

AGENDA 2019

PNE AG

FULL OF ENERGY

PNE
pure new energy

PNE AG

Cuxhaven

**- WKN A0JBPG - / - ISIN DE 000 A0J BPG 2 -
WKN A2TSSY - / - ISIN DE000A2TSSY8**

**Notice is hereby given that a General Meeting
will take place on**

Wednesday, May 22, 2019, 10:00 hours

**at Veranstaltungszentrum Cuxhaven,
Kugelbake-Halle,
Cuxhaven-Döse, Strandstraße 80.**

AGENDA

- 1. Presentation of the adopted annual financial statements of PNE AG as of December 31, 2018, the approved consolidated financial statements as of December 31, 2018, the combined management report for PNE AG and the Group as well as the Supervisory Board's report for the fiscal year 2018**

The Supervisory Board has approved the annual financial statements and the consolidated financial statements, each as prepared by the Board of Management; therefore, the annual financial statements are deemed adopted pursuant to Section 172 (1) of the German Stock Corporation Act (Aktiengesetz). A resolution by the General Meeting is hence not required.

2. Resolution on the appropriation of retained profit for the fiscal year 2018

The Board of Management and the Supervisory Board propose that the retained profit for the fiscal year 2018 disclosed in the adopted annual financial statements of PNE AG and amounting to EUR 114,337,541.01 be appropriated as follows:

Distribution of a dividend of EUR 0.04 for each no-par value share entitled to dividend; with 74.367.950 no-par value shares entitled to dividend, this results in	EUR 2,974,718.00
Balance to be carried forward	EUR 111,362,823.04
	<hr/>
Retained profit	EUR 114,337,541.04
	<hr/> <hr/>

In the amounts stated for the distribution of profit and the profit carried forward, the number of no-par value shares entitled to dividend for the past fiscal year (74,367,950) at the time the proposal for the appropriation of profits is made by the Board of Management and the Supervisory Board has been taken into account. In the event that the number of the no-par value shares entitled to dividend for the past fiscal year changes until the General Meeting, a resolution proposal that is adjusted accordingly and

provides for an unchanged dividend of EUR 0.04 for each no-par value share entitled to dividend and profit carried forward adjusted accordingly will be put to the vote in the General Meeting.

In accordance with Section 58 (4) sentence 2 of the German Stock Corporation Act, the dividend entitlement falls due for payment and will be paid on the third business day following the date of the resolution of the Annual General Meeting, i.e., on May 27, 2019.

3. Resolution on the discharge from responsibility of the members of the Board of Management for the fiscal year 2018

The Board of Management and the Supervisory Board propose that each of the following members of the Board of Management, who were in office in the fiscal year 2018, be discharged from their responsibility for their respective term of office:

- a) Markus Lesser
- b) Jörg Klowat
- c) Kurt Stürken

A separate vote is intended to be held on the discharge from responsibility of the individual

members of the Board of Management (discharge of each individual member).

4. Resolution on the discharge from responsibility of the members of the Supervisory Board for the fiscal year 2018

The Board of Management and the Supervisory Board propose that each of the following members of the Supervisory Board, who were in office in the fiscal year 2018, be discharged from their responsibility for their respective term of office:

- a) Per Hornung Pedersen
- b) Dr. Jens Kruse
- c) Marcel Egger
- d) Dr. Isabella Niklas
- e) Andreas Rohardt
- f) Florian Schuhbauer

A separate vote is intended to be held on the discharge from responsibility of the individual members of the Supervisory Board (discharge of each individual member).

5. Appointment of the auditor for the annual financial statements and the consolidated financial statements for the fiscal year 2019

Based on the recommendation of the audit committee, the Supervisory Board proposes that the auditing company Deloitte GmbH Wirtschaftsprüfungsgesellschaft, based in Hamburg, shall be appointed auditor and group auditor for the fiscal year 2019.

The audit committee stated that its recommendation has not been improperly influenced by third parties and that no clause restricting the choice as regards the appointment of a particular statutory auditor or audit firm within the meaning of Art. 16 (6) of the EU Audit Regulation has been imposed upon it.

6. Appointment of the auditor for the audit review of interim financial statements and reports for the fiscal year 2019 and the first quarter of the fiscal year 2020

Based on the recommendation of the audit committee, the Supervisory Board proposes that the auditing company Deloitte GmbH Wirtschaftsprüfungsgesellschaft, based in Hamburg, shall be appointed auditor for any audit review of interim (condensed) financial statements and interim

management reports for the fiscal year 2019 and the first quarter of the fiscal year 2020.

The audit committee stated that its recommendation has not been improperly influenced by third parties and that no clause restricting the choice as regards the appointment of a particular statutory auditor or audit firm within the meaning of Art. 16 (6) of the EU Audit Regulation has been imposed upon it.

7. Election of a Supervisory Board member

Dr. Isabella Niklas has resigned from her office as a Supervisory Board member as of December 31, 2018, thereby leaving the Supervisory Board before the scheduled end of her term of office. This is the reason why a new member of the Supervisory Board is to be elected.

In accordance with Sections 96 (1), 101 (1) sentence 1 of the German Stock Corporation Act as well as § 8 (1) sentence 1 and (2) of the Articles of Association, as amended, the Supervisory Board of PNE AG consists of six members who are elected by the General Meeting. Pursuant to § 8 (2) sentence 4 of the Articles of Association, the term of office of a Supervisory Board member who is appointed to replace a Supervisory Board member who prematurely left office ends at the same point in time at which the regular term of office of the

replaced Supervisory Board member would have ended. In the case of Dr. Isabella Niklas, this point in time would have been the date of the General Meeting resolving on the discharge from responsibility for the fiscal year 2020.

