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## **Articles of Association**

of

**Baader Bank Aktiengesellschaft**

As at: 26 June 2017



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**Section 1 –  
General provisions**

**§ 1**

**Company name, registered office and financial year**

- (1) The name of the Company is “Baader Bank Aktiengesellschaft”.
- (2) The Company has its registered office in Unterschleißheim, Germany.
- (3) The financial year is the calendar year.

**§ 2**

**Object of the Company**

- (1) The object of the Company is to provide banking and financial services in accordance with:
  - § 1(1)(2)(1) German Banking Act [KWG] (deposit business)
  - § 1(1)(2)(2) KWG (lending business)
  - § 1(1)(2)(4) KWG (financial brokerage business)
  - § 1(1)(2)(5) KWG (custody business)
  - § 1(1)(2)(8) KWG (guarantee business)
  - § 1(1)(2)(9) KWG (giro business)
  - § 1(1)(2)(10) KWG (issuing business)
  - § 1(1a)(2)(1) KWG (investment brokerage)
  - § 1(1a)(2)(1a) KWG (investment advice)
  - § 1(1a)(2)(1c) KWG (stock placement)
  - § 1(1a)(2)(2) KWG (contract brokerage)
  - § 1(1a)(2)(3) KWG (financial portfolio management)
  - § 1(1a)(2)(4) KWG (own-account trading)
  - § 1(1a)(3) (proprietary trading).
- (2) The object of the Company also includes the provision of other services.
- (3) The Company may realise its corporate objective itself or through subsidiaries and affiliates.
- (4) The Company is authorised to perform all measures and transactions that are appropriate for furthering the object of the Company. This includes establishing branch offices and other companies, as well as acquiring interests in such companies in Germany or in other countries.

**§ 3**

**Announcement and transmission**

- (1) Company announcements shall be published in the German Federal Gazette.
- (2) Information for shareholders of the Company and other parties holding securities that were issued by the Company and are admitted to trading on an organised market within the meaning of § 2(5) German Securities Trading Act (WpHG) may also be distributed by means of data transmission.
- (3) The transmission of communications pursuant to §§ 125, 128 of the German Stock Corporation Act (AktG) shall be limited to electronic communications. The Management Board is entitled, but not obligated, to provide communications in accordance with §§ 125, 128 AktG in paper form.

**Section 2 –  
Share capital and shares**

**§ 4  
Share capital and shares**

- (1) The Company has share capital of EUR 45,908,682.00. It is divided into 45,908,682 no-par value bearer shares.
- (2) The form and content of share certificates and dividend and renewal coupons are determined by the Management Board with the approval of the Supervisory Board.
- (3) The Company has the right to certify the share capital in one or more global certificates. Shareholders have no right to certification of their shares.
- (4) When new shares are issued, a starting date for dividend rights can be set that differs from the provisions in § 60(2) AktG.

**§ 5  
Authorised capital**

The Management Board is authorised, subject to Supervisory Board approval, to increase the share capital of the Company by up to a total of EUR 22,954,341.00 (**Authorised Capital 2016**) on or before 21 June 2021 by means of one or more issues of shares against cash contributions and/or contributions in kind. When using the Authorised Capital 2016, subscription rights must in principle be granted to the shareholders. The Management Board is authorised, subject to Supervisory Board approval, to exclude the statutory subscription right of shareholders:

- a) to remove fractional amounts from the subscription right;
- b) if the new shares are issued against cash contributions at an issue price which does not fall significantly below the stock market price of the already listed shares at the time the issue price is definitively set within the meaning of § 186 (3)(4) AktG, and provided that the total issued shares since authorisation pursuant to § 186 (3)(4) AktG at the time the authorisation takes effect or, if the value is lower, at the time the authorisation is exercised, do not exceed 10% of the share capital. This 10% limit is to be applied to those shares which were issued or sold during the period in which the authorisation was in effect until the time the respective authorisation is exercised in accordance with or corresponding to § 186 (3)(4) AktG, with the exclusion of shareholders' subscription rights. This also applies to shares which have been issued by the Company on the basis of convertible/warrant-linked bonds issued during the period in which the authorisation was exercised, provided that the convertible/warrant-linked bonds were issued by the Company or its subsidiaries in accordance with or corresponding to § 186 (3)(4) AktG after the point at which the authorisation took effect, with the exclusion of shareholders' subscription rights;
- c) to issue the shares against contributions in kind to acquire businesses, interests in businesses, business units or assets, including by means of an exchange of shares or company mergers.

The Management Board is authorised, subject to Supervisory Board approval, to determine further details for the execution of the capital increase from the Authorised Capital 2016.

