



Aktiengesellschaft

**Articles of
incorporation
as amended on 30 May 2018**

English translation, the German version
is the only legally binding version

I. General regulations

- § 1 (1) The registered name of the company is
Leifheit Aktiengesellschaft.
- (2) The company based in Nassau/Lahn.
- § 2 (1) The objects of the company are to manufacture and distribute products for kitchen, bathroom and household, to provide associated services and to acquire and manage companies and equity investments in companies and exercise group management functions.
- (2) The company can engage in all transactions which are suitable to promote the company objects directly or indirectly. It can establish branches in Germany and abroad, invest in other countries in Germany and abroad, acquire or form such companies and take over their management and enter into intercompany agreements.
- § 3 (1) The company's announcements are published in the electronic edition of the German Federal Gazette.
- (2) Information to shareholders can also be sent by electronic communication.
- (3) Section 27a, para. 1 of the German securities trading act (WpHG) shall be waived.

II. Share capital and shares

- § 4 (1) Share capital amounts to €30,000,000.00.
- (2) It is divided into 10,000,000 no-par-value bearer shares.
- (3) Subject to approval from the Supervisory Board, the Board of Management is authorised to increase share capital on one or more occasions by a total of up to €15,000,000.00 up until 23 May 2022 by issuing up to 5,000,000 new no-par-value bearer shares in exchange for cash and/or non-cash contributions (2017 authorised capital).

As a rule, the new shares must be offered to shareholders for subscription. They can also be issued to credit institutions or a company operating according to section 53 para. 1 sentence 1 or section 53b para. 1 sentence 1 or para. 7 of the German banking act (KWG) with the requirement that they offer them to the shareholders for subscription. However, subject to approval from the Supervisory Board, the Board of Management is authorised to exclude shareholders' statutory subscription rights in the following circumstances:

- for fractional amounts;
- if shares are issued in exchange for cash contributions at a price that is not materially lower than the market price of the company's listed shares at the time the Board of Management sets the issue price and if the exclusion of subscription rights only applies to new shares whose proportional amount does not exceed 10% of the share capital at the time the authorisation is entered in the commercial register or – if this value is lower – 10% of the company's existing share capital (10% threshold) at the time the new shares are issued. When considering whether or not to utilise the 10% threshold, the exclusion of subscription rights based on other authorisations according to section 186 para. 3 sentence 4 of the German stock corporation act (AktG) must be taken into account with effect from 24 May 2017;
- provided capital is increased for the purpose of acquiring companies, parts of companies or stakes in companies, as part of company mergers or other assets eligible for contribution, in exchange for non-cash contributions;
- in order to carry out a scrip dividend, as part of which shareholders are offered the opportunity to contribute their dividend claim to the company (both partially and optionally) as a non-cash contribution in exchange for the granting of new shares from the 2017 authorised capital.

The total shares issued in exchange for cash and non-cash contributions due to any upcoming authorisations while excluding shareholders' subscription rights in the case of increases to share capital may not exceed 20% of the share capital at the time the authorisation is entered in the commercial register or – if this value is lower – 20% of the company's existing share capital (20% threshold) at the time the new shares are issued. Treasury shares sold up until the issue of the new shares without subscription rights are to be included in the 20% threshold.

The Board of Management determines further conditions for issuing shares including the issuing price and the content of the share rights subject to approval from the Supervisory Board.

- § 5**
- (1) Shares are made out to the bearer.
 - (2) If, in the event of a capital increase, the resolution on the increase of capital does not determine whether the new shares issued are bearer or registered shares, they shall be bearer shares.
 - (3) In the case of an increase in share capital, the distribution of profits in relation to new shares may be determined in derogation of section 60, para. 2 AktG.
 - (4) The form and content of any share certificates, profit shares and renewal coupons shall be determined by the Board of Management with the Supervisory Board's approval. The same applies to bonds and interest coupons.
 - (5) In place of share certificates for individual shares, the company may issue certificates for multiple shares (collective certificates).

