

# **PROPOSED RESOLUTIONS TO THE ANNUAL GENERAL MEETING OF AUSTRIAN POST ON APRIL 15, 2015**

## **Agenda item 2: Resolution on the appropriation of the balance sheet profit, as shown in the annual financial statements as at December 31, 2014**

- The annual financial statements of Österreichische Post AG (Austrian Post) as at December 31, 2014 report a balance sheet profit amounting to EUR 168,619,529.80.

From the balance sheet profit reported in the annual financial statements as at December 31, 2014, the Management Board proposes to distribute a dividend amounting to EUR 131,727,644.10, corresponding to EUR 1.95 per share, and to carry forward the remaining amount of EUR 36,891,885.70 to the new balance sheet.

- The dividend will be paid on April 29, 2015. Ex-dividend day for the dividend has been scheduled for April 29, 2015.

## **Agenda item 3: Resolution on the discharge of the members of the Management Board for the 2014 financial year**

The Management Board and Supervisory Board of Austrian Post propose that the members of the Management Board shall be granted a discharge for their work in the 2014 financial year.

## **Agenda item 4: Resolution on the discharge of the members of the Supervisory Board for the 2014 financial year**

The Management Board and Supervisory Board of Austrian Post propose that the members of the Supervisory Board shall be granted a discharge for their work in the 2014 financial year.

## **Agenda item 5: Resolution on the remuneration of the Supervisory Board members for the 2014 financial year**

The Management Board and Supervisory Board of Austrian Post propose,

- pursuant to Section 98 Austrian Stock Corporation Act (AktG) along with Section 14 of the Articles of Association of Austrian Post, that the following remuneration is to be granted to the members of the Supervisory Board for the 2014 financial year:

- for the Chairman	EUR 25,000 (same as in the 2013 financial year)
- for the Deputy-Chairman	EUR 20,000 (same as in the 2013 financial year)
- for every other member of the Supervisory Board	EUR 15,000 (same as in the 2013 financial year)

- and that a fixed fee of EUR 300 is to be granted for each member of the Supervisory Board for each of the meetings of the Supervisory Board or committee meetings which the member attends.

#### **Agenda item 6: Resolution on the appointment of the auditor of the annual financial statements and of the consolidated financial statements for the 2015 financial year**

The Supervisory Board proposes the appointment of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as the auditor of the company's financial statements and consolidated financial statements for the 2015 financial year.

#### **Agenda item 7: Elections to the Supervisory Board**

The terms of office of all the members of the Supervisory Board elected by the Annual General Meeting expire at the end of the upcoming Annual General Meeting.

In accordance with Section 9 (1) of the Articles of Association of Austrian Post, the Supervisory Board is comprised of a minimum of four and a maximum of ten members elected by the Annual General Meeting and members delegated by the Central Works Council pursuant to Section 110 Para. 1 Austrian Labour Constitution Act.

After the previous election, the Supervisory Board has consisted of eight members elected by the Annual General Meeting along with the members delegated in accordance with the Labour Constitution Act.

For this reason, a total of eight members will have to be elected at the upcoming Annual General Meeting in order to achieve the previous figure of eight elected members once again.

The Supervisory Board proposes to fill all vacant eight Supervisory Board positions so that the Supervisory Board will once again consist of eight members elected by the Annual General Meeting after the election held at the Annual General Meeting on April 15, 2015.

The following proposals for candidates nominated by the Supervisory Board are based on the requirements set forth in Section 87 Para. 2a Austrian Stock Corporation Act (AktG) and the Austrian Corporate Governance Code.

The Supervisory Board proposes to elect

- Candidate 1: Erich Hampel, born Feb. 25, 1951,
- Candidate 2: Edith Hlawati, born June 8, 1957,
- Candidate 3: Peter E. Kruse, born July 2, 1950,
- Candidate 4: Chris E. Muntwyler, born Oct. 9, 1952,
- Candidate 5: Markus Pichler, born Sept. 12, 1968,
- Candidate 6: Elisabeth Stadler, born Dec. 1, 1961,

to the Supervisory Board effective at the end of this Annual General Meeting for a term of office lasting until the Annual General Meeting resolving upon the discharge of the Supervisory Board members in the second financial year following this election, not including the current financial year. If the current balance sheet date of December 31 is maintained, the term of office of the Supervisory Board members which will be elected will thus expire at the end of the Annual General Meeting resolving upon the discharge of the Supervisory Board members for the 2017 financial year.

The Supervisory Board also proposes to elect

Candidate 7: Edeltraud Stiftinger, born May 3, 1966, and  
Candidate 8: Herta Stockbauer, born July 2, 1960,

to the Supervisory Board effective at the end of this Annual General Meeting for a term of office lasting until the Annual General Meeting resolving upon the discharge of the Supervisory Board members in the fourth financial year following this election, not including the current financial year. If the current balance sheet date of December 31 is maintained, the term of office of the Supervisory Board members which will be elected will thus expire at the end of the Annual General Meeting resolving upon the discharge of the Supervisory Board members for the 2019 financial year

It is planned to vote separately at the upcoming Annual General Meeting for each vacant Supervisory Board position which needs to be filled.

