

**Complete wording of the
Articles of Incorporation of**

**Pfleiderer Aktiengesellschaft,
domiciled in Neumarkt, Germany**

and entered in the Commercial Register
of the Nuremberg District Court
under number HRB 14555

(last updated on June 23, 2010)

Convenience translation

**The German text of the Articles of Incorporation (*Satzung*)
is legally binding.**

I. General Provisions

Article 1 (§ 1)

- (1) The name of the Company is Pfeleiderer Aktiengesellschaft.
- (2) The Company is domiciled in Neumarkt, Germany.

Article 2 (§ 2)

- (1) The purpose of the Company is the management of a group of companies which primarily operate in the area of products and systems for furniture and interior fitting, in particular involving panel materials, surface materials and floorings. The Company's activities include the development, manufacture and distribution of such products, trading in raw materials, consumables and supplies, unfinished and finished products and merchandize, and the generation of energy.
- (2) The Company is authorized to perform all transactions and to take all measures that are related to its purpose or that are directly or indirectly suited to serve its purpose. The Company may also operate directly in the areas mentioned in paragraph (1) above.
- (3) The Company may establish, acquire or invest in other companies, in particular in such companies whose purposes are completely or partially identical to those areas stated in paragraph (1) above. It may include companies in which it holds an equity interest under its uniform group management or it may restrict itself to the management of its equity investments.

Article 3 (§ 3)

- (1) Announcements by the Company are published in the electronic Federal Gazette (*Bundesanzeiger*).
- (2) Communications directed to the bearers of tradable securities of the Company may also be transmitted electronically.

II. Share Capital and Shares

Article 4 (§ 4)

- (1) The Company's share capital amounts to 150,166,272.00 euros.

It is divided into 58,658,700 no-par-value shares.

- (2) The Executive Board is authorized, with the consent of the Supervisory Board, to increase the Company's share capital in the period until June 22, 2015 by a total of up to 75,083,136.00 euros by issuing, on one or several occasions, up to a total of 29,329,350 registered no-par-value shares with a notional interest in the share capital of 2 euros and 56 cents in return for cash or non-cash contributions (Approved Capital 2010).

The shareholders are generally to be granted subscription rights to the new no-par-value shares. Pursuant to Section 186, Subsection 5, Sentence 1 AktG the new shares may also be allocated to one or more banks or companies designated by the Executive Board which shall then be obliged to offer them to shareholders for subscription (indirect subscription rights).

However, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude fractional amounts from subscription rights and to exclude shareholders' subscription rights also:

- in the case of a capital increase against cash contributions if the issue price of the new shares is not significantly lower than the stock-market price of the same class of shares of the Company as specified by Section 203, Subsections 1 and 2 and Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*AktG*) at the time when the issue price is decided upon, which is to be as near as possible to the time when the new shares are placed on the market, . This exclusion of subscription rights is limited to a total of no more than 10% of the Company's share capital both at the time when the authorization takes effect and at the time when this authorization is exercised. This limit includes share capital accounted for by those shares to be issued to serve convertible bonds and/or bonds with warrants issued with the exclusion of subscription rights during the period of this authorization in accordance with Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*AktG*) or sold during the period of this authorization in accordance with Section 71, Subsection 1, No. 8 and Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*AktG*). It shall not be included if new authorizations to issue convertible bonds and/or bonds with warrants pursuant to Section 186, Subsection 3, Sentence 4 AktG or to sell treasury shares in accordance

with Section 71, Subsection 1 No. 8 and Section 186, Subsection 3, Sentence 4 AktG after the exercise of such authorizations that led to the inclusion have been granted by the Annual Shareholders' Meeting;

- in the case of a capital increase against non-cash contributions for the purpose of acquiring companies, parts of companies or equity interests in companies, whereby this exclusion of subscription rights is limited to a total of no more than 20% of the Company's share capital both at the time when the authorization takes effect and at the time when this authorization is exercised;
- to the extent required to grant holders of convertible bonds or share purchase warrants issued by the Company or by Group companies in which it holds a direct or indirect interest subscription rights to new shares in the amount to which they would be entitled after exercising their conversion or option rights or after fulfilling their conversion obligations.

The Executive Board is authorized to determine the further details of capital increases from Authorized Capital 2010, particularly the issue price, with the approval of the Supervisory Board.

The Supervisory Board is authorized to amend the Articles of Incorporation to reflect the implementation of the capital increase through the exercise of Authorized Capital 2010 and after the authorization period has expired.

- (3) The Company's share capital has been conditionally increased by up to 60,066,508 euros and 80 cents by the issue of up to 23,463,480 new, registered no-par-value shares (Conditional Capital I). The conditional capital increase serves to grant registered no-par-value shares of the Company to the holders or creditors of conversion rights and/or share purchase warrants issued by the Company or its direct or indirect subsidiaries in return for cash contributions as a result of the authorization approved by the Annual Shareholders' Meeting held on June 23, 2010 under Item 8 of the Agenda and which grant conversion or option rights to registered no-par-value shares of the Company or which stipulate conversion obligations.