Based on the recommendations of the nomination committee of the Supervisory Board, the Supervisory Board therefore proposes to elect

Dr. Susanna Zapreva, CEO of enercity AG, resident in Hanover,

as a Supervisory Board member with effect as from the end of this Annual General Meeting until the end of the General Meeting that resolves upon the discharge from responsibility of the members of the Supervisory Board for the fiscal year 2020.

Dr. Zapreva is a member of the following other statutory supervisory boards or of comparable domestic and foreign controlling bodies of commercial enterprises:

- Supervisory Board of enercity Netz GmbH, Hanover (Group Company of enercity AG)

The election proposal submitted by the Supervisory Board takes into account the objectives the Supervisory Board has specified regarding its composition and simultaneously seeks to complete

the profile of skills and expertise that the Supervisory Board has set for the board.

In the assessment of the Supervisory Board, no personal or business relationships which are of relevance to the shareholders' election decision in terms of Section 5.4.1 (6) to (8) of the German Corporate Governance Code exist between Dr. Susanna Zapreva and the companies of the PNE Group, the corporate bodies of PNE AG and the shareholders with a substantial participation in PNE AG.

The Supervisory Board has satisfied itself that the proposed candidate will be able to devote the time expected to be necessary for exercising her mandate.

Reference is made to the CV of the proposed candidate and the overview of the main functions performed by her in addition to the Supervisory Board mandate as set out in the Annex to this Invitation.

8. Resolution on the authorisation of the Board of Management to acquire and use treasury shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act, including the authorisation to exclude tender and subscription rights as well as to redeem acquired treasury shares and to decrease the capital, and on the cancellation of the existing authorisation

The authorisation to acquire and use treasury shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act granted by the General Meeting on May 31, 2017, was already partially used by the Company in the past fiscal year for repurchasing 2,189,853 treasury shares. The acquired treasury shares are to serve two primary purposes: First of all, they are to be used in order to fulfil PNE AG's obligations under the 2014/2019 convertible bond maturing this year. Furthermore, the Board of Management is considering the redemption of additional shares that will not be used to service the convertible bond. The authorisation is to be renewed prematurely in order to secure the Company's future ability of acquiring the maximum number of treasury shares permissible under applicable law.

The new authorisation to acquire and to use treasury shares is to also authorise the Board of Management to use treasury shares with the exclusion of the shareholders' subscription right or to redeem such

shares – even if this leads to a decrease of the share capital.

The Board of Management and the Supervisory Board therefore propose to resolve as follows:

a) Cancellation of the existing authorisation to acquire treasury shares

The existing authorisation to acquire and use treasury shares, which was granted to the Board of Management by way of the resolution of the Annual General Meeting of May 31, 2017 and which is limited in time until May 30, 2022, will be cancelled upon the new authorisations resolved under b), c) and d) below taking effect and will be replaced by these.

b) Authorisation to acquire treasury shares

The Board of Management of the Company shall be authorised to acquire until May 21, 2024 on one or several occasions treasury shares of the Company up to an aggregate amount of 10% of the share capital existing at the time of the authorisation taking effect or – where this amount is lower – of the share capital existing at the time the present authorisation is exercised for one or several purposes permissible under the statutory restrictions and in accordance with the provisions set out below. The shares acquired under this

authorisation together with other treasury shares which the Company has already acquired and which are held by it or are attributable to it must not at any moment in time represent more than 10% of the share capital.

In this context, the acquisition may be made by the Company, by companies which are controlled by the Company or in which it holds a majority interest or by third parties acting for the account of such companies or for the account of the Company if the statutory requirements, including but not limited to the provisions set forth in Section 71 (2) of the German Stock Corporation Act, are met.

Treasury shares may be purchased, at the discretion of the Board of Management, on the stock exchange or by way of a public purchase offer made to all shareholders or by way of a public invitation to all shareholders to submit offers for sale or by granting tender rights.

- When the shares are acquired through the stock exchange, the acquisition price per share (excluding incidental acquisition costs) must not exceed or fall below the stock exchange price of the share on the Frankfurt Stock Exchange determined by the opening auction in the XETRA trading system (or in a

successor system replacing the XETRA system) on the day on which the obligation to acquire the shares is assumed by more than 10%.

- When the shares are acquired based on a public purchase offer, the acquisition price per share (excluding incidental acquisition costs) must not exceed or fall below the unweighted average closing price of the share in the XETRA trading system (or in a successor system replacing the XETRA system) on the Frankfurt Stock Exchange on the last three stock exchange trading days prior to the first publication of the offer by more than 10%.
- In the event of a public invitation to submit offers for sale or an acquisition by granting tender rights, the acquisition price per share (excluding incidental acquisition costs) must not exceed or fall below the unweighted average closing price of the share in the XETRA trading system (or in a successor system replacing the XETRA system) on the Frankfurt Stock Exchange on the last three stock exchange trading days prior to the day on which the offers for sale are accepted or on which the tender

rights are granted, as the case may be, by more than 10%.

- If after the publication of a public purchase offer or a public invitation to shareholders to submit offers for sale or after the granting of tender rights, the applicable price is subject to significant changes, the purchase offer, the invitation to submit offers for sale or the tender rights, respectively, may be adjusted. In this case, the relevant amount is based on the closing price in the XETRA trading system on the last stock exchange trading day before the announcement of the adjustment and must not be more than 10% higher or lower than this amount.
- The volume of a public purchase offer or a public invitation to submit offers for sale (collectively "public acquisition offer") may be limited. If the total number of the shares tendered in respect of a public acquisition offer exceeds the offer's volume, the acquisition may be implemented in proportion to the number of tendered shares (tender quota); moreover, a privileged acceptance of small quantity offers (up to 50 shares per shareholder)

as well as rounding down in order to avoid fractional shares can be provided for. Any further tender rights of the shareholders in accordance with the participation rates are excluded.