The right of shareholders to demand the issue of certificates vesting their shares is excluded.

III. Board of Management

- § 6**
- (1) The Board of Management is made up of one or several members.
 - (2) The Supervisory Board appoints the members of the Board of Management and determines their number. It can appoint deputy Board of Management members and may appoint a member of the Board of Management as chairperson of the Board of Management.
 - (3) Board of Management resolutions shall be made with a majority of the votes. If a chairperson of the Board of Management has been appointed, they will have the deciding vote in the event of a tie.

- § 7**
- (1) The company shall be legally represented by two members of the Board of Management or by one member of the Board of Management together with a holder of general commercial power of attorney ("Prokura"). If only one member of the Board of Management is appointed, they shall represent the company alone.
 - (2) Deputy Board of Management members shall rank equally with full members in respect of powers of representation.
 - (3) The Supervisory Board can determine that one, more or all members of the Board of Management are granted sole representation and/or are released from the restrictions of section 181 of the German civil code (BGB) on multiple representation.

IV. Supervisory Board

- § 8**
- (1) The Supervisory Board is made up of six members. They are appointed for the period until the end of the Annual General Meeting, which resolves on the approval of the actions of the Supervisory Board for the fourth financial year after the start of the term. The financial year in which their term begins is not included in this calculation.
 - (2) If a member of the Supervisory Board is appointed to replace an outgoing member, their term of office shall run for the remaining term of office of the outgoing member. In the event that a substitute member replaces the outgoing member, the substitute member's term of office shall expire if a new vote to replace the outgoing member is taken at the next Annual General Meeting or the next Annual General Meeting but one after the substitution arises, at the end of the said Annual General Meeting, otherwise at the end of the outgoing member's residual term of office.
 - (3) Each Supervisory Board member may resign from office subject to a one-month notice period, even without good cause, by submitting notice in writing to the Board of Management.
- § 9**
- (1) Following an Annual General Meeting in which all Supervisory Board members to be elected by the Annual General Meeting have been newly elected, a meeting of the Supervisory Board shall take place that does not require special invitation. In this meeting, the Supervisory Board, under the chairpersonship of the oldest Supervisory Board member, elects from among its members the chairperson of the Supervisory Board and their deputy for the duration of the Supervisory Board's term of office.
 - (2) If the chairperson of the Supervisory Board or their deputy departs during their term of office, the Supervisory Board must immediately hold a by-election.
- § 10**
- (1) Supervisory Board meetings are called by the chairperson, or, if they are unable to do so, by their deputy, whenever required by law or business.
 - (2) The Supervisory Board constitutes a quorum if at least half of the members of which it is constituted take part in the passing of a resolution.
 - (3) If so ordered by the chairperson of the Supervisory Board, resolutions may also be passed in writing, by phone or via electronic communication (email, fax) without the need to call a meeting. The remaining members of the Supervisory Board do not have a right of objection to this.
 - (4) The resolutions are made with a simple majority of votes. In the event of a tie, the chairperson of the meeting in which this occurs shall have the casting vote; this shall also apply for elections.
 - (5) Declarations of intention on the part of the Supervisory Board and its committees shall be made in the name of the Supervisory Board by the chairperson or their deputy.
 - (6) Minutes shall be recorded for all meetings of the Supervisory Board and signed by the chairperson of the meeting. The minutes shall state the place and date of the meeting, the participants, the items on the agenda, the main content of deliberations and the resolutions of the Supervisory Board.
- § 11**
- (1) The Supervisory Board determines which kinds of transactions the Board of Management may only carry out with the prior approval of the Supervisory Board.
 - (2) The Supervisory Board may make additional types of transactions dependent on its approval at any time. It may grant revocable advance approval for particular types of transactions in general or in the event that individual types of transactions fulfil certain conditions.

