



WashTec AG
Augsburg
Securities Identification Number (WKN) 750 750
ISIN: DE 000 750 750 1

Supplement to the Agenda for the Annual General Meeting on April 30th, 2018

By announcement in the Federal Gazette (*Bundesanzeiger*) of March 21st, 2018 the Annual General Meeting of WashTec AG, which will take place on Monday, April 30th, 2018, at 10:00 a.m. at IHK für Augsburg und Schwaben, Stettenstraße 1-3, 86150 Augsburg, was convened.

By request of the shareholder Paradigm Capital Value Fund SICAV the Agenda of the Annual General Meeting on April 30th, 2018 is, pursuant to Sections 122, Paragraph 2, 124 Paragraph 1 of the German Stock Corporation Act, supplemented by the following item and hereby announced:

7. Introduction of long-term variable remuneration for the Supervisory Board

In addition to the fixed remuneration and the short-term variable remuneration according to § 8.16 of the Articles of Association, the members of the Supervisory Board shall receive long-term variable remuneration. § 8.16 of the Articles of Association stipulates that the Annual General Meeting may resolve to establish one or more long-term variable remuneration components that are added to the remuneration under the Articles of Association. The long-term variable remuneration is to be granted as part of a Long Term Incentive Program (LTIP). The participating members of the supervisory board are to receive a one-time cash award that depends upon the attainment of certain value generation targets over a three-year period and upon the supervisory board members' personal investment. The cash award is calculated by multiplying a multiplier with the number of shares purchased by the members of the supervisory board as their personal investment multiplied by a reference share price. The multiplier is a maximum of 1.2.

A comparable LTIP for members of the supervisory board that continues to run until December 31, 2018 was adopted by resolution of the Annual General Meeting in 2015.

In view of the above, Paradigm Capital Value Fund SICAV proposes to resolve the following Long Term Incentive Program for the Supervisory Board:

§ 1 Definitions

Termination event has the meaning as defined in § 6.1.

Cash award has the meaning as defined in § 4.

Capital employed means fixed assets plus net operating working capital calculated as an average over five quarters.

Change of control means the acquisition of a number of shares in the Company that leads to a shareholding in the amount of more than 50% of shares in the Company by an existing shareholder or third party.

EBIT means the WashTec Group's earnings before interest and taxes based on the Company's audited and approved consolidated financial statements.

Invested shares has the meaning as defined in § 2.1.

EPS means earnings per share, i.e., the WashTec Group's consolidated net income, as presented in the audited and approved consolidated financial statements, divided by the weighted average number of shares outstanding (calculated on a fully diluted basis).

EPS target has the meaning as defined in § 3.

Performance targets comprise the EPS target, the ROCE target and the free cash flow target.

Fixed assets mean property, plant and equipment, goodwill and other intangible assets as presented in the Company's approved consolidated financial statements.

Free cash flow is defined as net cash flow from operating activities including changes in net working capital minus net cash flows from investing activities.

Free cash flow target has the meaning as defined in § 3.

The **Company** means WashTec AG.

Incentive period means the period in which the performance targets must be attained. The period begins on January 1, 2019 and lasts until December 31, 2021.

LTIP stands for Long Term Incentive Program.

LTIP 2015 means the LTIP for the members of the Supervisory Board which has been approved by the Annual General Meeting of the Company on May 13th, 2015.

LTIP 2015 Shares includes both the initial investment under LTIP 2015 and the binding reinvestment of the cash award by Supervisory Board Members. Such reinvestments relate to one third of the post-tax proceeds as defined in the LTIP 2015.

Multiplier has the meaning as defined in § 4.

Net operating working capital means trade receivables plus all inventories minus trade payables and prepayments on orders as presented in the company's approved consolidated financial statements.

Pro-rata cash award has the meaning as defined in § 6.1.