**§ 6  
Contingent capital**

- (1) The share capital shall be contingently increased by a nominal amount of up to EUR 1,600,000.00 (**Contingent Capital 2007**). The contingent capital increase shall only be performed by issuing up to 1,600,000 new no-par value bearer ordinary shares with dividend rights starting as of the beginning of the financial year in which they were issued, and shall only be performed to the extent that the holders of options that were issued under the Baader Bank Aktiengesellschaft (formerly Baader Wertpapierhan-

delsbank AG) share option plan 2006 in accordance with the authorisation granted on 19 July 2006 exercise their options.

- (2) The share capital of the Company has been contingently increased by up to EUR 20,754,341.00 by the issue of up to 20,754,341 new no-par value bearer ordinary shares (**Contingent Capital 2012**). The contingent capital shall be used to grant rights to the holders or creditors of convertible bonds and/or warrants from bonds issued on or before 28 June 2017 under the resolution of the general meeting of 29 June 2012 by Baader Bank AG or a company in which Baader Bank AG directly or indirectly holds a majority interest. The contingent capital may also be used to issue shares to holders of convertible bonds with conversion obligations in accordance with the convertible bond terms. The new shares shall be issued based on the conversion price or exercise price that is to be set in accordance with the authorisation resolution dated 29 June 2012.

The contingent capital increase shall only be performed to the extent that the holders of convertible bonds and/or warrant-linked bonds issued by the Company on or before 28 June 2017 under the authorisation resolution of 29 June 2012 exercise their conversion or option rights, or the holders of convertible bonds with conversion obligations fulfil their conversion obligation, and only if treasury shares are not provided to satisfy these rights. The new shares shall have dividend rights starting as of the beginning of the financial year in which they are issued due to the exercise of conversion or option rights, or fulfilment of conversion obligations.

The Management Board is authorised, subject to Supervisory Board approval, to determine further details for the implementation of the contingent capital increase.

### **Section 3 – Executive bodies of the Company**

#### **Sub-section 1 – Management Board**

##### **§ 7 Composition**

- (1) The Management Board shall consist of at least two persons.
- (2) The Supervisory Board shall appoint the members of the Management Board and shall determine its number of members. It may appoint deputy members of the Management Board.

##### **§ 8 Rules of procedure and resolutions**

- (1) The Management Board, subject to Supervisory Board approval, shall adopt its own rules of procedure by unanimous decision, unless the Supervisory Board adopts rules of procedure for the Management Board.
- (2) Management Board resolutions shall be adopted by a majority vote. In the event of equality of votes, the Chair of the Management Board shall have the casting vote, or, in the Chair's absence, the Deputy Chair of the Management Board.

##### **§ 9 Representation of the Company**

- (1) The Company shall be jointly represented by two members of the Management Board, or by one member of the Management Board together with one authorised signatory.
- (2) Deputy members of the Management Board shall be equal to regular members of the Management Board in terms of representative authority.

- (3) The Supervisory Board may, in general or on a case-by-case basis, release one or more members of the Management Board from the restrictions in § 181 German Civil Code (BGB) on representing more than one principal in a legal transaction.

## **Sub-section 2 – Supervisory Board**

### **§ 10 Composition**

- (1) The Supervisory Board shall consist of six (6) members. Of these, two (2) members shall be elected by the employees in accordance with the German One-Third Participation Act (Drittelbeteiligungsgesetz).
- (2) Supervisory Board members shall be appointed until the end of the general meeting that resolves on the discharge of the Board for the fourth financial year following the start of the term of office. The year in which the term of office starts is not included in the calculation.
- (3) Replacement members may be elected for members of the Supervisory Board, and shall replace Supervisory Board members who leave the Board before the end of their term of office in the order specified at the time they are elected. By-elections shall take place to replace the outgoing member for the remainder of their term of office.

### **§ 11 Resignation**

Any member of the Supervisory Board may resign their office, including without cause, by submitting a written statement to the Management Board. A one-month notice period shall be observed.

### **§ 12 Chair and Deputy Chair**

- (1) Following the general meeting in which all members of the Supervisory Board have been newly elected, a meeting of the Supervisory Board shall take place, which does not require a special invitation. In this meeting, the Supervisory Board elects a Chair and Deputy Chair from among its members.
- (2) If the Chair or Deputy Chair withdraws from their position before the end of their term of office, the Supervisory Board shall immediately elect a new member to the position for the remaining term of office of the withdrawing member.
- (3) In the Chair's absence, the Deputy Chair shall exercise all rights and obligations of the Chair during the period of absence.

