

# **CHARTER**

**of**

**PVA TePla AG**

**Im Westpark 10-12**

**D-35435 Wettenberg**

## **I. General Provisions**

### **§ 1**

#### **Name, Registered Office and Fiscal Year**

- (1) The Company manages PVA TePla AG.
- (2) The Company has its registered office in D-35435 Wettenberg.
- (3) The financial year is the calendar year.

### **§ 2**

#### **Corporate Object**

- (1) The object of the Company is to develop, manufacture and sell procedures, products, systems and services in the field of materials technology, plasma and ion beam technology, measurement and inspection engineering for fine-structured properties as well as vacuum technology.
- (2) The Company is authorized to engage in any business activity which is capable of serving the corporate object, either directly or indirectly. As such, the Company can acquire similar companies in Germany and abroad, hold shares in such companies either directly or indirectly, assume management and representation of other companies, found other companies and establish branches in Germany and abroad.

### **§ 3**

#### **Notifications**

The Company's notifications shall be published in the German electronic Federal Gazette unless the law specifically states otherwise.

## II. Share Capital and Shares

### § 4 Share Capital

(1) The share capital of the Company totals EUR 21,749,988.00 and is divided into 21,749,988 value shares.

(2) The shares are bearer shares.

(3) The shareholder's right to share certification is excluded.

(4) When new shares are issued, the participation in profits can be regulated differently from Section 6 AktG (German Stock Corporation Act).

(5) The Management Board is authorized to increase the Company's share capital, with the approval of the Supervisory Board, on one or more occasions until June 30, 2017 by a total of up to EUR 10,874,994 by issuing 10,874,994 new bearer shares against cash or non-cash contributions. The Management Board is also authorized, with the approval of the Supervisory Board, to disapply shareholder subscription rights,

- for fractional amounts;
- in order to issue the new shares against non-cash contributions as part of business combinations or when acquiring companies or interests in companies;
- against cash contributions with capital increases if the shares are issued at an issue price which is not substantially lower than the stock exchange price of the shares of the same class and subject to the same terms which are already listed, and the disapplication of the subscription right relates only to new shares whose proportional amount in the Company's share capital does not exceed 10% of the share capital at the time this authorization becomes effective by being entered in the Commercial Register, i.e. EUR 2,174,998.80 in total. With regard to the question of using the 10% limit, the disapplication of the subscription right on the basis of other authorizations under Section 186 Paragraph 3 Sentence 4 of the AktG is to be taken into consideration.

The Management Board is authorized, with the approval of the Supervisory Board, to stipulate the additional content of the rights inherent in the shares and the conditions of the share issue.

### **III. Constitution and Management of the Company**

#### **§ 5** **Executive Bodies**

The Executive Bodies of the Company are:

- a) the Management Board,
- b) the Supervisory Board,
- c) the Annual General Meeting.

### **IV. Management Board**

#### **§ 6** **Composition of the Management Board**

(1) The Management Board shall consist of at least two people.

(2) The appointment of members of the Management Board, the revocation of their appointment as well as the concluding, the amendment and the termination of contracts of employment with members of the Management Board are effected by the Supervisory Board. The same applies to the appointment of a member of the Management Board as chairman or as spokesman of the Management Board.

(3) The appointment of a member of the Management Board ends with the completion of his 65th year.

## **§ 7**

### **Management Board Rules of Procedure and Adoption of Resolutions**

- (1) The Management Board shall establish Rules of Procedure in order to regulate cooperation within the Management Board, particularly with regard to the distribution of business activities. These rules shall be presented to the Supervisory Board for approval.
- (2) Resolutions of the Managing Board shall be adopted by a majority of votes. In the event of an equal division of votes, the Chairman of the Management Board shall have a casting vote, if this is legally permissible.

## **§ 8**

### **Statutory Representation of the Company**

- (1) The Company shall be legally represented by two members of the Management Board or by one member of the Management Board together with one authorized signatory (Prokurist).
- (2) The Supervisory Board can exempt one or more members of the Management Board from the restrictions of multiple representation in accordance with Section of the 181 BGB (German Civil Code). This shall be without prejudice to Section 112 AktG.

## **§ 9**

### **Reports to the Supervisory Board**

The Management Board's obligation to report to the Supervisory Board and its members shall be based on the statutory regulations in force at the time in question. Subsidiaries and joint ventures as defined in the German Commercial Code shall be treated in the same way as the Company with regard to the obligation to report.

## **§ 10**

### **Restrictions on the Management Board's Authority to Conduct Business**

(1) In its dealings with the Company, the Management Board shall be obliged to comply with the restrictions which the Articles of Association, the Supervisory Board, the Annual General Meeting, the employment contract and the Rules of Procedure of the Management Board and of the Supervisory Board have imposed on the authority to conduct business, to the extent that this is legally permissible.

(2) The Management Board shall require the approval of the Supervisory Board for the measures listed in the current version of the Management Board's Rules of Procedure.