- § 12** (1) In addition to the reimbursement of their expenses and any value added tax incurred for their Supervisory Board activities, each member of the Supervisory Board shall receive a meeting allowance in the amount of €2,500.00 for each Supervisory Board meeting he or she attends in person as well as an annual salary in the amount of €20,000.00. The chairperson shall receive three times the amount named in sentence 1, while the deputy chairperson shall receive 1.5 times said amount. Both meeting allowances and the annual remuneration shall be paid out at the end of each financial year.
- (2) Inasmuch as they relate to telecommunications, postage or other office costs, expenses will be reimbursed with the payment of a lump sum in the amount of €1,000.00 per year.
- (3) Committee members shall receive the following remuneration for their membership in a Supervisory Board committee and their participation in committee meetings:
- a) For participation in a committee meeting (participation in person, via telephone or video conference), members of a Supervisory Board committee shall receive a meeting allowance in the amount of €500.00 and the committee chairperson shall receive a meeting allowance in the amount of €1,000.00. This also applies when several committee or Supervisory Board meetings take place on the same day.
- b) Each member of the Audit Committee shall receive additional annual remuneration in the amount of €5,000.00 and the chairperson of the Audit Committee in the amount of €10,000.00. Each member of the Personnel Committee shall receive additional annual remuneration in the amount of €4,000.00 and the chairperson of the Personnel Committee in the amount of €8,000.00. Members of the Nominating Committee shall not receive any additional annual remuneration.
- c) All members of Supervisory Board committees shall receive reimbursement for any expenses incurred in the fulfilment of their duties and any value added tax applicable to their committee remuneration. The lump sum described in para. 2 also reimburses any telecommunications, postage or other office costs incurred by the committee member.
- d) Any meeting allowances owed according to a) and any fixed annual salaries according to b) shall be paid out at the end of each financial year.
- (4) If a member of the Supervisory Board or a Supervisory Board committee is only a member for a part of a financial year, the annual remuneration shall be paid merely on a pro-rata basis.
- (5) Moreover, one part of the remuneration comprises the member's pro-capita share of a directors and officers liability insurance policy (D&O insurance) concluded on behalf of the company at standard market conditions for the members of the Supervisory Board, the costs of which are borne by the company.
- (6) The regulations in article 12 shall apply for the first time to the remuneration granted for the financial year 2018.

V. Annual General Meeting

- § 13** The Annual General Meeting, which resolves on the approval of the actions of the Board of Management and the Supervisory Board, the appropriation of profits, the election of an auditor and, if applicable, the approval of the annual financial statements (Annual General Meeting), shall be held within the first eight months of each financial year.
- § 14** (1) The Annual General Meeting shall be convened by the Board of Management or the Supervisory Board at the registered office of the company, in Koblenz or the location of any German stock exchange centre.
- (2) The Annual General Meeting is convened in accordance with legal formal and deadline regulations.

- § 15** (1) Entitled to attend the Annual General Meeting and exercise the voting rights are only those shareholders who register for the Annual General Meeting ("registration") and who verify to the company their entitlement to attend the Annual General Meeting and to exercise the voting rights ("verification").

The registration and the verification have to be received by the company in text form in the German or English language at the address specified for this purpose in the invitation and according to the stipulation of the respectively valid statutory regulations concerning deadlines. The Board of Management is empowered to determine a shorter registration period in the invitation.

The verification shall be provided by the custodian bank by way of a record of share ownership in text form. The verification of the shareholder has to apply to the start of the 21st day before the Annual General Meeting.

- (2) The prerequisites for the attendance of the Annual General Meeting and exercise of the voting rights shall be notified in the invitation.

- § 16** (1) Each share entitles the holder to one vote.

- (2) Voting rights may be exercised by a proxy holder. The granting, revocation and provision of proof to the company of proxy authorisation is subject to applicable law. In convening the Annual General Meeting, the company may appoint an individual as proxy bound to vote as instructed.