Austrian Post reserves the right to make a ranking of the proposed candidates with regard to the individual positions on the Supervisory Board.

Each of the proposed candidates has made a declaration pursuant to Section 87 Para. 2 AktG which is also available on the Website of the Company. In particular, the proposed candidate declared that

1. all the facts and circumstances in connection with the stipulations contained in Section 87 Para. 2 AktG have been disclosed, and according to the assessment of the proposed candidate, no facts or circumstances exist that could give reason for concern in respect to any potential bias,
2. the proposed candidate has not been legally convicted of any criminal offense punished by a court of law, especially none which call his professional conduct into question pursuant to Section 87 Para. 2a (3) AktG, and
3. that no obstacles exist which would prevent his election to the Supervisory Board in accordance with Section 86 Para. 2 and 4 AktG.

In making its proposals, the Supervisory Board has sufficiently taken into account the professional and personal qualifications of the members as well as a balanced composition of the Supervisory Board with regard to the members' job qualifications, including aspects of the Supervisory Board's diversity in terms of gender and age and the internationality of its members in line with Section 87 Para. 2a AktG.

In the election, the Annual General Meeting is bound to choose among the nominated candidates. Nominations for election to the Supervisory Board, together with the statements prescribed by Section 87 Para. 2 AktG for each person so nominated, must be published on the Company's website by April 8, 2015, failing which the person concerned is not allowed to be considered for election. This also applies to election nominations made by shareholders pursuant to Section 110 AktG, which the Company must have received in writing by April 3, 2015. With respect to the particulars and the prerequisites for taking such election nominations into consideration, reference is made to the "Information on the rights of shareholders pursuant to Sections 109, 110, 118 and 119 AktG/Information on the right of shareholders to propose motions at the Annual General Meeting pursuant to Section 110 AktG".

#### **Agenda item 8: Resolution on amendments to the Articles of Association in**

- a) **Section 2 "Objects of the Business",**
- b) **Section 9 "Composition of the Supervisory Board",**
- c) **Section 11 "Supervisory Board Meetings – Agenda, Convocation" and Section 12 "Supervisory Board – Quorum, Procedure"**

**a) Amendment to the Articles of Association in Section 2 “Objects of the business”**

In accordance with Section 2 of the Articles of Association of Austrian Post, the objects of the business are defined by the stipulations contained in Section 2 of the Postal Services Structure Act which reflects the spin-off of the company Post und Telekom Austria in 1996 and is no longer up-to-date. The Management Board and Supervisory Board of Austrian Post are convinced that the safeguarding the position of the Company as the leading Austrian postal and logistics services provider with a responsibility to the Austrian population as a supplier of universal postal services and to the staff as a stable Austrian employer in the spirit of Section 70 AktG should be specified in the Articles of Association as an objective of the company. The management is committed to economically sustainable, future-oriented and customer-oriented operations and considers it crucial to preserve the Company’s viability whilst being owned by stable core shareholders with long-term corporate objectives and a sustainably solid earnings development. This should be defined as part of the objects of the business in the Articles of Association of Austrian Post.

**b) Amendment to the Articles of Association in Section 9 “Composition of the Supervisory Board”**

The age limit specified for election to the Supervisory Board as contained in Section 9 Para. 1 of the Articles of Association of Austrian Post has no longer been included in the Austrian Corporate Governance Code since 2009 and is not longer up-to-date considering the frequently voiced opinion that experience counts, especially on the Supervisory Board.

Moreover, the stipulation in the Articles of Association of Austrian Post on by-elections to replace resigning Supervisory Board members should be newly regulated in a more flexible manner. The Annual General Meeting should now decide whether the functional term of members elected in such a case is deemed to last until the end of the function term of the resigning members or for another (also longer) functional term of office.

**c) Amendment to the Articles of Association in Section 11 “Supervisory Board Meetings – Agenda, Convocation” and Section 12 “Supervisory Board – Quorum, Procedure”**

The Supervisory Board wants to make increased use of modern means of communications in deciding upon resolutions and holding meetings. For this reason, it proposes to allow for votes on resolutions to the Supervisory Board to be submitted electronically but also to allow for holding telephone conferences, internet conferences and video conferences, and that these proposals be included in the Articles of Association.

Moreover, the rules pertaining to the quorum requirements for the Supervisory Board should be amended, and that a quorum will be considered to have been reached if five Supervisory Board members are personally present.

With this in mind, the Management Board and Supervisory Board of Austrian Post propose to revise the Articles of Association as follows:

a) in Section 2 “Objects of the Business“ so that this provision will now read as follows:

**“Section 2**

## **Corporate Objectives, Objects of the Business**

Austrian Post considers itself to be a modern service company particularly committed to its shareholders, employees and Austria as a business location. Austrian Post is the leading nationwide logistics and postal services provider, and strives to offer high quality postal, banking and telecommunications products and services to its customers throughout Austria on the basis of operating the largest private customer network in the country. Thanks to the reliable, nationwide supply of postal services to benefit the Austrian population and economy, Austrian Post makes an important contribution to safeguarding and securing the communications and logistics infrastructure of the country, and is an important employer in Austria. The corporate bodies of Austrian Post have defined the corporate goal of striving to achieve a sustainable business development for the purpose of ensuring that the shares in the company remain in the hands of core shareholders strategically oriented to maintain its long-term viability, featuring long-term corporate objectives and a sustainable solid earnings development.