- In the event that tender rights are granted, their total volume may be limited, too. If tender rights are granted to the shareholders for the purpose of acquisition, such rights are allocated to the shareholders in proportion to their shareholdings according to the relation of the volume of the shares to be repurchased by the Company to the outstanding share capital. Fractions of tender rights need not be allocated; in these cases, the relevant partial tender rights will be excluded.
- The Board of Management determines the details of the structuring of the relevant acquisition, in particular of any purchase offer or an invitation to submit offers for sale. This also applies to the structuring of any tender rights, in particular regarding the term and, where applicable, their tradeability. In this context, restrictions and requirements under capital market and other laws must be observed as well.

c) Use of acquired treasury shares by the Board of Management

The Board of Management is authorised to use the shares acquired on the basis of the aforementioned authorisation under para. b) or previous authorisations for the following purposes:

- The shares may be sold via the stock exchange or, with the approval of the Supervisory Board, in compliance with the principle of equal treatment by way of a public offer to all shareholders in the proportion of their shareholding quota. In the case of a public offer, the shareholders' subscription right for fractional shares may be excluded.
- The shares may, subject to the approval of the Supervisory Board, also be sold otherwise against cash payment at a price per share which at the time of sale does not fall substantially below the stock exchange price of the Company's shares of the same class carrying the same rights that are already listed (Sections 71 (1) no. 8 sentence 5, 186 (3) sentence 4 of the German Stock Corporation Act). Moreover, the pro rata amount of the share capital attributable

to the total number of shares sold under this authorisation must not exceed 10% of the share capital existing at the time of the authorisation taking effect or – if this value is lower – of the share capital existing at the time the authorisation is exercised in each case. When calculating the aforementioned 10% limit, the pro rata amount of the share capital shall be taken into account which is attributable to new shares that have been issued during the term of the authorisation with the simplified exclusion of the shareholders' subscription right under Section 186 (3) sentence 4 of the German Stock Corporation Act as well as the pro rata amount of the share capital to which conversion or option rights under bonds relate which have been issued during the term of the authorisation in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act.

- With the approval of the Supervisory Board, the shares may also be offered or transferred against contributions in kind, in particular as (partial) consideration in the case of the acquisition of enterprises or parts thereof or of shareholdings in companies or other assets, including

rights and receivables – also against the Company – or of claims for the acquisition of assets or in the context of business combinations.

- The shares may be used to service acquisition rights to shares of the Company under or in connection with bonds with conversion and/or option rights issued by the Company or by a direct or indirect wholly owned subsidiary.
- The shares may also, with the approval of the Supervisory Board, be redeemed without the redemption or its implementation requiring a further resolution of the General Meeting. Redemption will result in a capital decrease. However, in accordance with Section 237 (3) no. 3 of the German Stock Corporation Act, the Board of Management can determine, deviating from the above, that the share capital is not reduced but that the proportion of the remaining shares in the share capital is increased pursuant to Section 8 (3) of the German Stock Corporation Act. In this case, the Board of Management shall be authorised, pursuant to Section 237 (3) no. 3, 2nd half-sentence of the

German Stock Corporation Act, to adjust the number of shares stated in the Articles of Association.

The authorisations under this paragraph c) for the disposal or other use or for the redemption of the shares may be utilised on one or several occasions, in whole or in part, and individually or collectively.

Shareholders' subscription rights to treasury shares are excluded to the extent that these shares are used in accordance with the preceding authorisations specified in c) nos. 1 to 4.

d) Use of acquired treasury shares by the Supervisory Board

The Supervisory Board is authorised to use the shares acquired on the basis of the aforementioned authorisation under b) or previous authorisations, provided such shares do not have to be used for a different specific purpose and while ensuring that the compensation remains at a reasonable level (Section 87 (1) of the German Stock Corporation Act) for the following purpose:

- The shares can be promised or assigned to current and/or future members of the Board of Management of the Company, to the extent permitted by law, as part of their

compensation in the form of a share bonus, subject to the provision that the further assignment of such shares by the respective member of the Board of Management is not permitted within a period of at least four years from the date of promise or assignment – as the case may be – (retention period) and further subject to the provision that it is not permitted to carry out hedging transactions by which the economic risk for the development of the stock market price during the retention period is partially or completely assigned to third persons. For the promise or assignment – as the case may be – of the shares the respective current stock market price (based on an average value to be determined by the Supervisory Board in a timely manner) shall be considered. Further details will be determined by the Supervisory Board.

The authorisation under this paragraph d) for the disposal or other use of the shares may be utilised on one or several occasions, in whole or in part, and individually or collectively.

Shareholders' subscription rights to treasury shares are excluded to the extent that these shares are used in accordance with the preceding authorisation specified in d).

9. Special audit report prepared by the special auditor, attorney-at-law Tino Sekera-Terplan, on the outcome of the special audit resolved by the General Meeting on October 23, 2015, to be conducted regarding the events relating to the remuneration and expenses of corporate officers

The Company's General Meeting of October 23, 2015, resolved to appoint a special auditor to investigate the events relating to the remuneration and expenses of corporate officers. The subject matter of the special audit was to review the events relating to the remuneration of the corporate officers of the Company during the fiscal years starting from the 2008 fiscal year until June 30, 2015. In particular, it was to be reviewed which corporate officer received which remuneration, earnings, benefits and income for what activity, based on which agreement, invoices, travel expenses or other expenses. Moreover, it was to be reviewed what other remuneration was paid by the Company, one of its subsidiaries or closely related persons to a corporate officer or a closely related person of a corporate officer and for what reason.

Tino Sekera-Terplan, attorney-at-law, with business address at Barer Straße 48, 80799 Munich, was appointed as the special auditor.