- (3) The Board of Management may allow shareholders to submit their votes by mail or electronic communication channels without attending the Annual General Meeting (absentia voting). The Board of Management shall determine the specifics pertaining to absentia voting, which are to be announced at the same time as the convocation of the Annual General Meeting.

- § 17** (1) The chair of the Annual General Meeting shall be the chairperson of the Supervisory Board or his/her representative. In the event that no member of the Supervisory Board serves as chair, a member of the Board of Management nominated by the Board of Management shall open the Annual General Meeting and the Annual General Meeting shall elect its chairperson.

- (2) The chairperson shall direct proceedings and determine the order in which the items on the agenda are dealt with. They can authorise the recording and broadcasting of the Annual General Meeting via electronic media. Broadcasting can also take place in a format to which the public has unrestricted access.

- (3) The chairperson of the Annual General Meeting may restrict the amount of time shareholders are entitled to speak and ask questions in view of the following considerations:

- a) If, under the agenda (including any minority shareholder petitions per section 122 AktG), only items concerning the appropriation of profits, the appropriation of the actions of the of Board of Management members and the Supervisory Board members, election of an auditor and/or authorization to purchase and utilise own shares are to be voted on, the chairperson may restrict the amount of time shareholders are entitled to speak and ask questions so as to limit the duration of the Annual General Meeting to a total of six hours.

Interruptions to the Annual General Meeting, the Board of Management speech and chairperson's comments prior to the general discussion do not count in calculating the length of the Annual General Meeting.

- b) If, under the agenda (including any minority shareholder petitions per section 122 AktG), items other than those under letter a) are to be voted on, the chairperson may restrict the amount of time shareholders are entitled to speak and ask questions so as to limit the duration of the Annual General Meeting to a total of ten hours. Letter a) sentence 2 applies accordingly.

- c) The chairperson may restrict the amount of time shareholders are entitled to speak and ask questions to 15 minutes per recognition, and to 10 minutes if three or more other speakers are awaiting recognition when one speaker is recognised. The chairperson may limit the total amount of time a shareholder is entitled to speak and ask questions during the Annual General Meeting to 45 minutes.
 - d) The chairperson may impose the limitations outlined under letters a) to c) at any time, including at the start of the Annual General Meeting.
 - e) The limitations outlined under letters a) to d) above constitute reasonable limitations per section 131 para. 2 sentence 2 AktG.
- (4) Irrespective of the chairperson's ability to restrict the amount of time shareholders are entitled to speak and ask questions per Paragraph 3, the chairperson may declare discussion ended at 22:30 on the date of the meeting and begin the voting on agenda items. In cases falling under the first sentence, no further questions are permitted once discussion has been declared ended.
- (5) The chairperson's right to restrict the amount of time shareholders are entitled to speak and ask questions beyond the provisions of paragraphs 3 and 4 remains unaffected by the provisions of paragraphs 3 and 4 in accordance with applicable legislation or in accordance with other principles established by case law.
- § 18**
- (1) Annual General Meeting resolutions are made with a simple majority of votes and, if a capital majority is required, with simple capital majority, in the event that neither the law nor the articles of incorporation determine otherwise.
 - (2) The chairperson shall determine the form and further details of the voting process. The voting result is obtained by ascertaining the "yes" and the "no" votes. The chairperson shall also determine the manner in which the votes are to be ascertained, e.g. by deducting the "yes" or "no" votes and the abstentions from the overall number of votes to which the voters are entitled.
 - (3) The Supervisory Board is authorised to amend the articles of incorporation, provided such amendments relate solely to the wording.

VI. Financial year and annual financial statements

§ 19 The company's financial year is the calendar year.

§ 20 If the Board of Management and Supervisory Board endorse the annual financial statements, they are permitted to transfer all of the net profit for the year to other retained earnings, provided that the other retained earnings do not exceed half of the share capital, or would not exceed this amount after the transfer. Any amounts to be allocated to the legal reserves, and any losses carried forward, must be deducted from the net profit for the year in advance.

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