3 sentence 4 AktG. This ensures that, in accordance with the legal purpose of Section 186 para. 3 sentence 4 AktG, the disposal of shares under the exclusion of subscription rights does not significantly affect the interests of the shareholders in terms of their assets and voting rights.

Furthermore, the acquired treasury shares can also be sold to third parties under the exclusion of subscription rights for existing shareholders, provided this serves the purpose of acquiring companies, parts of companies and/or investments in companies or of servicing convertible bonds or warrant bonds. Such cases are aimed at enabling the Executive Board to offer shares in the company in return for the acquisition of other companies or investments in companies and/or granting holders of warrant or conversion rights shares in order to fulfil obligations without having to perform a capital increase. Such utilisation of treasury shares requires the consent of the Supervisory Board. The proposed authorisation gives the company the necessary flexibility to deploy treasury shares as a means of acquisition and therefore respond quickly and flexibly to offers to acquire companies or investments in other

companies that are beneficial to the company. The proposed authorisation to exclude shareholders' subscription rights takes this into account. The extent to which the proposed authorisation opens up the possibility of excluding subscription rights to fulfil warrants and conversion rights from warrant bonds and/or convertible bonds issued by the company or Group companies serves the purpose of enabling administration to fulfil these rights using existing treasury shares rather than drawing on any other contingent capital; at the current time, neither the company nor any other GESCO Group company has issued warrant bonds or convertible bonds.

The company is to be authorised to partly exclude shareholders' subscription rights in the case of the disposal of treasury shares by means of an offer directed at all shareholders in favour of the holders of any future warrant bonds and/or convertible bonds that are to be issued in the future, in order to grant these subscription rights on the disposed shares to the extent that would be attributable to the holders of these bonds following the exercising of their warrants or conversion rights or rather following the fulfilment of their conversion obligation. This prevents a potential reduction of the warrant or conversion price and, as a result, strengthens the company's financial situation. Such utilisation of treasury shares also requires the consent of the Supervisory Board. At the moment, neither the company nor any other GESCO Group company has issued warrant bonds or convertible bonds.

Aside from the aforementioned possibilities, the company is to also be put in the position to utilise the acquired treasury shares with the consent of the Supervisory Board under the exclusion of subscription rights for the purposes of stock option plans for Executive Board members and selected management personnel. In view of the competition for qualified management personnel, it is extremely important and necessary that the company binds its Executive Board members and selected management personnel to the company.

The retraction of acquired treasury shares without any further Annual General Meeting resolution, and the associated reduction of share capital, allows the company to swiftly and flexibly adjust its equity to the requirements of the capital market.

The Executive Board will report at the next Annual General Meeting on each occasion on which the proposed authorisation to acquire and utilise treasury shares is utilised.

POINT 9

Resolution on the authorisation to conclude a profit and loss transfer agreement between GESCO AG and Modell Technik GmbH

GESCO AG intends to conclude a profit and loss transfer agreement as the controlling company with Modell Technik GmbH & Co. Formenbau KG headquartered in Sömmerda and registered in the commercial register of the district court of Jena under the number HRA 101135 as the controlled company. Prior to the conclusion of the profit and loss transfer agreement with GESCO AG, Modell Technik GmbH & Co. Formenbau KG is to be converted into a public limited company (GmbH – Gesellschaft mit beschränkter Haftung), Modell Technik Formenbau GmbH, while upholding the economic and legal identity of the legal entity in accordance with the requirements of the German Transformation Act (UmwG) (referred to here as "change in form"). The final draft version of the profit and loss transfer agreement was created on 2 July 2015. The Supervisory Board of GESCO AG has already

approved the conclusion of the agreement on the basis of this draft. In order to become effective, the profit and loss transfer agreement requires the consent of the Annual General Meeting of GESCO AG as well as the consent of the shareholders' meeting of Modell Technik Formenbau GmbH, which is due to take place after the aforementioned change in form becomes effective and the agreement is concluded.

The Executive Board and the Supervisory Board propose the following:

The profit and loss transfer agreement between GESCO AG and, resulting from the change in form from Modell Technik GmbH & Co. Formenbau KG, registered in the commercial register of the district court of Jena under the number HRA 101135, Modell Technik Formenbau GmbH, is approved in its final form dated 2 July 2015.