The objects of the business shall be to:

1. Render services and create the necessary conditions to perform these services in the following areas:
  - a) all types of postal, parcel and logistics services;
  - b) financial services, particularly those financial services in line with the current and valid version of the Postal Savings Bank Act (BGBl 458/1969);
  - c) communications and information technology in automated data processing and information engineering;
  - d) other commercial services, inasmuch as the tasks listed under a) to c) are not impeded thereby, especially the trading and sales of all types of goods.
2. Strategic investments in companies and manage these strategic investments, including the acquisition and disposal of strategic investments in Austria and abroad.

This includes the planning, construction as well as maintenance and operation of infrastructural facilities for the purposes mentioned above.

The Company is entitled to all transactions and measures appearing necessary or useful from the viewpoint of the objects of the Company, particularly also in similar or useful areas of activity relating to the objects of the business.

Furthermore, the Company is entitled to acquire and dispose of commercial properties and to set up branch offices and subsidiaries in Austria and abroad.”

b) in Section 9, so that this provision will now read as follows:

### **“Section 9 Composition of the Supervisory Board”**

- (1) The Supervisory Board is comprised of a minimum of four and a maximum of ten members elected by the Annual General Meeting, and of the members appointed by the corporate employee representatives constituted according to Section 110, Para 1 of the Austrian Labour Constitution Act (ArbVG).
- (2) The Supervisory Board members are elected – unless for a shorter functional period – for the period ending upon the completion of the Annual General Meeting, which decides on discharge, held for the fourth financial year following the election. The financial year in which the member of the Supervisory Board was elected is not included in these calculations. Reelection is permissible.
- (3) Each member of the Supervisory Board can retire from her or his position by issuing notification of such in writing to the chairman of the Supervisory Board. The chairman of the Supervisory Board may retire from her or his position by means of furnishing written notice of such to her or his (first) deputy. Retirement is deemed to take effect four weeks from receipt, unless the resignation notice foresees another point in time.
- (4) In cases in which members of the Supervisory Board resign prior to expiry of their functional term from the Supervisory Board, an election to appoint their replacements is to be held at the next Annual General Meeting and not before. Such an election is, however, to be held within six weeks via an extraordinary General Meeting in cases in which the number of the elected members of the Supervisory Board drops below four. The functional term of members elected in such cases is deemed to last to the end of the functional term of the members that have resigned from the Supervisory Board, unless the General Meeting resolves otherwise.
- (5) The Supervisory Board is to determine its own rules of procedures.”

c) in Sections 11 and 12, so that these provisions will now read as follows:

**“Section 11  
Supervisory Board Meetings – Agenda, Convocation**

- (1) The Supervisory Board is to resolve its motions at its meetings, which are held on a regular basis. The Board is to hold a meeting as often as required in the interests of the company. This is to be at least on a quarterly basis. This once-a-quarter meeting of the Supervisory Board is to take the form of a physical convening of the members of the Board. The Supervisory Board is authorised, in addition, to convene meetings taking the form of either in-person gatherings of the members or of video conferences meeting the qualifications of Section 12 Para 6.
- (2) Notification of the convocation of meetings of the Supervisory Board is to be rendered in writing, by fax or E-mail by the Chairman of the Supervisory Board. This is to be at the latest fourteen days prior to the meeting. The day of dispatching is the determinant of this satisfaction of term. In urgent cases, the chairman may shorten this period. She or he is authorised to convene the meeting verbally or on the telephone. This is to occur by no later than three days prior to the meeting.
- (3) In cases in which a request for convocation of the Supervisory Board is submitted by at least two members of the Supervisory Board or by the Management Board, and in which this request specifies the purpose and the reasons for such, and in which this request is not acceded to by the chairman of the Supervisory Board within fourteen

days, then the applicants are entitled to convene a Supervisory Board meeting. This notification is to include a statement of the case of affairs.

- (4) The agenda is determined by the chairman. She or he is to consider the motions submitted by the Management Board and by the members of the Supervisory Board. The required written materials required for the individual topics on the agenda are to be made available on a timely basis. These materials are to be textual in nature.
- (5) The chairman determines the forms of the meeting, of the reaching of resolutions passed outside of it, of the voting on such and of the procedure of counting such votes submitted.
- (6) The members of the Management Board participate in all meetings of the Supervisory Board and their committees unless otherwise decided by the chairman of the meeting. Persons not forming part of the Supervisory or Management Boards are not authorised to take part in the meetings of the Supervisory Board and of its committees. Experts and other persons capable of providing information can be called upon to participate in deliberations on individual topics, should the chairman so consent to such. Supervisory Board members that are not such of a committee are entitled to attend the meetings of such only in cases in which the chairman consents to their doing such.
- (7) A member of the Supervisory Board is entitled to commission another with her or his representation at an individual meeting. This is to be rendered in writing. A member so represented is not to be counted when determining the existence of a quorum at the meeting. The right to chair a meet cannot be assigned to another. A member of the Supervisory Board who is not capable of attending a meeting of it or of one of its committees is entitled to submit in writing her or his vote on individual topics on the agenda. This submission is to be undertaken by another member of the body in question.”

