

Convenience Translation

Balda Aktiengesellschaft

Bad Oeynhausen

ISIN DE0005215107

Invitation to an Extraordinary General Meeting

We hereby invite the shareholders of our Company to attend an Extraordinary General Meeting to be held on Wednesday, February 8, 2012 at 10:00 am in the Ringlokschuppen Bielefeld, Stadtheider Straße 11, 33609 Bielefeld, which is being convened at the request of our shareholder Octavian Special Master Fund, L.P., 745 5th Avenue, 10151 New York, NY, United States of America, in accordance with Section 122(1) of the German Stock Corporation Act (AktG).

Agenda

1. Resolution on the dismissal of a member of the Supervisory Board

The Octavian Special Master Fund, L.P. proposes that the member of the Supervisory Board elected by the Annual General Meeting, **Dr. Michael Naschke**, be dismissed with effect from the end of the extraordinary general meeting being convened by this notice.

In the event that the term of office of the Supervisory Board member to be dismissed ends for any reason before the extraordinary general meeting being convened by this notice is held and a new Supervisory Board is appointed by the court, then the above proposed resolution shall refer to the person who is the Company's Supervisory Board member at the beginning of the extraordinary meeting being convened by this notice.

The Supervisory Board proposes that the Extraordinary General Meeting oppose this resolution.

2. Resolution on the dismissal of a member of the Supervisory Board

The Octavian Special Master Fund, L.P. proposes that the member of the Supervisory Board elected by the Annual General Meeting, **Yu-Sheng Kai**, be dismissed with effect from the end of the extraordinary general meeting being convened by this notice.

The proposed resolution by the Octavian Special Master Fund, L.P. in Sentence 2 of Item 1 on the agenda applies correspondingly to Item 2 on the agenda.

The Supervisory Board proposes that the Extraordinary General Meeting oppose this resolution.

3. Resolution on the dismissal of a member of the Supervisory Board

The Octavian Special Master Fund, L.P. proposes that the member of the Supervisory Board elected by the Annual General Meeting, **Chun-Chen Chen**, be dismissed with effect from the end of the extraordinary general meeting being convened by this notice.

The proposed resolution by the Octavian Special Master Fund, L.P. in Sentence 2 of Item 1 on the agenda applies correspondingly to Item 3 on the agenda.

The Supervisory Board proposes that the Extraordinary General Meeting oppose this resolution.

4. Resolution on the election of a new member of the Supervisory Board

The Supervisory Board of the Company consists of three members who were elected by the Annual General Meeting in accordance with Sections 96(1) and 101(1) of the German Stock Corporation Act in conjunction with Article 10(1) of the Articles of Association of Balda Aktiengesellschaft. The Annual General Meeting is not bound by any nominations when electing Supervisory Board members.

The Octavian Special Master Fund, L.P. proposes that the following candidate be elected as a new member of the Supervisory Board for the remaining term of office of the present Supervisory Board members with effect from the end of the extraordinary general meeting being convened by this notice:

Mr. René Charles Jäggi (63), Basel, Switzerland, Chairman of the Board of GRJ AG, Basel, Switzerland.

Mr. Jäggi is also a member of the following statutory Supervisory Boards and comparable foreign supervisory bodies of business undertakings:

- Röder Zeltsysteme & Service AG, Büdingen, Germany (Chairman)
- Prof. Dr. Walther Mory Maier Engineering AG, Münchenstein, Switzerland (Chairman)
- Artificial Life Inc., Hong Kong, PR China
- OpenLimit SignCubes AG, Baar, Switzerland

- MCH Messe Switzerland AG, Basel, Switzerland
- Zurmont-Madison Private Equity Holding AG, Zürich, Switzerland
- Orgatent AG, Grosswangen, Switzerland

The Supervisory Board proposes that the Extraordinary General Meeting oppose this resolution.

5. Resolution on the election of a new member of the Supervisory Board

The Octavian Special Master Fund, L.P. proposes that the following candidate be elected as a new member of the Supervisory Board for the remaining term of office of the present Supervisory Board members with effect from the end of the extraordinary general meeting being convened by this notice (Sentences 1 and 2 of Item 4 of the agenda relating to the composition of the Supervisory Board applies correspondingly):

Mr. Igor Kuzniar (32), New York, NY, United States of America, Managing Director of Octavian Advisors LP, New York, NY, United States of America.

Mr. Kuzniar is not a member of any other statutory Supervisory Boards or comparable foreign supervisory bodies of business undertakings.

The Supervisory Board proposes that the Extraordinary General Meeting oppose this resolution.