The draft profit and loss transfer agreement is as follows:

PROFIT AND LOSS TRANSFER AGREEMENT

between

1. GESCO Aktiengesellschaft headquartered in Wuppertal, Johannisberg 7, 42103 Wuppertal registered with the district court of Wuppertal under the number HRB 7847 (referred to here as "**GESCO AG**")

and

2. Modell Technik Formenbau GmbH headquartered in Sömmerda, Franz-Mehring-Straße 11, 99610 Sömmerda registered with the district court of Jena under the number HRB [___] (referred to here as "**Modell Technik Formenbau GmbH**")

Section 1 Transfer of profit

1. Modell Technik Formenbau GmbH undertakes to transfer its entire profit determined according to commercial principles to GESCO AG. Subject to the formation or release of reserves in accordance with the following Sections 2 and 3, the maximum permitted amount pursuant to Section 301 German Stock Corporation Act ("**AktG**") in the latest valid version is to be transferred.
2. Modell Technik Formenbau GmbH can, with the consent of GESCO AG, transfer amounts from its net profit for the year to other revenue reserves to a justifiable extent permitted under commercial law and according to prudent commercial judgement (Section 272 para. 3 German Commercial Code "**HGB**").
3. Revenue reserves formed during the term of this agreement pursuant to Section 272 para. 3 HGB are to be released at the discretion of GESCO AG and to be used to compensate for a net loss for the year or transferred as profit. Other reserves or profits carried forward from a period prior to the application of this agreement may not be transferred as profit to GESCO AG, nor may they be used to compensate for a net loss for the year.

4. The obligation of profit transfer applies for the first time to the entire profit and loss in the financial year in which this agreement comes into force.

Section 2 Transfer of losses

1. The provisions of Section 302 AktG in the latest valid version apply accordingly.
2. Section 1 para. 4 of this agreement applies accordingly to the loss transfer obligation.

Section 3 Enforcement, term and termination

1. This agreement is subject to the approval of the shareholders' meeting of Modell Technik Formenbau GmbH as well as the approval of the GESCO AG Annual General Meeting. The agreement comes into force upon entry into the commercial register of the registered office of Modell Technik Formenbau GmbH.
2. The agreement is concluded in perpetuity. The earliest point at which the agreement may be terminated is as at the end of the fifth financial year of Modell Technik Formenbau GmbH after the financial year in which this agreement comes into force. It is automatically extended by one year in perpetuity unless terminated by either of the contractual parties with three months' notice.
3. Without affecting para. 2 above, the agreement can also be terminated without notice on justified grounds. Justified grounds exist in the case of an important tax-related reason for terminating the agreement.
4. The agreement must be terminated in writing.

Section 4 Conclusion

Should a provision of this agreement be or become invalid or unenforceable, or should this agreement breach any statutory provisions, this will not affect the validity or enforceability of the remaining provisions in this agreement. In place of the invalid or unenforceable provisions or to close a loophole, a legally permitted provision is considered agreed that approximates as closely as possible the original intentions of the parties or what they would have intended in the sense of this agreement if they had been aware of the invalid or unenforceable provision or loophole when preparing the agreement. Furthermore, the requirements of Sections 14 – 19 of the Corporation Tax Act (tax consolidation group) in their respective valid version are to be observed in the preparation of this contract.

GESCO AG

Wuppertal,

Modell Technik Formenbau GmbH

Sömmerda,

The following documents are available at <http://www.gesco.de/en/annual-meeting> from the day the Annual General Meeting is convened and are also available for inspection at the meeting room during the Annual General Meeting.

- Final draft of the profit and loss transfer agreement between GESCO AG, the controlling company, and Modell Technik Formenbau GmbH, as the dependent company, dated 2 July 2015;
- Financial statements and management reports of GESCO AG for the last three financial years;
- Financial statements of Modell Technik GmbH & Co. Formenbau KG for the last three financial years;
- Report of the Executive Board of GESCO AG according to Section 293a AktG.

Upon request, shareholders will be sent a free copy without delay.

Conditions for participating in the Annual General Meeting and other disclosures in accordance with Section 121 para. 3 sentence 3 AktG

Conditions for participation in the Annual General Meeting and exercising of voting rights

In accordance with Section 14 para. 1 of the Articles of Association in conjunction with Section 123 para. 2 sentences 1 and 2 AktG, only shareholders who have registered on time and whose names are entered in the share register are entitled to participate in the Annual General Meeting and exercise their voting rights. The registration must reach the company by 24:00 CEST on 11 August 2015 at the following address:

GESCO AG
Aktionärsservice
Postfach 14 60
61365 Friedrichsdorf
Fax: +49 (0)69 2222 34291
Email: gesco.hv@rsgmbh.com

or by registering through our secure online Annual General Meeting service (<https://netvote.gesco.de>) in accordance with procedure. The registration must be made in writing either in German or in English.