**“Section 12**  
**Supervisory Board – Quorum, Procedure**”

- (1) The Supervisory Board is deemed to have a quorum in cases in which all members of the Supervisory Board have been properly invited to attend its meeting, and in which at least five of the members – with this including the chairman or one of her or his deputies - is personally present. The Supervisory Board is entitled to resolve a matter that is up for deliberation and that is not a topic on the agenda only in such cases in which all members of the Supervisory Board are present or have designated replacements, and in which no member disagrees with the resolution of the matter.
- (2) Simple majorities of votes rendered are required to pass resolutions. An abstention is not considered to be a vote. Ties – with this also applying to elections – require the chairman's determination of the matter; in the case of her or his not being able to attend, this vote (right of decisive vote) is held by her or his deputy and by the chairman of a committee.
- (3) The chairman is also entitled to stipulate that the declarations of individual members who are not present at the meetings can be rendered in writing, on the telephone or in a comparable form (with these especially including faxes and E-mails) in cases of the Supervisory Board's or its committees' voting on resolutions. No Supervisory Board member is entitled to object to such a ruling by the chairman.
- (4) Resolutions can also reached by voting in writing or textually (via fax or E-mail). This does not require the convening of the Supervisory Board to a meeting. This is provided that the chairman, or in cases of her or his not being able to do such – her or his deputy - orders such a resolution, and that no member of the Supervisory Board expressly lodges with the chairman objections to this procedure. This is to be rendered textually (in forms of a fax or an E-mail) and within the term to be determined by the chairman. A resolution is deemed to have been passed in cases in which all members of the Super-

- visory Board have been invited textually (via fax or E-mail) to submit their votes, and in which five members – with these including the chairman or her or his deputy – have rendered these votes within the term to be determined by the chairman. The chairman is entitled to determine the technical format of votes rendered by E-mail. The stipulations of paragraph 2 correspondingly apply. The deputizing of another member of the Supervisory Board is not permissible in cases of voting in writing or in textual form.
- (5) Resolutions can also be passed by voting conducted in teleconferences, Internet conferences or (simple) video conferences. This does not require the Supervisory Board's being convened for a meeting. This comes into being in such cases in which the chairman – or, in cases of her or his not being to do such, her or his deputy – orders the deciding upon such a resolution, and in which no member of the Supervisory Board expressly lodges with the chairman an objection to such in textual form (fax or E-mail). A resolution is deemed to have been passed in cases in which all members of the Supervisory Board have been invited textually (via fax or E-mail) to submit their votes, and in which five members – with these including the chairman or her or his deputy – have rendered these votes within the term to be determined by the chairman. The chairman is entitled to determine the technical format of votes rendered by E-mail. The stipulations of paragraph 2 correspondingly apply. The deputizing of another member of the Supervisory Board is not permissible.
- (6) Meetings of the Supervisory Board can be held via electronic communication. This precludes the need for the members of the Supervisory Board to convene in person. The preconditions for such have to be fulfilled. These are: (i) immediate communication among the participants through simultaneous and universal visibility and audibility; (ii) the option of third parties' participation; (iii) the ensuring of confidentiality; (iv) the attainment of an equal level of information among all participants; (v) the guaranteeing of the authenticity of the discussion. A qualified video conference that satisfies the above conditions is to be regarded as a meeting (video conference meeting), as defined in Section 94 Para 3 AktG. The chairman – or, in cases of her or his not being able to attend – her or his deputy is entitled to convene a video conference meeting, provided that the technical requirements are available to all members of the Supervisory Board to the extent described above, and that the object of consultation and resolution does not compulsorily require immediate, in-person contact among all participants. The chairman is especially entitled to avail herself or himself of the option of convening a video conference in cases in which the urgency impelling the calling such a meeting, the frequency of such callings, or the fact that members of the Supervisory Board are not at the place of convening make the convening of a video conference meeting appear appropriate and a better serving of the interests of the company than the gathering in person of all members. The stipulations in Section 11 Paras 1-7 and Section 12 Paras 1-3 correspondingly apply.
- (7) Minutes are to be made of the Supervisory Board's meeting. These are to delineate the essentials of the course of discussion and of the resolutions passed. The minutes are to be signed by the chairman of the meeting. Resolutions passed by the Supervisory Board outside of its meetings are to be confirmed in writing by the chairman.