Reference share price means the volume-weighted average price of shares in the Company in XETRA trading (or in a successor system) on Frankfurt Stock Exchange during the last three months of the incentive period. If the volume-weighted average price of shares in the Company in XETRA trading (or in a successor system) on Frankfurt Stock Exchange during the last three months of the incentive period exceeds EUR 100.00, the reference share price is EUR 100.00. In the event of a change in the number of shares due to a stock split or consolidation, the reference share price for calculation of the cash award is adjusted accordingly; for this purpose, the reference share price is multiplied by the number of shares before the stock split or consolidation divided by the number of shares after the stock split or consolidation. The maximum applicable reference share price continues to be EUR 100.00 in the event of such an adjustment.

ROCE means EBIT divided by capital employed.

ROCE target has the meaning as defined in § 3.

Reduced incentive period means the period from January 1, 2019 to the end of the fiscal year in which a termination event occurs. If a participating Supervisory Board member is a member of the Supervisory Board for less than three months of the financial year in which the termination event occurs, the reduced incentive period is from January 1, 2019 until the end of the financial year prior to the financial year in which the termination event occurs.

WashTec Group means the Company and the legal entities included in the Company's consolidated financial statements.

§ 2 Personal investment

- 2.1 In order to participate in the LTIP, a Supervisory Board member is required to make a personal investment in shares in the Company by December 31, 2018 (“**invested shares**”). A Supervisory Board member can also participate in LTIP with shares already purchased by such member prior to the Company’s Annual General Meeting in fiscal year 2018. In such case invested shares may also include those acquired by a Supervisory Board Member under LTIP 2015.
- 2.2 The Chairman of the Supervisory Board may participate in the LTIP with a personal investment of up to 4,000 shares. The remaining members of the Supervisory Board may participate in the LTIP with a personal investment of up to 2,000 shares.

§ 3 Performance targets

The cash award depends on attainment of three performance targets, each of which must be 100% attained in order to count:

- (i) Compounded average annual normalized EPS growth of at least 15% during the incentive period (“**EPS target**”).
- (ii) Average ROCE of more than 30% during the incentive period (“**ROCE target**”).
- (iii) Compounded average annual free cash flow growth of at least 15% during the incentive period (“**free cash flow target**”).

The basis for calculation of the annual growth rates comprises the performance indicators for fiscal year 2018 as of December 31, 2018.

§ 4 Calculation of the cash award

The LTIP return profile depends on the level of attainment of the performance targets. The participating members of the Supervisory Board are only entitled to a cash award (“**cash award**”) if they attain 100% on at least one of the performance targets. The cash award is calculated by multiplying a multiplier (“**multiplier**”) with the number of invested shares multiplied by the reference share price.

- Full attainment: If all three performance targets are attained, the multiplier is 0.5.
- Partial fulfillment: If only two out of three performance targets are attained, the multiplier is 0.33. If only one of the three performance targets is attained, the multiplier is 0.17.
- Over-attainment of the EPS target: If the free cash flow target and the ROCE target are attained and average annual EPS growth during the incentive period is 15.8% or more, the multiplier is between 0.66 and 1.2, as set out in the table below:

Average growth	EPS	Multiplier
15.8%		0.66
17.6%		0.83
19.3%		1.01
20.9%		1.20

§ 5 Payment

- 5.1 If a participating Supervisory Board member is entitled to a cash award under § 4, the cash award falls due on the day of the Company’s Annual General Meeting in fiscal year 2022.

- 5.2 A participating Supervisory Board member shall only be entitled to a cash award in the full amount if the member (i) still holds either all of the invested shares (applicable to Board Members not participating in the LTIP 2015) or all the LTIP 2015 Shares (applicable to the rest of Board Members) at the end of the incentive period and, (ii) subject to the provisions in § 6 and § 7 has been a member of the Supervisory Board without interruption from the beginning to the end of the incentive period.
- 5.3 Entitlement to payment is subject to the resolutive condition that the entitled Supervisory Board member (i) within three months subsequent to the Company's Annual General Meeting in fiscal year 2022, reinvests one-sixth of the cash award received under the LTIP in shares in the Company and (ii) holds those shares for at least three years after purchase; the requirement to hold the shares ends if the entitled Supervisory Board member ceases to be a member of the Supervisory Board during the three-year holding period.