The conditional capital increase may only be carried out to the extent that option or conversion rights are exercised or to the extent that bearers or creditors obliged to convert fulfill their conversion obligations and to the extent that no cash compensation is granted and no treasury shares or new shares from the implementation of an approved capital are used. The new, registered no-par-value shares are entitled to a dividend as of the beginning of the financial year in which

they are issued. The Executive Board is authorized to determine the other details of the implementation of the conditional capital increase.

The Supervisory Board is authorized to amend Article 4 of these Articles of Incorporation in accordance with the current utilization of Conditional Capital I. The same applies in the case that the authorization to issue convertible bonds and/or share purchase warrants is not utilized by the end of the authorization period and in the case that Conditional Capital I is not utilized by the end of all conversion and/or option periods.

- (4) The Company's share capital may be conditionally increased by up to 1,989,836 euros and 80 cents (Conditional Capital). The conditional capital increase may only be carried out by issuing up to 777,280 new shares in the Company to the extent that in the context of the authorization granted until June 30, 2006 and/or in the context of the Pfleiderer Stock Option Plan 2001, subscription rights are granted, the holders make use of these rights to subscribe to shares of the Company, and the Company does not use treasury shares or cash compensation to fulfill the subscription rights. The new, registered no-par-value shares are entitled to dividends as of the beginning of the financial year in which they are issued.
- (5) The Company's share capital may be conditionally increased by up to 11,661,644 euros and 80 cents (Conditional Capital). The conditional capital increase may only be carried out by issuing up to 4,555,330 new shares in the Company to the extent that in the context of the authorization granted until May 31, 2011 and/or in the context of the Pfleiderer Stock Option Plan 2006, subscription rights are granted, the holders make use of these rights to subscribe to shares of the Company, and the Company does not use treasury shares or cash compensation to fulfill the subscription rights. The new, registered no-par-value shares are entitled to dividends as of the beginning of the financial year in which they are issued.

Article 5 (§ 5)

- (1) The shares are registered shares. To enable the Company to register shares in its share register, shareholders who are natural persons are to inform the Company of their name, address and date of birth. If shareholders are legal entities, partnerships, sole traders or similar, they are to inform the Company of the name under which they trade or operate, their business address and their registered office. All shareholders are to inform the Company of the number of shares they hold and their e-mail address, if they have one.

- (2) If a resolution on a capital increase does not specify whether the new shares are bearer shares or registered shares, they are to be registered shares.
- (3) The Executive Board is to determine, with the consent of the Supervisory Board, the form to be taken by the share certificates, dividend coupons and renewal coupons. The same applies to bonds and interest coupons. Global certificates can be issued. Shareholders may not demand the issue of share certificates unless the rules of a stock exchange where shares are listed stipulate such certification.

III. Executive Board

Article 6 (§ 6)

- (1) The Executive Board consists of at least two members.
- (2) Apart from this provision, the Supervisory Board determines the number of members of the Executive Board.

Article 7 (§ 7)

- (1) The members of the Executive Board are to manage the business of the Company in accordance with applicable law, these Articles of Incorporation and the Rules of Procedure for the Executive Board.
- (2) The Company is legally represented by two members of the Executive Board or by one member of the Executive Board together with an authorized signatory (Prokurist).

IV. Supervisory Board

Article 8 (§ 8)

- (1) The Supervisory Board consists of twelve members. Six members are elected by the employees.
- (2) The members of the Supervisory Board are elected for the period until the end of the Shareholders' Meeting that passes a resolution on the ratification of their actions for the fourth financial year after the beginning of their period of office. The financial year in which their period of office begins is not counted. Reelection is permitted. The Shareholders' Meeting may stipulate a shorter term of office when it elects a member or members of the Supervisory Board. If a member is elected to replace a member who departs from the Supervisory Board before the end of his or her period of office, the new member is appointed for the remaining period of office of the departing member, unless another period is stipulated when the successor is elected.
- (3) Each member of the Supervisory Board may resign from his or her position at any time without stating a reason, subject to a period of notice of one month, by submitting a written statement to the Chairperson of the Supervisory Board or to the Executive Board.

Article 9 (§ 9)

- (1) Directly after the Shareholders' Meeting in which the Supervisory Board members to be elected by the Shareholders' Meeting are elected, a meeting of the Supervisory Board is held for which no special invitation is required. In this meeting, the Supervisory Board elects from amongst its members a Chairperson and one or more Deputy Chairpersons for the period for which the members are elected.
- (2) If a Chairperson or Deputy Chairperson departs from his or her position before the end of his or her period of office, the Supervisory Board is immediately to elect a successor for the remaining period of office.