#### **Item 9 on the agenda: Resolution on**

##### **a) the creation of additional authorised capital [Authorised Capital 2015]**

- i) while protecting the statutory subscription rights of shareholders, also within the meaning of indirect subscription rights pursuant to Section 153 Para 6 Austrian Stock Corporation Act (AktG),**
  - ii) with the authorisation to exclude shareholder subscription rights,**
  - iii) with the possibility to issue new shares against contributions in kind**
- and**



**b) revising and making an addition to the Articles of Association on the basis of a new Section 5 a) “Authorised Capital”**

The Annual General Meeting of Austrian Post resolved on March 3, 2006 to create an authorised capital. Also resolved was the authorization of the Management Board, in accordance with Section 169 AktG, to increase the share capital by up to EUR 175,000,000.00 to EUR 525,000,000.00 through payments of cash. This authorisation expired on March 17, 2010.

Opportunities for growth arising for Austrian Post could be availed upon by employing an authorised capital, as such imparts the requisite flexibility to it. This capital could be employed to acquire other companies or stakes in such.

In view of the fact that the extant authorised capital expired on March 17, 2010, a new Authorised Capital 2015 is to be created. This capital is to have a greater range of ways of employment, a lower volume – of around – 10% and a new term.

To achieve this, the Management and Supervisory Board propose the creation of a new authorised capital [Authorised Capital 2015]. The Annual General Meeting is requested to resolve the following:

- a) Authorisation of the Management Board
    - aa) provided that the Supervisory Board so approve, the increasing of the share capital, in accordance with Section 169 AktG, from the current nominal amount of EUR 337,763,190.00 by a further EUR 33,776,320.00 through the issuance of up to a further 6,755,264 new, ordinary bearer shares (non-par value shares) in exchange for cash and/or contributions in kind. This can be undertaken in one or more tranches. The Management Board is also authorised to set the price and conditions of issuance and the other stipulations of the increase in capital to be performed. This requires the approval of the Supervisory Board. Such an issuance, in accordance with lit c (ii), can also contain a favorable price of issuance, as compared to the price prevailing on markets. When offering such, to be adhered to are the limits placed by Section 8a Para 1 AktG,
    - bb) should such apply, the new shares are to be offered for procurement by shareholders, with this to adhere to the direct right of subscription codified in Section 153 Para 6 AktG,
    - cc) provided that the Supervisory Board so approve, the shareholders' right of subscription is to be excluded in cases in which
      - (i) the increase in capital results from contributions in kind (shares are issued for purposes of acquiring companies, operations, parts thereof, or stakes in one or more than one company located in or outside Austria), or
      - (ii) the shares are to be issued to employees, senior managers and members of the Management Board of the company or of one affiliated with it in conjunction with an employee participation program or with a stock option program and/or for purposes of issuance to a private foundation constituted to enable employee participation,
      - (iii) to except peak amounts from the rights of subscription held by shareholders, or
      - (iv) to satisfy an over-allotment option held by a bank of issuance.
- [Authorised Capital 2015]

The Supervisory Board is authorised to resolve the alterations in the Articles of Association resulting from the issuance of shares from the Authorised Capital.”

- b) corresponding alteration of addition to the Articles of Association through the passing of a new § 5 “a) Authorised Capital”. This item is as follows:

**“§ 5 a  
Authorised Capital**

The Management Board is authorised until April 14, 2020 to undertake the following,

- a) provided that the Supervisory Board so approve, the increasing of the share capital, in accordance with Section 169 AktG, from the current nominal amount of EUR 337,763,190.00 by a further EUR 33,776,320.00 through the issuance of up to a further 6,755,264 new, ordinary bearer shares (non-par value shares) in exchange for cash and/or contributions in kind. This can be undertaken in one or more tranches. The Management Board is also authorised to set the price and conditions of issuance and the other stipulations of increase in capital to be performed. This requires the approval of the Supervisory Board. Such an issuance, in accordance with lit c (ii), can also contain a favorable price of issuance, as compared to the price prevailing on markets. When offering such, to be adhered to are the limits placed by Section 8a Para 1 AktG,
- b) should such apply, the new shares are to be offered for procurement by shareholders, with this to adhere to the direct right of subscription codified in Section 153 Para 6 AktG,
- c) provided that the Supervisory Board so approve, the shareholders' right of subscription is to be excluded in cases in which
- (i) the increase in capital results from contributions in kind (shares are issued for purposes of acquiring companies, operations, parts thereof, or stakes in one or more than one company located in or outside Austria), or
  - (ii) the shares are to be issued to employees, senior managers and members of the Management Board of the company or of one affiliated with it in conjunction with an employee participation program or with a stock option program and/or for purposes of issuance to a private foundation constituted to enable employee participation,
  - (iii) to except peak amounts from the rights of subscription held by shareholders, or
  - (iv) to satisfy an over-allotment option held by a bank of issuance.
- [Authorised Capital 2015]

The Supervisory Board is authorised to resolve the alterations in the Articles of Association resulting from the issuance of shares from the Authorised Capital.”