6. Resolution on the election of a new member of the Supervisory Board

The Octavian Special Master Fund, L.P. proposes that the following candidate be elected as a new member of the Supervisory Board for the remain-

ing term of office of the present Supervisory Board members with effect from the end of the extraordinary general meeting being convened by this notice (Sentences 1 and 2 of Item 4 of the agenda relating to the composition of the Supervisory Board applies correspondingly)

Mr. Behdad Alizadeh (50), New York, NY, United States of America, Partner of Pardus Capital Management, L.P. New York, NY, United States of America.

Mr. Alizadeh is not a member of any other statutory Supervisory Boards or comparable foreign supervisory bodies of business undertakings.

The Supervisory Board proposes that the Extraordinary General Meeting oppose this resolution.

Prerequisites for attendance at the extraordinary general meeting and the exercise of voting rights

Only those shareholders are entitled to attend the extraordinary meeting and exercise their voting rights who have registered prior to the extraordinary meeting and provided evidence of their entitlement. The evidence of entitlement requires evidence of the shareholding issued by the custodian bank. The evidence must relate to the beginning of January 18, 2012, (0:00 hrs) ("Record Date"). The registration and the evidence of entitlement must be received by the company in text form in German or English by the close of February 1, 2012 (24:00 hrs) at the latest at the following address (registration office):

Balda Aktiengesellschaft
c/o PR IM TURM HV-Service AG
Römerstraße 72-74
68259 Mannheim
Fax: +49 (0) 621 / 71 77 213
E-Mail: eintrittskarte@pr-im-turm.de

Relevance of the Record Date

Only those shareholders are entitled to attend the extraordinary meeting and to exercise their voting rights who have provided evidence of share ownership. The entitlement to attend the meeting and the extent of the voting rights are solely determined on the basis of the shares held by the shareholder on the Record Date. The Record Date does not constitute a blackout period for the sale of shares. Even if the shareholding is entirely or partly sold after the Record Date, the entitlement to attend the extraordinary meeting and the extent of the voting rights are solely determined by the shares held by the shareholder on the Record Date, i.e. sales of shares after the Record Date have no effect on the entitlement to attend the meeting and the extent of the voting rights. The same applies to the acquisition of shares after the Record Date. Persons who hold no shares on the Record Date and only become shareholders after that date are entitled to attend the meeting and vote for the shares held by them only to the extent

that they have obtained a proxy or an authorization to exercise rights. The Record Date has no relevance for the dividend entitlement.

Procedure for voting by proxy

Shareholders may also have their voting rights exercised by proxies, such as a bank or an association of shareholders. If a shareholder authorizes more than one person, the Company may refuse one or several of these. The granting of a power of attorney, its revocation and the evidence of the appointment of a proxy with respect to the Company require the text form. If a bank, an equivalent institution or Company in accordance with Sec. 135(10) of the German Stock Corporation Act in conjunction with Sec. 125(5) of the German Stock Corporation Act, an association of shareholders or a person as defined in Sec. 135(8) of the German Stock Corporation Act is authorized to act as a proxy, deviating provisions may apply, which are to be obtained from the bank, company or association in question.

Shareholders may use the form on the back of the entrance ticket form they receive after registration for the purpose of granting of a power of attorney.

The evidence of the appointment of a proxy can be transmitted to the Company using the following contact data:

Balda Aktiengesellschaft
c/o PR IM TURM HV-Service AG
Römerstraße 72-74
68259 Mannheim
Germany
Fax: +49 (0) 621 / 71 77 213
Online: www.hv-vollmachten.de

The use of the online platform for powers of attorney at www.hv-vollmachten.de requires a password that is printed on the entrance ticket sent to the shareholders following registration. Further information on the use of the password-protected platform for powers of attorney can be found at the afore-mentioned Internet address.

The Company has appointed Mr. Michael Knapp, whose business address is PR IM TURM HV-Service AG, Römerstraße 72-74, 68259 Mannheim, Germany as the voting representative. The shareholders can authorize the voting representative appointed by the Company to vote on their behalf

by using the power of attorney and instruction form that is sent together with the entrance ticket. To the extent that the voting representative appointed by the Company is authorized to exercise voting rights on a shareholder's behalf, he must be issued with instructions for the purpose of exercising the voting rights. Without these instructions, the power of attorney is invalid. The voting representative appointed by the Company is obligated to vote in accordance with the instructions.

The voting representative will only exercise the voting rights to the extent that he has received appropriate instructions. He will not participate in any voting procedure for which he has not received any instructions. He will furthermore not exercise any additional rights, such as rights to object or ask questions.

Forms for powers of attorney as well as the form for the power of attorney and the voting instructions for the voting representative appointed by the Company can also be requested from the registration office.

The form of power of attorney and instructions for the voting representative appointed by the Company for exercising the voting rights including the instructions must be received by the Company by February 7, 2012 (12:00 hrs) at the latest. The voting representative appointed by the Company may also be issued with authorization and instructions during the extraordinary meeting.