### **The Supervisory Board**

## **§ 11**

### **Composition of the Supervisory Board**

(1) The Supervisory Board shall consist of three (3) members that are elected by the Annual General Meeting.

(2) The members of the Supervisory Board shall remain in office until the end of the Annual General Meeting which ratifies their actions for the fourth fiscal year following the beginning of their term of office, unless the Annual General Meeting, during the election, resolves a shorter period of office for individual or all members which it must elect. The fiscal year in which their term of office begins shall not be included here.

(3) Replacement members can be elected for members of the Supervisory Board. They shall replace members of the Supervisory Board who retire, and shall do so in a sequence specified at the time of the election, unless the Annual General Meeting elects a new member of the Supervisory Board before the member to be replaced retires.

(4) If a member of the Supervisory Board is elected to replace the member who is retiring, he shall remain in office for the remainder of the term of office of the member who is retiring. If a replacement member replaces a regular member of the Supervisory Board, his term of office shall terminate at the end of the next Annual General Meeting at which a new Supervisory Board member is elected. However, it shall terminate no later than the end of the regular member's term.

(5) The members and the replacement members of the Supervisory Board can resign from their position by submitting a written statement to the Chairman of the Supervisory Board or to the Management Board with due regard to the four-weeks notice period. This shall be without prejudice to the possibility of terminating their position for good reason without observing this period of notice.

(6) The term of office of a member of the Management Board shall end in every case at the end of the Annual General Meeting following the completion of his 70<sup>th</sup> year.

## § 12

### **The Chairperson of the Supervisory Board and his Deputy**

(1) The Supervisory Board shall elect a Chairperson as well as one deputy from among its members for the term of office specified in Section 11 Paragraph 2 of these Articles of Association. The election shall take place at a meeting without any special convening following the Annual General Meeting in which the Supervisory Board members to be elected by the Annual General Meeting were appointed. If the Chairman or his Deputy resigns from office before the end of his term of office, the Supervisory Board must hold a new election to replace him for the remainder of his term of office.

(2) If laws and the Articles of Association grant the Chairperson powers, said powers shall be exercised by his deputy in the event of the Chairperson's being unable to attend, and by the third Supervisory Board member in the event of the deputy being unable to attend.

(3) The Chairperson can resign from the Chair before the end of his term of office without stating reasons by submitting a written statement to this effect to the Management Board. This shall also apply to his deputy.

**§ 13**  
**Rules of Procedure**

The Supervisory Board shall establish Rules of Procedure in which the procedures for convening meetings, adopting resolutions and minutes are regulated. The Supervisory Board can also deploy expert persons in the execution of its duties. The Supervisory Board can invite experts and advisory persons to its meetings.

**§ 14**  
**Remuneration of the Supervisory Board**

(1) The Supervisory Board shall receive total annual compensation of EUR 100,000. This total compensation shall be allocated to the Supervisory Board members in such a way that the Chairman of the Supervisory Board receives double the amount of an ordinary Supervisory Board member. If any member leaves the Supervisory Board during the course of the year, he shall receive pro rata compensation, calculated in accordance with the regulations in this paragraph.

(2) The Supervisory Board members shall receive, by way of reimbursement of expenses, a flat-rate attendance allowance equal to the average expenditure required for attendance at a Supervisory Board meeting.

(3) The company shall reimburse the Supervisory Board members any VAT charged on their compensation.

(4) For the Supervisory Board members, a directors and officers liability insurance (D&O insurance) is concluded at appropriate conditions in line with the market. For this the premiums shall be paid by the Company, as well as any income tax charged to said premiums.



## **Annual General Meeting**

### **§ 15**

#### **Convening the Annual General Meeting**

- (1) The Annual General Meeting shall be held at the Company's registered office or in a German district with more than 50,000 inhabitants.
- (2) The Annual General Meeting shall be convened by the Management Board, or by the Supervisory Board in the cases specified by law.
- (3) The Annual General Meeting must be convened at least thirty days before the last registration date (Section 16 Paragraph 1).
- (4) When fixing deadlines and appointed days, which are being counted backwards from the day of the General Meeting, the day of the General Meeting shall not be taken into account. The pre- or postponement from a Sunday, Saturday or holiday to a working day is not permitted. Sections 187 to 193 of the German Civil Code (BGB) are not to be applied accordingly.

### **§ 16**

#### **Participation of Shareholders**

Shareholders who wish to attend the Annual General Meeting and exercise their voting right must register for the Annual General Meeting and provide evidence of their entitlement. All that is required for this is a statement in text form issued by the deposit-holding institute as a verification of share property. Evidence of ownership of the shares must refer to the start of the 21st day prior to the Annual General Meeting. The Company must receive the registration and evidence of entitlement at the address given in the invitation no later than the seventh day before the Annual General Meeting. The registration must be submitted in German or English.

**§ 17**

**Participation of the Management Board and Supervisory Board**

(1) The members of the Management Board and of the Supervisory Board should attend the Annual General Meeting.

(2) Members of the Supervisory Board can attend the Annual General Meeting by means of audio-visual transmission facilities if one Supervisory Board member is unable to attend on the day of the Annual General Meeting because he has his own business duties to attend to.