**Item 10 on the agenda: Resolution to grant authorisation to the Management Board**

- a) to buy back the Company's own shares (treasury shares) pursuant to Section 65 Para 1 (4) and (8), Para 1a and 1b AktG, both via the stock market and over-the-counter, to a maximum of 10% of the Company's share capital, also with the exclusion of pro rata shareholder rights of repurchase which may accompany such an acquisition (reverse exclusion of subscription rights)
- b) pursuant to Section 65 Para 1b AktG, to decide on another mode of disposal for selling or utilizing the Company's own shares, i.e. other than by way of the stock market or a public offering, while applying – “mutatis mutandis” – the rules on the exclusion of shareholder subscription rights;
- c) to decrease the share capital by redeeming these treasury shares with no further resolution of the Annual General Meeting.

The Annual General Meetings of a large number of companies that are listed on the Prime Market resolve on a regular basis on the authorisation of their Management Boards to acquire treasury shares.

Such an authorisation would also make sense for Austrian Post, as it would provide its Management Board with the flexibility required to act expeditiously.

Such an authorisation would also facilitate the participation of employees, no matter which form and in which way this actually takes place. The expansion of employee participation schemes supports a structure of ownership that fosters stability and sustainability. Such a structure, in turn, enables the pursuit of corporate policies oriented towards the long term. Employee participation schemes also foster staff members' identification with the company. They thus promote corporate success.

The Management and Supervisory Boards of Austrian Post propose that the Annual General Meeting meeting pass the following resolution:

- a) In accordance with Section 65 Para 1 (4) and (8) as well as Para 1a and 1b AktG, the Management Board is authorised to acquire non-par value bearer or registered shares of the company, with this to amount to up to 10% of the company's share capital, with this authorisation to be for 30 months, with this starting upon April 15, 2015, and with this to be performed on or outside exchanges, and with these to be offered for purchase in such cases to individual shareholders or to a single shareholder, with this especially to be ÖIAG/ÖBIB, and with this to be at a lowest equivalent value of EUR 20.00 (twenty euros) per share, and with this to be at a highest equivalent value of EUR 60.00 (sixty euros) per share.

The trading in treasury shares is excluded as the objective of the acquisition. The authorisation can be exercised in two or more partial amounts and for the purposes of realising one or more than one objective of the company. This realisation may also be undertaken by a subsidiary (Section 228 Para 3 Austrian Commercial Code) or by a third party acting on a paid commission basis on behalf of the company. The undertaking of the acquisition by the Management Board may especially be performed in cases in which the shares are to be offered to employees, senior managers and members of the Management Board of the company or of one affiliated with it in conjunction with an employee participation program, with a stock option program and/or for purposes of being issued to a private foundation enabling employee participation.

- b) The Management Board can resolve to make this acquisition on an exchange. In such cases, the Supervisory Board has to be informed on an ex post facto basis of this resolution. An acquisition not made via an exchange requires the prior approval of the Supervisory Board. In a case of an acquisition not made on the exchange, this acquisition can be undertaken in a way excluding the proportionate right of sale (converse exclusion of right of procurement).
- c) The Management Board is authorised for a term of five years, with this starting upon the passing of the resolution, with this according to Section 65 Para 1b AktG, with this requiring approval by the Supervisory Board, and with this not demanding the Annual General Meeting's passing of a resolution, to pass a resolution stipulating that treasury shares are to be sold or used in a way other than their sale via an exchange or via the making of a public offer, with this to appropriately heed the rules established for the exclusion of subscription rights held by shareholders, with this especially applying to shares to be offered to employees, senior managers and members of the Management Board of the company or of one affiliated with it in conjunction with an employee participation program or with a stock option program and/or issued to a private foundation constituted for purposes of employee participation. The Management Board

is also authorised to establish the conditions of sale. The authorisation can be exercised in two or more partial amounts and for the purposes of realising one or more than one objective of the company. This realisation may also be undertaken by a subsidiary (Section 228 Para 3 Austrian Commercial Code) or by a third party acting on a paid commission basis on behalf of the company.

- d) The Management Board is also authorised, should the Supervisory Board so consent and should such be required, to reduce the share capital. This is to be undertaken through the withdrawal of treasury shares and does not require the Annual General Meeting's passing a resolution, in accordance with Section 65 Para 1 (8) last sentence and with Section 122 AktG. The Supervisory Board is authorised to resolve alterations in the Articles of Association arising from the withdrawal of shares.

Also to be noted is the report of the Management Board, which was compiled in accordance with Section 65 Para 1b AktG and Section 170 Para 2 AktG and Section 153 Para 4 S 2 AktG, on this item on the agenda.

**Item 11 on the agenda: Resolution on the authorisation for the Management Board to issue financial instruments within the meaning of Section 174 AktG, in particular convertible bonds, income bonds, participation rights, which can also convey subscription and/or conversion rights for the acquisition of shares of the Company, together with the authorisation to exclude shareholder subscription rights with respect to these financial instruments.**

The Annual General Meeting resolved on April 4, 2006 to authorise the Management Board's issuance, in accordance with Section 174 AktG, of convertible bonds amounting to 50% of the share capital based at that time upon it. This authorisation expired on April 21, 2011.