### **§ 13 Calling meetings and passing resolutions**

- (1) Supervisory Board meetings shall be called by the Chair with a notice period of fourteen days, in writing and stating the agenda. When calculating the notice period, the invitation posting date and the date of the meeting are not included. In urgent cases, the Chairman may reduce the notice period.
- (2) The Supervisory Board shall be deemed quorate if at least half of its total number of members, as per the Articles of Association, take part in the resolution. In any case, at least three members of the Supervisory Board must take part in the resolution. Any member of the Supervisory Board who has the right to vote shall also take part in the resolution. Members who are connected via audio or video conference are deemed to be present. Absent members of the Supervisory Board may participate in the passing of resolutions by submitting votes through other Board members in written or electronic form. Resolutions require a simple majority of the votes cast.
- (3) Supervisory Board resolutions are generally passed at physical meetings. Upon instruction by the Chair, the Supervisory Board may also vote in writing, by telephone, by fax, by videoconference or by e-mail

from outside a meeting. The Chair of the Supervisory Board shall outline how the resolution will take place when calling the meeting.

- (4) The Chair of the Supervisory Board is authorised to issue, on behalf of the Supervisory Board, the declarations of intent required for implementation of Supervisory Board resolutions.

#### **§ 14**

##### **Rules of procedure and amendments to the Articles of Association**

- (1) The Supervisory Board may establish rules of procedure in accordance with the legal requirements and the provisions of these Articles of Association.
- (2) The Supervisory Board is authorised to amend the Articles of Association only with respect to the wording. This applies in particular to amendments to the Articles of Association, only with respect to the wording, resulting from the issue of units from Authorised or Contingent Capital.

#### **§ 15**

##### **Remuneration**

- (1) Each member of the Supervisory Board receives fixed annual remuneration of EUR 30,000.00 (Supervisory Board remuneration). The Chair of the Supervisory Board shall receive twice the amount, and the Deputy Chair shall receive 1.5 times the Supervisory Board remuneration.
- (2) Additional fixed annual remuneration is paid for being a member or Chair of the committees of the Supervisory Board (committee remuneration). Annual committee remuneration amounts to EUR 2,500.00 for each membership in a committee. The Chair of a committee shall receive double the committee remuneration.
- (3) Supervisory Board remuneration and committee remuneration are due after the end of the financial year and shall be paid to the respective Supervisory Board member no later than February of the following year.
- (4) In the event of changes to the Supervisory Board during the course of the year, remuneration for the financial year shall be calculated on a pro rata basis to the nearest full month.
- (5) The Company shall reimburse any Supervisory Board member, upon request and with appropriate evidence, with any and all necessary and reasonable expenses incurred in performing their duties, as well as any expenses or value-added tax to be paid on the remuneration.
- (6) The above provisions shall apply for the first time for the financial year beginning 1 January 2017.

##### **Sub-section 3 – General meeting**

#### **§ 16**

##### **Location**

The general meeting shall take place at the registered office of the Company in the Munich metropolitan area, or at the registered office of a German securities exchange.

#### **§ 17**

##### **Attendance**

- (1) Shareholders who register for the general meeting and prove their eligibility may attend the general meeting and exercise their voting rights.
- (2) Shareholders may prove their eligibility by providing evidence of share ownership in English or German. The evidence must refer to the designated time period as required by law for listed companies.

- (3) The registration and evidence of share ownership must be received by the Company at the address given when the meeting is called within the statutory period. A shorter period, to be stipulated in days, may be provided when calling the meeting, as far as legally permissible.

## **§ 18**

### **Chair**

- (1) The general meeting is led by the Chair of Supervisory Board or a person appointed by the Chair, who may not, however, be a member of the Management Board of the Company. In the event that neither the Chair of the Supervisory Board nor a person appointed by the Chair presides, the Chair shall be elected by the Supervisory Board.
- (2) The Chair shall preside over the general meeting. The Chair shall determine the course of the meeting, the order of agenda items, and the type and form of voting. The Chair may place appropriate time limits on a shareholder's rights to ask questions and speak and determine particulars in this regard.
- (3) The Chair shall be authorised to permit video and audio transmission of the meeting. The Chair shall determine the type and extent of the transmission.

## **§ 19**

### **Resolutions**

- (1) Each bearer share shall entitle its holder to one vote at the general meeting.
- (2) Resolutions of the general meeting shall require a majority of votes cast, unless otherwise required by law. Notwithstanding sentence 1, a resolution for the dismissal of members of the Supervisory Board requires a majority of at least three quarters of the votes cast.
- (3) If a majority of the share capital represented at the time of the resolution is required, a simple majority of the share capital represented at the time of the resolution shall be sufficient, to the extent permitted by law.

## **Section 4 –**

### **Final provisions**

## **§ 20**

### **Conversion costs**

All costs related to conversion of the legal form shall be paid by the Company. No personal compensation shall be paid for conversion. The costs of conversion are estimated to be EUR 51,129.19. The final conversion costs shall be compiled by the Management Board and confirmed by the Supervisory Board within 3 (three) months of the conversion being registered in the commercial register.

## **§ 21**

### **Distribution in kind**

The general meeting may resolve to distribute all or part of the net profit to shareholders by means of a distribution in kind.