§ 6 Pro-rata cash award

- 6.1 If one of the following events (each a **"termination event"**) occurs before the end of the incentive period, the participating Supervisory Board member is entitled to a pro-rata cash award (**"pro-rata cash award"**) provided that the member still holds the invested shares when the termination event occurs:
- a) Resignation or removal of the participating Supervisory Board member within three months subsequently to a change of control.
 - b) Departure of the participating Supervisory Board member from the Supervisory Board due to expiry of the member's term of office before the end of the incentive period.
 - c) Death of the participating Supervisory Board member.
 - d) Termination of the participating Supervisory Board member's office on entry into effect of a merger, division, or transformation under the Transformation Act (*Umwandlungsgesetz*).
 - e) Delisting of the Company's shares from the Frankfurt Stock Exchange.
- 6.2 The basis for calculation of the pro-rata cash award is the LTIP return profile in accordance with § 4. However, this is adjusted as follows:
- a) The reference share price is the volume-weighted average price of shares in the Company in XETRA trading (or a successor system) on Frankfurt Stock Exchange during the last three months before the termination event. If the volume-weighted average price of shares in the Company in XETRA trading (or in a successor system) on Frankfurt Stock Exchange during the last three months before the termination event exceeds EUR 100.00, the reference share price is EUR 100.00. In the event of a change in the number of shares due to a stock split or consolidation, the reference share price for calculation of the cash award is adjusted accordingly; for this purpose, the reference share price is multiplied by the number of shares before the stock split or consolidation divided by the number of shares after the stock split or consolidation. The maximum applicable reference share price continues to be EUR 100.00 in the event of such an adjustment.
 - b) The multiplier shall be adjusted. The basis for the calculation comprises the multipliers in accordance with § 4 up to the factor 0.5; the limit of 0.5 then also applies if average annual EPS growth is 15.8% or more. The multiplier must be adjusted pro rata in line with the reduced incentive period. Accordingly, the multiplier is reduced by one-third for each year by which the reduced incentive period is shorter than the incentive period; that is, for each year in which the entitled Supervisory Board member has not been a member of the Supervisory Board for at least three months. If all three performance targets are attained, the

adjusted multiplier is thus 0.33 for a reduced incentive period of two years and 0.17 for a reduced incentive period of one year.

- c) The performance targets are not adjusted. However, the performance targets are applied to the reduced incentive period.

- 6.3 If a participating Supervisory Board member is entitled to a pro-rata cash award, the payment falls due on the day of the Company's Annual General Meeting in the year following the fiscal year in which the termination event occurred.

§ 7 New members of the Supervisory Board

- 7.1 A Supervisory Board member who is elected or appointed by court order to the Supervisory Board after the beginning of the incentive period may participate in the LTIP. In order to do so, the member must make a personal investment in shares in the Company in accordance with § 2, with the invested shares purchased at the latest three months of the entry into effect of the member's election or appointment by court order to the Supervisory Board.

- 7.2. The calculation of the cash award, including in instances coming under § 7.1, is initially based on § 4. The cash award is reduced pro rata and is only granted for the duration of actual membership of the Supervisory Board. For this purpose, 1/36th of the cash award calculated in accordance with § 4 is granted for each month for which the member is a member of the Supervisory Board during the incentive period. If the Supervisory Board member's term of office does not begin as of the first of a given month, that month is counted in full in the calculation if the member has been a member of the Supervisory Board for at least 15 calendar days of the month concerned; otherwise, that month is not counted in the calculation. If a termination event occurs before the end of the incentive period, § 6 applies in addition.

- 7.3 § 5 applies with regard to when the cash award calculated in accordance with § 7.2 falls due. § 6.3 is unaffected.

§ 8 Taxes

Any income tax payable on the cash award (or the pro-rata cash award) shall be borne personally by each participating Supervisory Board member.

Augsburg, March 2018

WashTec AG

The Management Board