The Management and Supervisory Boards propose, in accordance with this item on the agenda, that the Management Board is to be once more authorised to issue financial instruments, as defined in Section 174 AktG. This authorisation is to exclude shareholders' rights of subscription to such financial instruments, provided that the Supervisory Board so consent. In such cases, the Management Board is to issue a written report on this authorisation to exclude rights of subscription, as foreseen by Section 153 Para 4 and by Section 174 Para 4 AktG.

Section 174 AktG defines convertible bonds to be financial instruments imparting the capability of pro-actively managing the structure of capital. Investors in convertible bonds are provided with a yield. This bears with it a comparatively low rate of risk of failure to repay capital provided. Such bonds grant investors the right to acquire at a point in the future the company's shares. The price for such may have been established at the time of the issuance of the convertible bonds, or at a formula for the setting of prices agreed upon. This acquisition provides investors with access to the company's assets and earnings. These bonds' high levels of credit security and options to participate in stock rises (with this ensuing through the right to convert the bonds into shares) provide the company with flexible and rapid access to attractive conditions of financing, with these being in some cases below the levels prevailing for instruments of outside capital. A further factor to be considered is that convertible bonds are generally subscribed for only by institutional investors that have specialized in this form of investment. The issuance of a convertible bond thus enables the company to reach other and new (in some cases) groups of investors. Other financial instruments meeting the stipulations of Section 174 AktG (income bonds or participation rights) provide the Management Board with the capability to flexibly and quickly avail itself of any cost-effective forms of fi-

ancing. The dynamics of change gripping financial markets make it highly sensible to be equipped with this flexibility.

Convertible bonds enable the optimisation of the company's capital structure, the reduction of financing costs, the attainment of a high quote of conversion, the reaching of new groups of investors, and – through all these achievements – the achievement of the further enhancement and improvement of the company's position on markets and vis-à-vis competitors. Such moves serve the interests of the company and its shareholders. This serving justifies the granting of the rights of exclusion of subscription.

The right of exclusion of subscription is appropriate and requisite for another reason. This is because the inflow of outside or own capital expected to arise from the orientation towards specific target groups ensuing from these financial instruments, as defined in Section 174 AktG, will replace capital raising measures incurring greater costs. The former instruments also offer more advantageous conditions of financing and allow for flexible and long-term planning of business operations, and thus the realisation of corporate objectives. These achievements, in turn, serve and ensure the interests of the company and thus of all of its shareholders. The refraining from the exclusion of procurement rights would prevent the company from comparatively quickly and flexibly responding to advantageous conditions on markets. Also to be noted is that such an exclusion of rights of subscription is customary for such financial instruments.

Expected is that the benefit accruing to the company through the issuance of financial instruments, as defined by Section 174 AktG, and with this comprising the exclusion of rights of subscription, will be shared by all shareholders, and that this benefit will be clearly greater than the (potential) loss of proportionate participation arising to those shareholders affected by it from the exclusion of rights of subscription.

To summarize them, the resolution's key points are

- an authorisation granted to the Management Board to issue financial instruments, as defined in Section 174 AktG, with these especially including convertible bonds, income bonds and participation rights whose total nominal amount comes to up to EUR 250,000,000.00;
- an authorisation granted to the Management Board to exclude shareholders' rights of subscription, provided that the Supervisory Board so consent;
- the imparting to the company of a way – through these forms of financing – to flexibly and rapidly respond to conditions on markets, so as to attain the best conditions of financing – with this applying to rates of interest and conversion quotes – and to thus optimally serve the interests of the company and thus of its shareholders.

To this end, the Management and Supervisory Boards propose that the Annual General Meeting resolve the following:

1. The Management Board be authorised, upon its rendering of consent to such by the Supervisory Board, to issue until April 14, 2020 financial instruments, as defined by Section 174 AktG, with these especially including convertible bonds, income bonds and participating rights; with their total nominal amount attaining up to EUR 250,000,000.00. This authorisation comprises the rights of exchange of and/or subscription for up to 3,377,632 shares of the company. This authorisation is also to be configured in a way permitting the shares to be reported as equity. This issuance is to be allowed to be undertaken in one or more tranches and in a variety of combinations, with this also incorporating the direct rendering of a guarantee for the issuance of financial instruments by an affiliated company, and with this extending to the granting of rights of exchange of and/or subscription for the shares of the company.

2. To satisfy rights of exchange and/or subscription, the Management Board is entitled to employ the conditional capital or treasury shares, or a combination of both.
3. The price and conditions of issuance of financial instruments are to be set by the Management Board. The Supervisory Board has to approve such. The setting of this price is to adhere to recognized financial and mathematical methods of calculation. These are to take into account the stock's quote, and are to feature a recognized procedure of price determination.
4. The Management Board is authorised to exclude shareholders' rights of procurement of financial instruments, as stipulated in Section 174 AktG, provided that the Supervisory Board so consent.

To be further noted is the report issued by the Management Board, in accordance with Section 174 Para 4 and with Section 153 Para 4 and Section 159 Para 2 AktG; these apply to this topic on the agenda.