Article 10 (§ 10)

- (1) Supervisory Board meetings are convened in writing by the Chairperson with a period of notice of fourteen days. When calculating the period of notice, the day that the invitation is sent and the day of the meeting are not counted. In urgent cases, the Chairperson may shorten the period of notice and convene meetings orally or by telephone, telex, telegraph, fax or e-mail.
- (2) The items of the agenda are to be listed when meetings are convened.

Article 11 (§ 11)

- (1) Resolutions of the Supervisory Board are passed in meetings. If so instructed by the Chairperson of the Supervisory Board, resolutions may also be passed outside meetings by voting in writing, by fax or e-mail, or by telephone or video conference. The rules listed below are to apply when resolutions are voted on outside meetings.
- (2) The Supervisory Board has a quorum if all its members have been invited to attend a meeting and at least half of them participate in the voting on resolutions either in person or in writing. A member is also deemed to have participated in voting on a resolution if he or she abstains from voting. The meetings of the Supervisory Board generally require the personal presence of its members; however, they may also be held – including the passing of resolutions – in the form of a telephone or video conference.
- (3) Resolutions may only be passed on items of the agenda that have not been properly announced in advance if no member of the Supervisory Board objects. In such cases, absent members of the Supervisory Board are to be given the opportunity to object to the resolutions or to vote in writing within a reasonable period as set by the Chairperson of the Supervisory Board. Such resolutions only take effect if none of the absent members of the Supervisory Board objects within the period set by the Chairperson.
- (4) The Chairperson determines the sequence in which the items of the agenda are discussed, as well as the manner and sequence of voting.
- (5) Resolutions of the Supervisory Board require a simple majority of votes cast unless applicable law requires otherwise. Abstentions do not count as votes cast.

- (6) If not all of the members of the Supervisory Board participate in voting either personally or in writing, resolutions are to be postponed if so requested by two or more members who are present. In the case of postponement, the resolution is to be voted on at the next scheduled Supervisory Board meeting, unless an extraordinary Supervisory Board meeting is convened or voting takes place as described in paragraph (1), sentence 2 above. A renewed minority request for postponement is not permitted when a resolution is put forward for voting a second time.
- (7) Paragraph (6) does not apply if the same number of Supervisory Board members representing the shareholders and representing the employees participate in voting on a resolution.

Article 12 (§ 12)

- (1) Apart from the Mediation Committee to be formed pursuant to Section 27, Subsection 3 of the German Codetermination Act (*MitbestG*), the Supervisory Board may form additional committees from amongst its members and may define their duties and regulate their powers. As far as permitted by applicable law, the Supervisory Board may delegate decision-making powers to its committees.
- (2) Each committee may elect a chairperson from amongst its members, unless the Chairperson of the Supervisory Board appoints a chairperson.
- (3) The provisions of Article 10 and Article 11, paragraphs 1, 4 and 5 are to apply analogously to the procedures of the committees. If voting in a committee results in a tie and a repeated vote on the same matter also results in a tie, the chairperson of the committee has a casting vote.

Article 13 (§ 13)

- (1) The Supervisory Board draws up its own rules of procedure, in accordance with applicable law and these Articles of Incorporation.
- (2) Statements of intent by the Supervisory Board and/or its committees are issued on behalf of the Supervisory Board by its Chairperson.

Article 14 (§ 14)

Members of the Supervisory Board are not to disclose details of confidential reports or discussions or any of the Company's trade secrets of which they have become aware in the course of their duties. This duty of confidentiality applies also after members depart from the Supervisory Board.

Article 15 (§ 15)

- (1) Each member of the Supervisory Board receives:
 - a) annual fixed remuneration of 33,600 euros, payable after the end of each financial year;
 - b) an attendance fee of 1,500 euros for each meeting of the Supervisory Board or of one of its committees attended, except for attendance of meetings of the Mediation Committee formed pursuant to Section 27, Subsection 3 of the German Codetermination Act (*MitbestG*);
 - c) annual performance-related remuneration of 150 euros for each cent by which the dividend per share as specified in the resolution by the Shareholders' Meeting on the appropriation of profits exceeds the amount of 11 cents, but no more than the amount of the fixed remuneration.

- (2) The Chairperson of the Supervisory Board receives double the fixed remuneration and performance-related remuneration as stated in paragraph (1) above; each Deputy Chairperson of the Supervisory Board and each chairperson of Supervisory Board committees receive one and a half times the amounts stated in paragraph (1) above; and elected members of Supervisory Board committees receive one and a quarter times the amounts stated in paragraph (1) above. No remuneration is paid for membership of the Mediation Committee formed pursuant to Section 27, Subsection 3 of the German Codetermination Act (*MitbestG*). If a member of the Supervisory Board performs several of the aforementioned functions, he or she is remunerated solely for the function with the highest remuneration.