A timely registration and presentation of evidence of share ownership in accordance with the foregoing provisions are also required if a power of attorney is issued. This does not – subject to the stated time-limited possibility of authorizing the voting representative appointed by the Company – exclude the possibility of issuing powers of attorney after registration and presentation of the evidence of share ownership.

Rights of the shareholders pursuant to Sec. 122(2), Sec. 126(1), Secs. 127 and 131(1) of the German Stock Corporation Act

Supplementary requests to the agenda at the request of a minority pursuant to Sec. 122(2) of the German Stock Corporation Act

Shareholders whose shares together amount to a twentieth part of the share capital (which corresponds to 2,944,532 non-par value shares) or the proportionate amount of the share capital of EUR 500,000 (which corre-

sponds to 500,000 non-par value shares) may, in accordance with Sec. 122(2) of the German Stock Corporation Act, request that items be placed on the agenda and published. Every new item must be accompanied by an explanatory statement or a proposed resolution.

Supplementary requests must be received by the Company in writing at least 30 days prior to the meeting; the day on which the request is received and the day on which the extraordinary meeting is held will not be taken into account when calculating this period. This means that the final possible date for the receipt and acceptance of supplementary requests is January 8, 2012 (24:00 hrs). Any supplementary requests received after this date will not be taken into account.

The applicants are required to provide evidence that they have been holders of the shares with regard to the minority shareholding for a minimum of three months prior to the day on which the extraordinary meeting is held (Sec. 142(2)(2) in conjunction with Sec. 122(1)(3) and (2)(1) of the German Stock Corporation Act).

Any supplementary requests must be sent to the following address:

Balda Aktiengesellschaft
c/o PR IM TURM HV-Service AG
Römerstraße 72-74
68259 Mannheim, Germany

Motions and election proposals of shareholders pursuant to Sec. 126(1) and Sec. 127 of the German Stock Corporation Act

Shareholders may present counter-motions against proposals made by the Management Board and the Supervisory Board with regard to any specific point of the agenda and make proposals on the election of auditors.

Any counter-motions and election proposals, including the name of the shareholder and the explanatory statement, to be made accessible to the other shareholders that are received by the Company at least 14 days prior to the meeting, not taking into account the day on which the request is received and the day on which the extraordinary meeting is held, i.e. on January 24, 2012 (24:00 hrs) at the latest, will be made accessible to the other shareholders without delay on the Company's website at www.balda.de under the section "Investor Relations" → "Annual Meeting"

or "Hauptversammlung". Any comments of the management will also be published there.

Counter-motions, unlike election proposals, will only be made accessible if they are accompanied by an explanatory statement.

Any counter-motions and election proposals to be made accessible must only be sent to the following address:

Balda Aktiengesellschaft
c/o PR IM TURM HV-Service AG
Römerstraße 72-74
68259 Mannheim
Fax: +49 (0) 621 / 71 77 213
E-mail: balda-hv@pr-im-turm.de

Counter-motions and election proposals sent to any other address will not be taken into account.

Shareholder's right to information pursuant to Sec. 131(1) of the German Stock Corporation Act

Pursuant to Sec. 131(1) of the German Stock Corporation Act, each shareholder is entitled to request the Management Board to provide information during the extraordinary meeting about the affairs of the Company, including any legal and business relationships with affiliated companies and about the position of the group and the companies included in the consolidated financial statements to the extent that this information is necessary for the proper evaluation of any item on the agenda.

More detailed explanations on the rights of the shareholders pursuant to Sec. 122(2), Sec. 126(1) and Secs. 127 and 131(1) of the German Stock Corporation Act can be found on the Company's website at www.balda.de under the section "Investor Relations" → "Annual Meeting" or "Hauptversammlung".

Documents relating to the extraordinary general meeting and information pursuant to Sec. 124a of the German Stock Corporation Act

The documents to be made accessible to the extraordinary general meeting and additional information pursuant to Sec. 124a of the German Stock Corporation Act will be made accessible on the Company's website at www.balda.de under the section "Investor Relations" → "Annual Meeting" or "Hauptversammlung" shortly after the convening of the extraordinary meeting.

Furthermore, the documents to be made accessible will also be accessible for inspection by the shareholders at the offices of Balda Aktiengesellschaft, Bergkirchener Straße 228, 32549 Bad Oeynhausen, Germany and at the Annual Meeting.

Total number of shares and voting rights

On the convening date of this extraordinary meeting, the share capital of the Company is divided into 58,890,636 non-par value bearer shares. Each non-par value share represents one vote. A total of 58,890,636 voting rights exist on the convening date of this extraordinary meeting. The Company does not hold any own shares.

Bad Oeynhausen, December 2011

Balda Aktiengesellschaft

The Management Board