#### **Agenda item 12: Resolution on**

- a) the conditional increase of the Company's share capital [Conditional Capital 2015] and**
  - i) for issuing to creditors of financial instruments pursuant to Section 159 Para 2 (1) AktG and**
  - ii) for granting stock options to employees and senior executives of the Company or an associated company pursuant to Section 159 Para 2 (3) AktG**
- b) to revise and make an addition to the Articles of Association on the basis of a new Section 5 b) "Conditional Capital"**

The conditional increase in capital serves to repay a convertible debenture that might be issued (as elucidated in item 11 of this agenda); a conditional increase in capital may be expressly performed in cases of creditors of convertible bonds' availing themselves of their rights to exchange for and/or subscribe to the company's shares.

The increase in capital also serves to enable the participation by employees and to satisfy rights of subscription of shares arising from stock options granted to employees and to senior managers (see on this item TOP 9 and TOP 10).

The Management and Supervisory Boards propose to this end the creation of a conditional capital [Conditional Capital 2015]. To this end, the Annual General Meeting is requested to resolve the following:

- a) The approval of the conditional increase of the company's share capital, in accordance with Section 159 Para 2 (1) and (3) AktG, by up to EUR 16,888,160.00 through the issuance of 3,377,632 non-par value bearer shares (i) that are to be issued to creditors of financial instruments, as defined in Section 174 AktG, and as stipulated in the resolution passed by the Annual General Meeting convened on April 15, 2015, and featuring the availing of the authorisation granted at the Annual General Meeting to the company or to the one associated with it. This authorisation applies to the future, and is predicated upon the creditors of financial instruments' availing themselves of their rights of exchange for and/or subscription of shares of the company, and upon (ii) the attainment of the objective of granting stock options to employees and to senior managers of the company or one that is affiliated with it. The price of issuance and the relationship of exchange are to be determined upon the issuance to creditors of financial instruments. The price and relationship are to be calculated, as stipulated by Section 159 Para 2 (1) AktG, by using recognized financial and mathematical methods,

and by taking into account the quote of the company's stock. These factors are then to be subjected to a recognized process of price determination. The price of the shares issued to satisfy rights of subscription ensuing from stock options, as stipulated in Section 159 Para 2 (3) AktG, are to be calculated using the average stock quote on exchanges during the last three months prior to the granting of the respective stock options. In any case, the price of issuance may not be less than the share's proportionate amount of the share capital. The shares issued from the conditional increase of capital are entitled to dividends to the same extent as the company's previously-existing ones. The Management Board is authorised, provided that the Supervisory Board so consent, to establish the further conditions associated with the conducting of the conditional increase in capital (with these conditions especially including the price of issuance and the point in time of dividend entitlement). The Supervisory Board is authorised to resolve alterations in the Articles of Association arising through the issuance of shares emanating from the conditional capital.

- b) to undertake the corresponding alteration and extension of the Articles of Association, with these to take the form of the incorporation of a new § 5b) "Conditional Capital". This is to have the following contents:

**"Section 5 b**  
**Conditional Capital**

The company's share capital, in accordance with § 159 Para 2 (1) and (3) AktG, is to be increased by up to EUR 16,888,160.00 through the issuance of 3,377,632 non-par value bearer shares (i) that are to be issued to creditors of financial instruments, as stipulated in the resolution passed by the Annual General Meeting convened on April 15, 2015, and featuring the availing of the authorisation granted at the Annual General Meeting to the company or to the one associated with it. This authorisation applies to the future, and is predicated upon the creditors of financial instruments' availing themselves of their rights of exchange and/or subscription of shares of the company, and upon (ii) the attainment of the objective of granting stock options to employees and to senior managers of the company or one that is affiliated with it. The price of issuance and the relationship of exchange are to be determined upon the issuance to creditors of financial instruments. The price and relationship are to be calculated, as stipulated by Section 159 Para 2 (1) AktG, by using recognized financial and mathematical methods, and by taking into account the quote of the company's stock. These factors are then to be subjected to a recognised process of price determination. The price of the shares issued to satisfy rights of subscription ensuing from stock options, as stipulated in Section 159 Para 2 (3) AktG, are to be calculated using the average stock quote on exchanges during the last three months prior to the granting of the respective stock options. In any case, the price of issuance may not be less than the share's proportionate amount of the share capital. The shares issued due to the conditional increase of capital are entitled to dividends to the same extent as the company's previously-existing ones. The Management Board is authorised, provided that the Supervisory Board so consent, to establish the further conditions associated with the conducting of the conditional increase in capital (with these conditions especially including the price of issuance and the point in time of dividend entitlement). The Supervisory Board is authorised to resolve alterations in the Articles of Association arising through the issuance of shares emanating from the conditional capital.  
[Conditional Capital 2015]"

To be further noted is the report issued by the Management Board, in accordance with Section 174 Para 4, and with Section 153 Para 4 and Section 159 Para 2 (3) AktG; these apply to this topic on the agenda.