Registration forms for shareholders will be sent to the shareholder postal addresses entered in the company's share register by 00:00 CEST on 4 August 2015 together with the agenda of the Annual General Meeting. Shareholders require authorisation to access the online Annual General Meeting service prior to using it. Information required for access to our online Annual General Meeting service (shareholder number and personal access number)

will be sent to our shareholders together with the invitation to the Annual General Meeting. The online Annual General Meeting service can only be used if the respective shareholder is registered in the share register by 00:00 CEST on 4 August 2015 at the latest. The aforementioned possibility of registration is also available in the case of subsequent entry in the share register; in this case, please indicate your name, address and date of birth when registering.

In accordance with Section 67 para. 2 sentence 1 AktG, only shareholders who are registered as such in the company's share register shall be considered as company shareholders. Therefore, only the valid entries in the share register on the day of the Annual General Meeting are applicable in terms of the right to participate in the Annual General Meeting and the number of votes a shareholder is entitled to. For technical reasons, no amendments shall be made to the share register from 12 August 2015 up to and including 18 August 2015. Therefore, the share register entries valid on the day of the Annual General Meeting correspond with the entries valid after the final amendment on 11 August 2015. Registering for the Annual General Meeting does not prohibit trade in company shares. Shareholders therefore have full rights of disposal over their shares, even after successful registration for the Annual General Meeting.

Banks, shareholder associations and any coordinate person or entity in accordance with Section 135 paras. 8 and 10 in conjunction with Section 125 para. 5 AktG may only exercise a right to vote for shares of which they are not the legal owner, but for which they are listed as the owner in the company's share register, on the basis of an authorisation from the legal owner.

Procedure for voting by postal vote

This year, we are again offering shareholders who do not wish to participate in the Annual General Meeting the opportunity to vote by postal vote prior to the Annual General Meeting. Our shareholders will receive a corresponding form together with the invitation to the Annual General Meeting. The postal vote form can also be sent to shareholders at any time on request. It is also available online at <http://www.gesco.de/en/annual-meeting>. Registration for the Annual General Meeting within the given time frame (see "Conditions for participation in the Annual General Meeting and exercising of voting rights" above) also applies in the case of postal voting. Votes submitted by post must have been registered via our online Annual General Meeting Service (<https://netvote.gesco.de>) or have been received in writing at the following address by 24:00 CEST on 11 August 2015:

GESCO AG
Aktionärsservice
Postfach 14 60
61365 Friedrichsdorf

Fax: +49 (0)69 2222 34291
Email: gesco.hv@rsgmbh.com

Shareholders may still make changes regarding the exercising of their right to vote by postal vote in accordance with the aforementioned procedures by 24:00 CEST on 16 August 2015.

By participating in the Annual General Meeting either in person or by appointing a third party to participate on their behalf, shareholders automatically revoke any postal votes previously submitted. Should a separate vote be called on a point on the agenda, then the vote cast for this point on the agenda as a whole shall also apply for all points of the separate vote.

Procedure for voting by authorised representative or proxy

Shareholders who do not wish to participate in the Annual General Meeting in person may choose an authorised representative, e.g. a bank, shareholders' association or representative named by the company, to exercise the voting right on their behalf. In such cases, the registration must likewise still reach the company within the specified period (see "Conditions for participating in the Annual General Meeting and exercising of voting rights" above). Our shareholders will receive a corresponding authorisation form together with the invitation to the Annual General Meeting. The authorisation form can also be sent to shareholders at any time on request. It is also available online at <http://www.gesco.de/en/annual-meeting>. Please note that in the case of several representatives being appointed, the company reserves the right to reject one or more of them.

If the representative is neither a bank nor shareholders' association nor coordinate person or entity in accordance with Sections 135 paras. 8 and 10 in conjunction with Section 125 para. 5 AktG, the authorisation must be issued or revoked in writing and written proof must be provided to the company. Both authorisation and revocation may be presented to the company at the following address:

GESCO AG
Aktionärsservice
Postfach 14 60
61365 Friedrichsdorf

Fax: +49 (0)69 2222 34291
Email: gesco.hv@rsgmbh.com

Alternatively, they may be presented to the representative. If the representative is granted authorisation, proof of such must be sent to the company to the address above. Alternatively, it may also be presented upon arrival at the entrance on the day of the Annual General Meeting.

In the case of the authorised representative being a bank, shareholders' association or coordinate person or entity in accordance with Sections 135 paras. 8 and 10 in conjunction with Section 125 para. 5 AktG, we would kindly ask shareholders to enquire about the necessary type of authorisation from the person or entity in good time, as a special type of authorisation may be required. No separate proof of authorisation needs to be provided to the company in such case.