The special auditor submitted his report dated March 29, 2019, to the Board of Management on April 1, 2019. The Board of Management submitted the report to the Supervisory Board. The Board of Management and the Supervisory Board are reviewing the findings contained in the special audit report with the assistance from external advisers. They will report on their review to the General Meeting.

With this agenda item, the report is published as an agenda item in accordance with Section 145 (6) sentence 5 of the German Stock Corporation Act.

No resolution is intended to be taken on agenda item 9.

* * *

Report by the Board of Management to the Annual General Meeting pursuant to Section 71 (1) no. 8, Section 186 (4) sentence 2 of the German Stock Corporation Act ad agenda item 8

The Board of Management submits to the Annual General Meeting of the Company convened on May 22, 2019 in accordance with Section 71 (1)

no. 8, Section 186 (4) sentence 2 of the German Stock Corporation Act the following written report on the authorisations proposed for resolution under agenda item 8 for the Board of Management to acquire and use treasury shares, and for the Supervisory Board to use treasury shares, in accordance with Section 71 (1) no. 8 of the German Stock Corporation Act, including the authorisation to exclude tender and subscription rights, as well as to cancel acquired treasury shares and to reduce the capital, and on the cancellation of the existing authorisation:

Based on a resolution by the General Meeting of May 31, 2017, the Board of Management is authorised, limited in time until May 30, 2022, to acquire treasury shares with the possibility of excluding the subscription right in the event of a resale of the treasury shares. This authorisation was already partially used by the Company in the past fiscal year for repurchasing 2,189,853 treasury shares. The acquired treasury shares are to serve two primary purposes: First of all, they are to be used in order to fulfil PNE AG's obligations under the 2014/2019 convertible bond maturing this year. Furthermore, the Board of Management is contemplating the redemption of additional shares that will not be used to service the convertible bond. In order to provide the Company with full and flexible discretionary powers to acquire and use treasury shares also in the future, a new authorisation to

acquire and use treasury shares is now to be created and the previous authorisation is to be cancelled.

The proposal ad agenda item 8 provides that the Board of Management is to be authorised in accordance with Section 71 (1) no. 8 of the German Stock Corporation Act until May 21, 2024 to acquire shares of the Company in a volume of up to 10% of the share capital existing at the time of the authorisation taking effect or – if this value is lower – of the share capital existing at the time the authorisation is exercised in each case, which shares may be used in accordance with the resolution.

Acquisition

The principle of equal treatment under Section 53a of the German Stock Corporation Act is to be observed when treasury shares are acquired. The proposed acquisition of shares through the stock exchange, by way of a public purchase offer or by public invitation to submit offers for sale or by issuing tender rights to the shareholders is in line with this principle.

If a public offer is oversubscribed, i.e., the number of shares offered to the Company for purchase is higher than the number of shares to be purchased by the Company, offers must be accepted by quota. In this

respect, the decisive criterion is the proportion of the number of shares offered by individual shareholders to each other. In contrast, it is not relevant how many shares a shareholder offering shares for sale holds in aggregate because only the offered shares are available for purchase. Furthermore, a review of the shareholding of the individual shareholder would not be feasible. Hence, any right of the shareholders to tender their shares is excluded in this respect.

A privileged acquisition or acceptance of small quantity offers for up to 50 tendered shares per shareholder and rounding down may be provided for. These options serve to avoid fractions when the acceptance quotas are fixed and to avoid smaller residual quantities and, thus, to facilitate the technical processing. The same applies to the granting of tender rights. Hence, any right of the shareholders to tender their shares is excluded also in this respect.

The authorisation may be exercised on one or several occasions for one or several permitted purposes within the framework of the statutory restrictions in accordance with the provisions of the authorisation. The shares acquired under the authorisation together with other treasury shares which the Company has already acquired and which are held by it or are attributable to it, must not at any moment in time represent more than 10% of the share capital.

Disposal and other use

Pursuant to the proposed authorisation, the treasury shares acquired by the Company may be redeemed – with or without a reduction of the share capital – or be resold by way of a public offer to all shareholders or via the stock exchange. In the last two options, the shareholders' right to equal treatment is observed also in the event of a disposal of the shares. In addition, the treasury shares acquired by the Company may be used for other purposes. In so doing, the subscription right of the shareholders may be excluded altogether or in part:

- When treasury shares are sold by means of a public offer made to all shareholders, the shareholders' subscription right for fractional amounts is excluded. The exclusion of the subscription right for fractional amounts may be necessary in order to make the sale of acquired treasury shares technically feasible by way of an offer for sale to the shareholders. The treasury shares excluded from shareholders' subscription rights as free fractions are sold on the best possible terms for the Company either on the stock exchange or otherwise.

- The proposed authorisation allowing the exclusion of shareholders' subscription rights where the treasury shares are to be sold for cash with the approval of the Supervisory Board at a price which is not significantly below the stock exchange price at the time of the sale of the Company's shares of the same class carrying the same rights that are already listed makes use of the option to simplify the exclusion of subscription rights under Section 71 (1) no. 8 of the German Stock Corporation Act in conjunction with Section 186 (3) sentence 4 of the German Stock Corporation Act. This is in the interest of the Company, as the authorisation will ensure a greater degree of flexibility and will provide the opportunity to broaden the Company's shareholder base by specifically issuing shares to cooperation partners, institutional investors or financial investors, among other measures. In addition, the authorisation permits the Company to respond swiftly and flexibly to favourable conditions at short notice.

The fact that the shares can only be sold at a price that is not substantially lower than the relevant stock exchange price of the Company's shares gives due consideration to the principle of protecting the shareholders' anti-dilution interests. The

final purchase price for the Company's treasury shares will be determined shortly before the sale. The Board of Management will ensure that any discount on the stock exchange price is as low as possible given the market conditions prevailing at the time of placement. In any event, the discount on the stock exchange price at the time of exercising the authorisation will not exceed 5% of the current stock exchange price.