- (3) Members of the Supervisory Board are also reimbursed for expenses incurred in the performance of their duties. Any value-added tax payable on their remuneration and/or expenses is also reimbursed.
- (4) Members of the Supervisory Board are indemnified by the Company for claims made by third parties to the extent that is legally permitted. For this purpose, the Company has taken out a directors' and officers' liability insurance policy covering the members of its boards and committees as well as its employees.

Article 16 (§ 16)

The Supervisory Board is authorized to make amendments to these Articles of Incorporation that only affect their wording.

V. Shareholders' Meetings

Article 17 (§ 17)

Shareholders' Meetings are generally held at the Company's domicile. They may also be convened at other places where a German stock exchange is located. The Executive Board or the Supervisory Board invites the shareholders to each Shareholders' Meeting by making an appropriate announcement.

Article 18 (§ 18)

- (1) The Annual Shareholders' Meeting shall be convened at least 30 days before the date on which it is to be held, if a shorter notice period is not permitted by law. The day of the annual shareholders' meeting and the date of the invitation are not counted. This notice period is extended by the number of days in the registration period specified in Article 18 (3) of the Articles of Incorporation.
- (2) Those shareholders are entitled to attend a Shareholders' Meeting and to exercise their voting rights who are listed in the share register and have registered to attend that Shareholders' Meeting in good time. No changes are made in the share register during the period starting with the beginning of the third day before the Shareholders' Meeting and finishing at the end of the Shareholders' Meeting.

- (3) Shareholders must register for the Annual Shareholders' Meeting by writing in German or English to the address specified in the invitation at least six days in advance. The invitation may specify a shorter registration period in days. The day of the annual shareholders' meeting and the day of receipt are not counted.
- (4) The Chairman of the Meeting is authorized to permit all or part of it to be transmitted by audiovisual equipment in a manner to be determined by him. It may also be broadcast in a format to which the public has unrestricted access.

Article 19 (§ 19)

Annual Shareholders' Meetings are held within the first eight months of each financial year.

Article 20 (§ 20)

- (1) The Chairperson of the Supervisory Board or another member of the Supervisory Board nominated by the Chairperson chairs the Shareholders' Meetings. If neither the Chairperson of the Supervisory Board nor a member of the Supervisory Board nominated by the Chairperson chairs a Shareholders' Meeting, the Supervisory Board elects a chairperson.
- (2) The chairperson chairs the Shareholders' Meeting and determines the sequence in which items of the agenda are dealt with as well as the sequence and manner of voting. The chairperson may impose reasonable time limits on the shareholders' right to ask questions and speak at Shareholders' Meetings, and in particular the on the overall Shareholders' Meeting, the discussion of the individual items of the agenda, and the individual questions and contributions to the discussions.

Article 21 (§ 21)

- (1) Each no-par-value share entitles its holder to one vote.
- (2) Voting rights may be exercised by a proxy. Proxy rights must be granted and revoked in writing. The Company must be provided with written evidence of the proxy right. Details are circulated with the invitation to the Annual Shareholders' Meeting, which may permit a simplified procedure. The provisions of Section 135 AktG on the exercise of proxy rights by banks and commercial agents are unaffected.
- (3) The Executive Board is authorized to arrange for the shareholders to participate in a Shareholders' Meeting without being present at the venue and without a proxy, and to exercise their voting rights via electronic communication. The Executive Board is also authorized to arrange for the shareholders to submit their votes without attending or otherwise participating in a Shareholders Meeting, either in written form or via electronic communication (postal vote / absentee vote). The Executive Board is authorized to specify the details of such procedure.
- (4) Unless otherwise specified by applicable law, resolutions of Shareholders' Meetings are passed by a simple majority of votes cast; if a capital majority is required, resolutions are passed by a simple majority of the Company's share capital represented at a Shareholders' Meeting.

VI. Financial Year, Annual Financial Statements, Appropriation of Profits

Article 22 (§ 22)

The Company's financial year is the calendar year.

Article 23 (§ 23)

The Executive Board is to prepare the annual financial statements and management report in the first three months of the following financial year and the consolidated financial statements and group management report in the first five months of the following year, and is to submit them to the Supervisory Board and to the external auditors.

Article 24 (§ 24)

- (1) The unappropriated retained earnings are to be distributed to the shareholders unless the Shareholders' Meeting decides otherwise.
- (2) Shareholders' dividends are distributed in all cases in proportion to the shareholders' paid-up equity and in proportion to the time that has elapsed since the time point defined for the payment.
- (3) When new shares are issued, a different entitlement to share in the Company's profits can be determined for the new shares.

VII. Final Provision

Article 25 (§ 25)

The Company's formation expense – borne by the Company – amounted to 2,300 deutschmarks.