By participating in the Annual General Meeting in person, shareholders automatically revoke any authorisation previously issued to a third party.

We offer our shareholders the opportunity to appoint representatives named by the company, who are bound by instructions, prior to the Annual General Meeting. If shareholders appoint representatives named by the company, they must provide them with instructions on

exercising their voting rights. Without such instructions, the authorisation is invalid. Representatives must vote according to those instructions. Representatives of voting rights will not accept any authorisations for exercising other administrative rights such as the right to speak, ask questions or raise objections. We ask that you use the authorisation form enclosed with the invitation to the Annual General Meeting to appoint representatives named by the company and to provide instructions.

Authorisations for representatives named by the company, including instructions, can be issued in writing until 24:00 CEST on 16 August 2015 to the following address:

GESCO AG

Aktionärsservice

Postfach 14 60

61365 Friedrichsdorf

Fax: +49 (0)69 2222 34291

E-Mail: gesco.hv@rsgmbh.com

Alternatively, they can be issued through our electronic Annual General Meeting service (<https://netvote.gesco.de>) until 24:00 CEST on 16 August 2015; this also requires registration by 24:00 CEST on 11 August 2015.

Shareholders may still make changes regarding the appointment of representatives and voting instructions in accordance with the aforementioned procedures by 24:00 CEST on 16 August 2015. By participating in the Annual General Meeting either in person or by appointing a third party to participate on their behalf, shareholders automatically revoke any previously issued proxy authorisation. If both authorisation has been issued to a representative named by the company and a postal vote has been submitted (see "Procedure for voting by postal vote" above), the postal votes shall always override the proxy vote; in such cases, the representatives of the company are unable to exercise the authority granted to them and do not represent the shares in question.

Our shareholders shall receive more information concerning the granting of authorisations and voting instructions with their invitation to the Annual General Meeting. This information is also available online at <http://www.gesco.de/en/annual-meeting>.

Motion to add points to the agenda in accordance with Section 122 para. 2 AktG

In accordance with Section 122 para. 2 AktG, shareholders whose combined investments account for at least one twentieth of share capital (equalling a pro-rata amount of € 432,250.00 or 166,250 company shares) may motion for points on the agenda to be added and announced. Each new motion has to include a reason or proposal.

Any such motion to add points to the agenda must be addressed to the Executive Board and reach the company in writing (Section 126 of the German Civil Code (BGB)), including all legally required statements and documentary evidence, no later than 30 days prior to the Annual General Meeting, in other words by 24:00 CEST on 18 July 2015 at the latest at the following address:

GESCO AG
- Vorstand -
Johannisberg 7
42103 Wuppertal

Countermotions and proposals for election in accordance with Sections 126 para. 1 and 127 AktG

In accordance with Sections 126 para. 1 and 127 AktG, countermotions and proposals for election by shareholders on a certain point or certain points on the agenda must be directed at the latest to the following address by 24:00 CEST on 3 August 2015:

GESCO AG
Investor Relations
Johannisberg 7
42103 Wuppertal

Fax: +49 (0)202 2482049

Email: info@gesco.de

In accordance with Sections 126 and 127 AktG, any publishable countermotions, proposals for election and potential statements by management will be made available online to shareholders without delay at <http://www.gesco.de/en/annual-meeting>.

Shareholders' right to information in accordance with Section 131 para. 1 AktG

In accordance with Section 131 para. 1 AktG, every shareholder is entitled to request information from the Executive Board on company issues, the company's legal and business relationships with affiliated companies as well as the Group's position and that of companies included in the consolidated financial statements at the Annual General Meeting, if such information is necessary to make an informed decision on one or several of the points on the agenda. We would like to point out that the Executive Board may refuse to provide such information under the conditions stated in Section 131 para. 3 AktG.

Total number of shares and voting rights

At the time the invitation to the Annual General Meeting was issued, the company's share capital amounted to € 8,645,000 and was divided into 3,325,000 unit shares. Each share carries one voting right. At the time the invitation to the Annual General Meeting was issued, voting rights therefore amounted to 3,325,000 in accordance with the Articles of Association. At the time the invitation to the Annual General Meeting was issued, the company held 241 treasury shares. In accordance with Section 71b AktG, treasury shares do not carry any rights.

Documents and information in accordance with Section 124a AktG

This invitation as well as all other documents and information on the Annual General Meeting, including more detailed explanations on the aforementioned shareholder rights in accordance with Sections 122 para. 2, 126 para. 1, 127 and 131 para. AktG and the information to be made available in accordance with Section 124a AktG, are available online at <http://www.gesco.de/en/annual-meeting>.

Wuppertal, July 2015

GESCO AG

The Executive Board