This authorisation is subject to the condition that the Company's treasury shares sold thereunder must not exceed 10% of the share capital, counting the shares stated in the resolution proposal, either at the time the authorisation takes effect or – if lower – at the time the relevant authorisation is exercised. Counting these shares ensures that the acquired treasury shares are not sold with the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act if this would result in the exclusion of shareholders' subscription rights for more than 10% in total of the share capital by way of direct or indirect application of Section 186 (3) sentence 4 of the German Stock Corporation Act. This restriction and the fact that the stock exchange price must be used as a point of reference for the issue

price ensure that the financial and voting interests of shareholders will remain appropriately protected. The shareholders can acquire shares on the stock exchange at virtually the same conditions, whereby a relevant loss of the shareholding quota can be avoided.

- The Company is to be provided with the possibility also in the future, with the approval of the Supervisory Board, to offer treasury shares against contributions in kind, in particular as (partial) consideration for the direct or indirect acquisition of enterprises or parts thereof or of shareholdings in companies or other assets, including rights and receivables – also against the Company – or of claims for the acquisition of assets or in the context of business combinations. The authorisation proposed for this reason is to enhance the Company's position in the competition for attractive acquisition targets and to enable it to react in a swift, flexible and liquidity-preserving manner to the opportunities that present themselves to acquire such assets in exchange for treasury shares. The proposed exclusion of subscription rights is in line with this objective. When defining the valuation ratios, the Board of Management will ensure that the interests of the shareholders

are appropriately protected. In the determination of the value of the shares granted as consideration, their stock exchange price may be particularly important. The schematic tying in with the stock exchange price shall, however, not be required, in particular to avoid that negotiation results once achieved be jeopardised by fluctuations of the stock exchange price.

- The proposed authorisation to exclude subscription rights when the acquired shares are used for the servicing of acquisition rights to shares of the Company under or in connection with convertible and/or option bonds issued by the Company or a direct or indirect wholly owned subsidiary enables the Board of Management to waive the issuance of new shares of the Company in these cases, in particular from any conditional or authorised capital and to use in lieu thereof treasury shares previously acquired.
- Additionally, the Supervisory Board is to be provided with the possibility to promise or assign treasury shares to members of the Board of Management of the Company, to the extent permitted by law, as part of their compensation in the form of a share bonus.

Using available treasury shares instead of implementing a capital increase or making a cash payment to members of the Board of Management can make sense for the Company from a financial perspective; in this respect, the authorisation aims to deliver greater flexibility. It is intended to give the Company the option of granting treasury shares to members of the Board of Management of the Company as part of their remuneration instead of making cash payments so as to incentivise them to take a long-term approach to management based on sustainability. As the authorisation may only be used provided a reasonable level of compensation is ensured (Section 87 (1) of the German Stock Corporation Act) and further provided that an appropriate legal and economic minimum retention period is determined and that the shares shall be granted or assigned – as the case may be – at the respective current stock market price, it is ensured that the shareholders' subscription rights are excluded only to an appropriate extent and in the interest of the Company.

The further details will be determined by the Supervisory Board to the extent permitted by its statutory authority. In particular, it will decide on whether, when, and to what

extent it will make use of the authorisation. However, based on the statutory allocation of powers, the Supervisory Board does not itself have the authority to act as a representative body of the Company and acquire shares in the Company for the purposes of remuneration of the Board of Management, nor can it force the Board of Management to buy back shares for this purpose.

- Finally, the authorisation also permits the cancellation of acquired treasury shares with the Supervisory Board's approval. Cancellation may either be effected in such a manner that the share capital of the Company is reduced or, without any reduction in share capital, by a simple cancellation of the redeemed shares leading simultaneously to an increase of the proportionate amount of the share capital that is attributable to the remaining shares. The rights of the shareholders will not be prejudiced in either of the aforementioned cases.

These authorisations are to apply also to treasury shares that were acquired based on authorisations granted by past General Meetings, i.e. in particular to the treasury shares acquired in the past fiscal year.

In each individual case that results in an exclusion of the shareholders' subscription or tender rights, the Board of Management will carefully check whether the exclusion of the shareholders' subscription or tender rights is in the best interests of the Company and thus also in the best interests of its shareholders.

Use of the new authorisation

The Company does not currently have specific plans to acquire treasury shares. As explained above, the treasury shares acquired in the past year are to serve two primary purposes: First of all, they are to be used in order to fulfil obligations under the 2014/2019 convertible bond. Furthermore, the Board of Management is contemplating the redemption of additional shares that will not be used to service the convertible bond. Besides that, the Company does not have any specific plans regarding the use of treasury shares.

The authorisation to be resolved hereunder is an anticipatory resolution. Such anticipatory resolutions, which include the possibility of excluding subscription and tender rights, are common practice in Germany and internationally. In each of the individual cases set out in this authorisation, the Board of Management will carefully examine whether to make use of the authorisation to exclude the tender right and to use treasury shares under

exclusion of shareholders' subscription rights. It will only make use of this authorisation if the Board of Management and the Supervisory Board believe that the exclusion of the tender or subscription right is in the best interests of the Company and thus also in the best interests of its shareholders. As in the past, the Board of Management will also use this authorisation responsibly.

The Board of Management will report to the General Meeting on any use of the authorisation described above. The same applies to the use of the currently applicable authorisation, on which the Board of Management will report to this General Meeting.

Additional information regarding the convening notice of the General Meeting

Total number of shares and voting rights at the time when notice of the General Meeting is given

The share capital of the Company totalling EUR 76,557,803.00 is divided into 76,557,803 no-par value registered shares at the time of the convening of the General Meeting that entitle their holders to attend and vote at the General Meeting; each of the issued shares carries one vote. The company is not entitled, however, to exercise any voting rights resulting from treasury shares. At the time when notice of the General Meeting is published in the Federal Gazette, the Company holds 2,189,853

treasury shares. The total number of exercisable voting rights consequently amounts to 74,367,950.

