

**Report of the Management Board**  
of  
**Semperit Aktiengesellschaft Holding**  
**FN (Commercial Register Number) 112544 g**  
in accordance with Section 174 (4) and 153 (4) of the Austrian Stock Corporation Act  
(exclusion of subscription rights when issuing convertible bonds)  
on item 9 of the agenda of the 127th Annual General Meeting

In the 127th Annual General Meeting of Semperit Aktiengesellschaft Holding, FN 112544 g, Modecenterstraße 22, 1031 Vienna (the “**Company**”), which will be held on 26 April 2016, a proposal has been submitted to authorise the Management Board of the Company for a period of five years from the date on which the Articles of Association are amended, subject to the approval of the Supervisory Board, to issue convertible bonds with conversion and subscription rights or obligations for up to 10,286,717 bearer shares of the Company, at the pro rata value of share capital of up to EUR 10,679,498.27, possibly in several tranches, and to determine, subject to the consent of the Supervisory Board, all other conditions regarding the issue volume, the issue and the procedure for converting the convertible bonds. The issue volume and conversion ratio shall be determined in a recognised pricing procedure using standard financial calculation methods and the Company’s share price.

Shareholders may be granted legal subscription rights in such a way as to allow the convertible bonds to be assumed by a bank or group of banks, subject to the proviso that said banks or group of banks offer the convertible bonds to the shareholders in accordance with their subscription rights (indirect subscription rights).

In addition, the Management Board of the Company is to be authorised, subject to the consent of the Supervisory Board, to limit shareholders’ subscription rights when issuing convertible bonds, but only in order to prevent fractional subscription rights.

The Supervisory Board is to be authorised to approve amendments to the Articles of Association in order to reflect the issue of shares from the authorised capital.

Pursuant to the statutory provisions in accordance with Section 170 (2) in conjunction with Section 153 (4) of the Austrian Stock Corporation Act (AktG), the Management Board of the Company hereby issues the following

**REPORT:**

At the 123rd Annual General Meeting that was held on 23 April 2012 the Management Board of the Company was authorised for a period of five years from the date on which the Articles of Association were amended, subject to the consent of the Supervisory Board, to raise the Company’s share capital listed above to the extent necessary to cover the amounts resulting when bearers of convertible bonds exercise their conversion rights. As of today this authorisation has not been utilised. The authorisation is to be renewed at the 127th Annual General Meeting to be held on 26 April 2016.

Section 174 (4) of the AktG in conjunction with Section 153 of the AktG stipulates that shareholders have a legal right to subscribe to the issue of convertible bonds to the extent of their previous shareholding.

As set out in the current authorisation, the proposed authorisation of the Company's Management Board that is to be adopted in the 127th Annual General Meeting provides for the limitation of shareholders' subscription rights, subject to the consent of the Supervisory Board, in order to prevent fractional subscription rights.

Fractional subscription rights are partial claims to subscribe to the convertible bonds. They arise when the specific extent of the convertible bond results in an unfavourable subscription ratio.

As the formation of such fractional subscription rights tends to make it difficult to exercise subscription rights, particularly for investors with only small holdings, such a limitation of subscription rights to avoid the formation of fractional subscription rights is typically in the interest of minority shareholders and therefore justified in principle.

When utilising the authorisation to be adopted, the Management Board of the Company will naturally undertake measures to define the conditions of such a convertible bond in a way that prevents whenever possible the formation of fractional subscription rights. In any case it will be ensured that all shareholders are treated equally.

Vienna, April 2016

The Management Board