

## **Global Graphics SE**

### **Explanatory notes to the Notice of Annual General Meeting dated 25 March 2015**

Resolutions 1 to 9 set out in the notice of the meeting deal with the ordinary business to be transacted at the meeting.

The special business to be transacted at the meeting is set out in Resolutions 10 to 12.

#### **Re-election of Directors, Resolutions 4 to 7**

The Company's Statutes require all members of the Company's administrative organ (the "**Board**", or the "**Directors**") to retire at each Annual General Meeting and offer themselves for re-election. This requirement reflects the provisions of the UK Corporate Governance Code, which provides that all directors of FTSE 350 companies should be subject to re-election by their shareholders every year. Whilst the UK Corporate Governance Code does not apply to the Company (as it has its shares admitted to trading on Euronext Brussels), the provisions of the Statutes which reflect the requirements of the UK Corporate Governance Code are consistent with the Board's aim of following best corporate governance practice.

#### **Directors' remuneration report, Resolutions 8 and 9**

These Resolutions seek shareholder approval for the Directors' Remuneration Report, which includes the Directors' Remuneration Policy. The Directors' Remuneration Report can be found on pages 12 to 18 (inclusive) of the annual report and financial statements for the year ended 31 December 2014.

New regulations came into force on 1 October 2013 in this area, which require the Company (as a company which is officially listed in an EEA State) to offer shareholders: (i) an annual advisory vote on the implementation of the Company's existing remuneration policy, which is set out in the Directors' Remuneration Report; and (ii) a binding vote on the Company's forward-looking Directors' Remuneration Policy, at least every three years. The Company expects to offer a binding vote at each AGM.

Resolution 8 contains the advisory resolution relating to the Directors' Remuneration Report, and Resolution 9 contains the binding resolution in relation to the Directors' Remuneration Policy.

The Directors' Remuneration Policy sets out the Company's future policy on Directors' remuneration. If Resolution 9 is approved, the effective date of the remuneration policy will be the date of the Annual General Meeting.

#### **Authority to purchase own shares, Resolution 10**

It is proposed by Resolution 10, by Special Resolution, to authorise the Company generally and unconditionally to purchase its own shares at a price of not less than the par value of the shares and not more than the higher of (i) 5% above the average closing price for an ordinary share as derived from Euronext Brussels for the five business days immediately preceding the day on which the purchase is made, and (ii) the amount stipulated by article 5(1) of the Buy-back and Stabilisation Regulation 2003 (in each case exclusive of any expenses payable by the Company).

The authority will be for a maximum of 9.72% of the Company's issued share capital and will expire at the earlier of the next Annual General Meeting of the Company or within 15 months from the date of the passing of this resolution. The Directors currently have no intention to exercise the authority and will only purchase shares if it is in the best interests of shareholders as a whole.

The total number of options to subscribe for ordinary shares outstanding at 25 March 2015 was 560,000. This represents 5.44% of the issued ordinary share capital at that date. If the Company was to buy back the maximum number of ordinary shares permitted pursuant to the passing of this resolution, then the total number of options to subscribe for ordinary shares would represent 6.03% of the reduced issued ordinary share capital.

#### **Power to issue securities, Resolution 11**

Under the Companies Act 2006 the Directors of the Company may only allot shares (whether for cash or otherwise) with the authority of shareholders given at a general meeting of the Company. Under Resolution 11, to be proposed as an Ordinary Resolution, authority is sought to allot shares having an aggregate nominal value of €2,000,000, which represented 48.59% of the Company's ordinary share capital as at 25 March 2015.

#### **Power to issue securities, Resolution 12**

This resolution, to be proposed as a Special Resolution, will give the Directors power to allot shares up to a maximum aggregate nominal value of £2,000,000, representing 48.59% of the ordinary share capital of the Company as at 25 March 2015, otherwise than in connection with an offer to existing shareholders.

The authorities contained in Resolutions 10, 11 and 12 are intended to reinstate the authorities previously granted. They will expire no later than 15 months after the passing of those resolutions.