Attendance at the General Meeting

All shareholders that are registered in the Company's share register on the day of the General Meeting and that have registered to attend the General Meeting in such a way that their registration has reached the Company at the address below no later than on Wednesday, May 15, 2019 (24:00 CEST) shall be entitled to attend the General Meeting and to exercise their voting right.

Any shareholders registered in the share register may send their registration to the following address in writing or in text form (Section 126b of the German Civil Code):

PNE AG
c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich
Germany
Fax: +49 (0)89 / 210 27 288

The registration may also be transmitted to the Company by email to namensaktien@linkmarketservices.de or electronically using the internet-based system on the Company website at <http://www.pne-ag.com> > "Investor Relations" > "General Meeting 2019", before the above-mentioned deadline has expired.

Shareholders wishing to register via the internet-based system need the individual access code that was given to them together with the registration documents. Shareholders may use the internet-based system not only to register but also to grant power of attorney and give instructions to the Company's proxies who are bound by instructions. For further information please refer to the registration documents that have been sent to you, or visit the above-mentioned website.

Shareholders may freely dispose of their shares even after registering. The right to attend and vote is based on the shareholding evidenced by entry in the Company's share register as at the date of the General Meeting. This number will correspond to the number of shares at the end of the registration deadline because any orders to amend the share register that are given between May 16, 2019, 00.00 hours (CEST) and May 22, 2019 will be processed and considered only after the day of the General Meeting. Thus, May 16, 2019, is the technical record date as regards the voting rights to be exercised on the day of the General Meeting.

Powers of attorney/proxies exercising a voting right

a) Granting power of attorney to a third party

Shareholders may have their right to vote during the General Meeting exercised by a proxy, e.g. the custodian bank, a shareholders' association or another person of their choice. This also requires timely registration according to the above-mentioned conditions. Together with the registration documents and the admission ticket shareholders receive a form for granting power of attorney.

If the proxy is neither a bank nor a shareholders' association or a person having equal status to them pursuant to Section 135 (8) and (10) of the German Stock Corporation Act, the granting and revocation of the power of attorney, as well as the proof to the Company that the power of attorney has been granted, must have text form (Section 126b of the German Civil Code). The power of attorney may be granted or revoked by declaration made to the Company or the proxy; in the latter case, proof of the power of attorney to the Company will additionally be required.

Proof that the power of attorney has been granted may either be presented by the proxy on the day of the General Meeting, or may be transmitted in advance to the Company by post, fax, or electronically by email to the following address:

PNE AG
c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich
Germany
Fax: +49 (0)89 / 210 27 288
Email: namensaktien@linkmarketservices.de

Any revocation of the power of attorney may be declared to the Company in the same manner as the power of attorney.

If the proxy is a bank, a shareholders' association or a person having equal status to them, this generally requires compliance with special rules which must be obtained from the authorised agent in question.

b) Granting power of attorney to the Company's proxies

In addition, we give our shareholders the opportunity to grant power of attorney to the Company-appointed proxies bound by instructions. This also requires timely registration according to the above-mentioned conditions. The power of attorney for the proxies may be granted in text form and must always include instructions on how the voting right should be exercised. The power of attorney is invalid if it does not include instructions. The Company-appointed proxies are under the obligation to vote according to instructions. In order to grant power of attorney and

to issue instructions to the Company-appointed proxies, shareholders may use the form that is part of the registration documents.

The proxies appointed by the Company will not accept any instructions for making proposals for the agenda or exercising the right to speak or ask questions.

The powers of attorney for proxies bound by instructions may be transmitted to the Company's address set out under a) above before the General Meeting in order to prove that the power of attorney has actually been granted and to grant or revoke the power of attorney. In this case, the Company must receive the power of attorney by Tuesday, May 21, 2019 (18:00 hours CEST) for organisational reasons. Irrespective of this, Company-appointed proxies may also be granted power of attorney during the General Meeting itself. The same applies should a shareholder wish to revoke a power of attorney. For organisational reasons, the revocation notice must also be communicated to the Company by the deadline mentioned above, or be presented in text form and in person on the day, and at the location of, the General Meeting.

In order to grant power of attorney to the Company-appointed proxies bound by instructions, shareholders may also grant power of attorney and issue instructions electronically, i.e. via the internet-based system on the Company website at

<http://www.pne-ag.com>

> "Investor Relations" > "General Meeting 2019".

The internet-based system may be used to grant or revoke powers of attorney issued to proxies bound by instructions or to change instructions until Tuesday, May 21, 2019 (18:00 hours CEST).

c) General information

For further details on the attendance of the General Meeting, on granting powers of attorney and issuing instructions, please refer to the registration form and the accompanying notes sent to the shareholders. Information can also be found on the Company website at <http://www.pne-ag.com>, "Investor Relations" > "General Meeting 2019".

The Company would like to ask its shareholders to use the forms for granting power of attorney provided in order to facilitate processing. Please note that a power of attorney may also be granted effectively in other ways provided the statutory form and other statutory conditions are met. A power of attorney may also be granted after registration or after the end of the registration period described above, and even during the General Meeting itself, or be revoked for the future at any time provided the form requirements are observed.

If a shareholder grants powers of attorney to more than one person, the Company may reject one or several of these persons.

Procedure for casting votes by absentee ballot

Shareholders who do not wish to personally attend the General Meeting may cast their votes by postal vote in text form or electronically via the internet-based system. Only those shareholders who registered for the General Meeting in due time will be entitled to exercise voting rights by postal vote. For the postal vote in text form, the shareholders may use the form that is part of the registration documents. Any votes cast by postal vote in text form must have been received at the address specified below by Tuesday, May 21, 2019 (18:00 hours CEST):

PNE AG
c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich
Germany
Fax: +49 (0)89 210 27 288
Email: namensaktien@linkmarketservices.de

Moreover, the Company offers an internet-based system for postal votes on its website at:

<http://www.pne-ag.com>

> "Investor Relations" > "General Meeting 2019".