The decision as to how the audio-visual transmission is to be performed shall be made by the Management Board.

**§ 18**

**Transmission of the Annual General Meeting**

(1) The Management Board is authorized to permit audio or visual transmission of the General Meeting or parts thereof.

(2) If the Annual General Meeting is transmitted in accordance with Paragraph 1, this shall be announced in the agenda of the Annual General Meeting.

**§ 19**

**Voting Rights**

(1) Each share shall grant one vote.

(2) In exercising his membership rights, every shareholder may have someone else represent him at the Annual General Meeting by means of a proxy. Proxies, the revocation of proxies and proof of authorisation must be served on the Company

a) in writing or

b) by e-mail using the method announced for this when the Annual General Meeting is convened.

(3) In the notification convening the Annual General Meeting, the Company shall name and appoint a proxy, as well as details of how he can be reached before and during the Annual General Meeting. Said proxy shall vote on behalf of all shareholders who wish to avail themselves of this service in accordance with the instructions which they issue. Paragraph 2 shall apply accordingly for authorizing the proxy as well as for issuing instructions. The Management Board shall provide detailed information about issuing instructions in the notification convening the Annual General Meeting. This shall be without prejudice to the possibility of authorizing other persons.

(4) If a shareholder appoints more than one person, the company may reject one or several of them.

## **§ 20**

### **Chair in the Annual General Meeting**

(1) The Chairperson of the Supervisory Board or another Supervisory Board member of the shareholder representatives to be appointed by him shall chair the Annual General Meeting. If the Supervisory Board member appointed to chair the Annual General Meeting is unable to attend, the Supervisory Board members of the shareholder representatives present at the Annual General Meeting shall elect the Chairperson of the Annual General Meeting.

(2) The Chair shall preside over the meeting and determine the sequence in which the items to be treated are dealt with, as well as the type and form of voting.

(3) The Chair of the meeting can restrict the time given to the shareholders to exercise their right to ask questions and engage in discussion as appropriate. He shall also be entitled, at the start or in the course of the Annual General Meeting, to specify the appropriate time limit for the duration of the Annual General Meeting, discussion of the individual agenda items as well as questions from individual attendees.

## **§ 21**

### **Adoption of Resolutions at the Annual General Meeting**

(1) The resolutions of the Annual General Meeting require a simple majority of the votes cast unless legislation specifically prescribes otherwise. If legislation requires a majority of the share capital represented at the adoption of the resolution, the simple majority of the share capital represented shall be sufficient, unless legislation specifically prescribes a larger majority.

(2) A motion shall be deemed as rejected should there be an equal division of votes.

(3) If the simple majority of votes is not reached in the first round of voting, a run-off vote shall be held between the two people with the highest number of votes. If there is an equal division of votes in the second round, a decision shall be made by drawing lots.

## **V. Annual Financial Statements and Use of Retained Earnings**

### **§ 22**

#### **Annual Financial statements and Approval of the Actions of the Executive Body Members**

(1) In the first three months of the fiscal year, the Management Board must prepare the annual financial statements, the management report, the consolidated financial statements and the group management report for the previous fiscal year, and submit them to the Supervisory Board and the auditor mandated by the Supervisory Board for examination. At the same time, the Management Board must submit its recommendation for use of retained earnings to the Supervisory Board.

(2) The Supervisory Board shall submit a report (with a scope as specified by legislation) to the Annual General Meeting detailing the result of its examination of the documents specified in Paragraph 1, as well as the result of its examination of the report submitted to it by the auditor, detailing his examination of the separate financial statements and of the consolidated financial statements.

(3) Following receipt of the Supervisory Board's report, the Management Board must convene the Annual General Meeting without delay. Said meeting must take place within the first eight months of the fiscal year. The Annual General Meeting shall then decide on approving the actions of the Management Board and of the Supervisory Board, the election of the auditor, the use of retained earnings, as well as on the adoption of the separate financial statements and approval of the consolidated financial statements in the cases specified by legislation.

(4) When adopting the annual financial statements, the Management Board and Supervisory Board shall be entitled to transfer the net profit remaining after deductions of amounts to be transferred to legal reserves and any loss carry-forward to other reserves in whole or in part. Transferring more than half of the net profit for the year shall not be permissible if the other revenue reserves would exceed half of the share capital following the transfer.

## **§ 23**

### **Using Retained Earnings**

The Annual General Meeting shall, in accordance with Section 58 Paragraph 4 AktG, decide on usage of the retained earnings arising from the annual financial statement which has been adopted, taking into consideration the share in net retained profits to which the Supervisory Board is entitled in accordance with Section 14.

## **VI. Concluding Provisions**

## **§ 24**

### **Changes to the Articles of Association by the Supervisory Board**

The Supervisory Board shall be authorized to make amendments to these Articles of Association that solely concern the wording.

## **§ 25**

### **Conversion Costs**

The Company shall cover the costs associated with conversion up to a total of DM 100,000.