The internet-based system will be available to the shareholders for the casting of postal votes and any changes or the revocation thereof until Tuesday, May 21, 2019 (18:00 hours CEST). For further details on postal votes, please refer to the registration form and the accompanying notes sent to the shareholders. Corresponding information is also available on the internet at

<http://www.pne-ag.com>

> "Investor Relations" > "General Meeting 2019".

A postal vote does not preclude a shareholder from attending the General Meeting.

Shareholder rights pursuant to Sections 122 (2), 126 (1), 127, 131 (1) of the German Stock Corporation Act

Right to add items to the agenda pursuant to Section 122 (2) of the German Stock Corporation Act

Shareholders whose shares in aggregate represent an amount equal to EUR 500,000.00 of the share capital (corresponding to 500,000 shares) may request that items be put on the agenda and published. Each new item must be accompanied by an explanation or a draft proposal. The request must be addressed to the Board of Management in writing and must be received by the Company no later than Sunday, April 21, 2019 (24:00 hours CEST), at the following address:

PNE AG
– Board of Management –
Peter-Henlein-Straße 2-4
27472 Cuxhaven

The demand for addition will be taken into account only if the applicants demonstrate that they had been holders of the above-mentioned minimum shareholding for no less than 90 days prior to the receipt of the motion and that they will hold the minimum shareholding until (and including) the date on which a decision on the motion has been made by the Board of Management. This may be demonstrated by documentation of registration in the share register. Section 121 (7) of the German Stock Corporation Act must be applied *mutatis mutandis* to the calculation of

the period. Section 70 of the German Stock Corporation Act shall be observed when calculating the minimum holding period.

Additions to the agenda which are to be published and which have not already been published together with the convening notice will be published without undue delay following the receipt of the demand in the same manner as the convening notice.

Shareholder countermotions and election proposals pursuant to Sections 126 (1), 127 of the German Stock Corporation Act

Any countermotions to a proposal made by the Board of Management or the Supervisory Board and any nominations by a shareholder must be addressed exclusively to the following address:

PNE AG
– General Meeting –
Peter-Henlein-Straße 2-4
27472 Cuxhaven
Fax: +49 (0)47 21 718 373
Email: info@pne-ag.com

Countermotions and election proposals sent to a different address will not be considered.

Any countermotions and nominations by shareholders that need to be made available and that are received at the above-mentioned address at least 14 days before the General Meeting takes place, i.e. no later than by Tuesday, May 7, 2019 (24:00 hours CEST), will be published online at <http://www.pne-ag.com> > "Investor Relations" > "General Meeting 2019". Statements by the Management, if any, will also be published on the above-mentioned website.

Counterproposals without any reasons need not be made available. Moreover, a countermotion need not be made available if one of the exclusion criteria pursuant to Section 126 (2) sentence 1 of the German Stock Corporation Act is met. The statement of grounds need not be made available, either, if it exceeds a total of 5,000 characters.

No statement of grounds need be provided for election proposals made by shareholders pursuant to Section 127 of the German Stock Corporation Act. Election nominations are made available only if they include the name, profession exercised and place of residence of the nominee and, in the case of an election of Supervisory Board members, information on their membership in other supervisory boards to be created pursuant to applicable law. Pursuant to Section 127 sentence 1 of the German Stock Corporation Act in conjunction with Section 126 (2) of the German Stock Corporation Act, there are additional grounds based on which nominations of candidates do not have to be made available online. In all other respects, the

requirements and rules for disclosure of motions apply *mutatis mutandis*.

The right of each shareholder to make countermotions and election proposals regarding the various agenda items during the General Meeting even without prior communication to the Company remains unaffected. Please note that any countermotions or election proposals which have been sent to the Company in advance in due time will be considered only if they are made orally during the Annual General Meeting.

Shareholders' right to information pursuant to Section 131 (1) of the German Stock Corporation Act

During the General Meeting, the Board of Management shall provide any shareholder with information on the Company affairs upon request, including legal and business relations to affiliated companies as well as the situation of the Group and of the companies covered by the consolidated financial statements, to the extent that such information is necessary to allow a proper assessment of the relevant agenda items and insofar as no right to withhold information exists.

Explanatory notes

Further explanations on the rights of shareholders pursuant to Section 122 (2), Section 126 (1), Section 127, and Section 131 (1) of the German Stock Corporation Act can be found on the internet at <http://www.pne-ag.com>, "Investor Relations" > "General Meeting 2019".

Information and documents on the General Meeting and data protection

The documents required to be made available concerning the agenda items are available to the shareholders at <http://www.pne-ag.com> ("Investor Relations" > "General Meeting 2019") from the time of convening the General Meeting. At the same address, the annual financial statements, the consolidated financial statements and the consolidated management report for PNE AG and the group (including the explanatory report by the Board of Management in relation to the information provided pursuant to Section 289a (1) and Section 315a (1) of the German Commercial Code (*Handelsgesetzbuch*)) as well as the report by the Supervisory Board for the fiscal year 2018 are available from the time of convening the General Meeting. In addition, these documents will be made available for inspection during the General Meeting.

The information and documents mentioned under Section 124a of the German Stock Corporation Act, in particular those relating to the attendance of the General Meeting,

powers of attorney and instructions will also be accessible at

<http://www.pne-ag.com>

> "Investor Relations" > "General Meeting 2019".

After the General Meeting, the voting results will also be published on that website, again under "Investor Relations" > "General Meeting 2019".

Shareholders' information on data protection can be found in the Annex to this invitation.

Cuxhaven, April 2019

PNE AG
Board of Management

Annex

CV of the proposed candidate for the Supervisory Board and overview of the main functions performed by her in addition to the Supervisory Board mandate

Dr. Susanna Zapreva, resident in Hanover,

born in Vienna in 1973 (Nationality: Austria)

- | | |
|----------------|---|
| 2016 – present | enercity AG; CEO |
| 2016 – present | Member of the Board of Directors of the Federal Association of the German Energy and Water Industries |
| 2016 – present | Member of the Executive Committee and of the Board of Directors of the German Association of Local Utilities |
| 2016 – present | Supervisory Board member of the following municipal utilities:
Stadtwerke Wunstorf,
Stadtwerke Garbsen GmbH |
| 2016 – present | Member of the advisory board of Norddeutsche Landesbank – Girozentrale NORD/LB (NORD/LB), Flughafen Hannover-Langenhagen GmbH, Deutsche Messe AG, Leibnitz University |
| 2018 – present | Chairwoman of the government commission of the state government of Lower Saxony |

2010 – 2016	WIEN ENERGIE GmbH; managing director
2011 – 2016	Member of the Supervisory Board of Energie Burgenland AG
2010 – 2016	Member of the Supervisory Board of Energie Comfort GmbH
2012 – 2016	Member of the Executive Board of the Austrian Energy Agency
2011 – 2016	Member of the Board of Directors of the Austrian Electrotechnical Association (<i>Österreichischer Verband der Elektrotechniker, OVE</i>)
2013 – 2016	Member of the Administrative Board of TÜV AUSTRIA
2001 – 2016	Representation of Wien Energie in national and international associations and organisations (Oesterreichs Energie, EURELECTRIC, ECA)
2013 – 2013	Managing Director of Fernwärme Wien
2009 – 2011	WIENSTROM GmbH Managing Director; responsible for the production, distribution services and telecommunications
2001 – 2009	WIENSTROM GmbH, holder of a general power of attorney (<i>Prokuristin</i>); various executive functions
1997 – 2001	Self-employed consultant;
1997 – 2001	University assistant at the institute for electrical systems at the Technical University of Vienna (<i>TU Wien, Institut für Elektrische Anlagen</i>)

2002 – 2012	Business Administration Studies (degree: diploma) at the Vienna University of Economics and Business (<i>Wirtschaftsuniversität Wien</i>)
1997 – 2000	Doctoral programme: technical sciences at the Technical University of Vienna (<i>TU Wien</i>)
1992 – 1997	Studies in electrical engineering (degree: diploma) at the Technical University of Vienna (<i>TU Wien</i>)

Main functions besides the supervisory board mandate

- CEO of enercity AG, Hanover (not listed company)
- Member of the board of directors of the Federal Association of the German Energy and Water Industries (*Bundesverband der Energie- und Wasserwirtschaft*)
- Board of Directors of the German Association of Local Utilities (*Verband Kommunaler Unternehmen*)
- Supervisory Board member of the following municipal utilities: Stadtwerke Wunstorf, Stadtwerke Garbsen GmbH
- Member of the advisory board of Norddeutsche Landesbank – Girozentrale NORD/LB (NORD/LB),

Flughafen Hannover-Langenhagen GmbH, Deutsche Messe AG, (not listed company) Leibnitz University.

- Chairwoman of the government commission of the state government of Lower Saxony
- Please see the details of memberships in other statutory supervisory boards and in comparable domestic and foreign controlling bodies of commercial enterprises under agenda item 7 of the Invitation to the General Meeting.

Data protection

In its function as the controller, PNE AG, Peter-Henlein-Straße 2-4, 27472 Cuxhaven, processes the shareholders' personal data (last name and first name, address, email address, number of shares, class of shares, type of ownership of the shares and admission ticket number) as well as personal data of the shareholder representatives, if any, in accordance with applicable data protection laws. The shares in PNE AG are registered shares. Processing of personal data is a prerequisite for attending the General Meeting of PNE AG, and the maintenance of a share register is mandatory under applicable law. The legal basis for the processing of personal data is Article 6 (1) sentence 1 (c) of the General Data Protection Regulation in conjunction with Sections 118 et seqq. and Section 67 of the German Stock Corporation Act. To the extent that the

shareholders do not themselves provide their personal data, PNE AG will generally obtain these from the shareholder's depository bank.

The service providers commissioned by PNE AG for the purpose of organising the General Meeting will process the shareholders' personal data exclusively as instructed by PNE AG and only to the extent this is necessary for the performance of the services commissioned. Each of the employees of PNE AG as well as all staff of commissioned service providers who have access to and/or process the shareholders' personal data are obliged to treat such data confidentially. Also, personal data of shareholders and/or shareholder representatives participating in the General Meeting can be viewed by other shareholders and shareholder representatives subject to applicable laws (in particular via the list of participants (Section 129 of the German Stock Corporation Act)).

PNE AG will delete the shareholders' personal data in accordance with the statutory provisions, specifically if the personal data are no longer required for the purposes for which they were initially collected or processed, the data are no longer required in connection with administrative or court proceedings, if any, and if no statutory record retention requirements apply.

Subject to the statutory requirements, the shareholders have the right to access their personal data that were processed and to require rectification or erasure of their personal data or the restriction of the processing. The shareholders also have the right to lodge a complaint with the supervisory authorities.

Shareholders may address their questions or comments on the processing of personal data to the data protection officer of PNE AG at:

Stefan Schlie
Peter-Henlein-Straße 2-4
27472 Cuxhaven
E-Mail: datenschutz@pne-ag.com
Phone: +49 4721 718 179
Telefax: +49 47 21 718 373.

PNE AG

Peter-Henlein-Straße 2-4
27472 Cuxhaven
Germany

pne-ag.com