

Klöckner & Co SE

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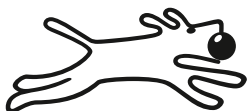
INVITATION
TO THE ANNUAL
GENERAL MEETING OF
KLÖCKNER & CO SE
MAY 25, 2012, DÜSSELDORF

klöckner & co

multi metal distribution

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Disclaimer

This is a translation of the invitation to and agenda of the Annual General Meeting 2012 of Klöckner & Co SE. Only the German version of this document is legally binding. This translation is provided to shareholders for convenience purposes only. No warranty is made as to the accuracy of this translation and Klöckner & Co SE assumes no liability with respect thereto.

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All shareholders who have registered by June 8, 2012 for their invitations to General Meetings to be sent to them by e-mail will take part in a draw, where they can win one of three third-generation Apple® iPad® (excl. network access contract).

Klöckner & Co SE

with registered office in Duisburg, Germany

– ISIN DE000KC01000 –

– Wertpapier-Kenn-Nr.
(Security Identification No.) KC0 100 –

Invitation to the Annual General Meeting

Dear Shareholders,

We hereby invite you to
the Annual General Meeting of
Klöckner & Co SE
on Friday, May 25, 2012,
at 10:30 a.m.

in the Congress Center
Düsseldorf (CCD Ost),
Messe Düsseldorf,
Stockumer Kirchstraße 61,
40474 Düsseldorf, Germany.

Agenda

1. **Presentation of the adopted annual financial statements, the approved consolidated financial statements and the combined management report for Klöckner & Co SE and the Group for fiscal year 2011, the report of the Supervisory Board, and the explanatory report of the Management Board on the information pursuant to Sections 289, para. 4, and 315, para. 4 of the German Commercial Code (Handelsgesetzbuch – HGB).**

The Supervisory Board approved the annual financial statements and the consolidated financial statements on March 6, 2012.

The annual financial statements are thus adopted. Therefore, a resolution by the Annual General Meeting is not required.

The aforementioned documents must, however, be made available to the Annual General Meeting and can therefore be downloaded at www.kloeckner.de/annual-meeting as of the date of convocation of the Annual General Meeting. Furthermore, these documents will also be available for inspection by shareholders as of the date of the convocation of the Annual General Meeting at the business premises of the Company, Am Silberpalais 1, 47057 Duisburg, Germany, and in the meeting room during the Annual General Meeting.

2. **Resolution on the use of the balance sheet profit for fiscal year 2011**

The Management Board and the Supervisory Board propose allocating all of the balance sheet profit of Klöckner & Co SE for fiscal year 2011 amounting to **EUR 13,483,967.39** to other revenue reserves.

3. **Ratification of the actions of the members of the Management Board for fiscal year 2011**

The Management Board and the Supervisory Board propose that the actions of the members of the Management Board who held office in the fiscal year 2011 be ratified for that year.

4. **Ratification of the actions of the members of the Supervisory Board for fiscal year 2011**

The Management Board and the Supervisory Board propose that the actions of the members of the Supervisory Board who held office in the fiscal year 2011 be ratified for that year.

5. Supervisory Board elections

The terms of office of the Supervisory Board members Dr. Dr. h.c. Jochen Melchior and Dr. Hans-Georg Vater will expire at the close of the Annual General Meeting on May 25, 2012. Pursuant to Article 40, para. 3 of the SE Regulation in conjunction with Section 9, para. 1 of the Articles of Association, Klößner & Co SE's Supervisory Board consists of six members, all of whom are elected by the shareholders. The Annual General Meeting is not required to adhere to election recommendations.

On the recommendation of its nominating committee, the Supervisory Board proposes the election of the following candidates to be members of the Supervisory Board:

- a) Mr. Ulrich Grillo, Mülheim an der Ruhr, Germany, chairman of the management board of Grillo-Werke AG, Duisburg, Germany
- b) Dr. Hans-Georg Vater, Essen, Germany, former member of the management board of HOCHTIEF Aktiengesellschaft, Essen, Germany

The election is for a term of office until the close of the Annual General Meeting held to formally approve Supervisory Board actions for the fourth fiscal year following commencement of a member's term of office, not including the fiscal year in which the term of office begins; however, the term of office may not exceed six years.

Based on the recommendation of the German Corporate Governance Code, Supervisory Board members are elected individually.

Information pursuant to Section 125, para. 1, sentence 5 of the German Stock Corporation Act (Aktiengesetz – AktG) regarding membership in (a) other legally mandated supervisory boards and (b) analogous domestic and international supervisory bodies of business corporations:

- a) Mr. Ulrich Grillo
 - (a) Praktiker AG, member of the Supervisory Board
Baumarkt Praktiker Deutschland GmbH, member of the Supervisory Board
mateco AG, member of the Supervisory Board
IKB Deutsche Industriebank AG, member of the Supervisory Board

(b) Not applicable

b) Dr. Hans-Georg Vater

(a) Not applicable

(b) Athens International Airport S.A., member of the Board of Directors

DEMATIC Group S.à r.l., member of the Board of Directors
 Universitätsklinikum Essen AÖR, member of the Supervisory Board

Brief résumés of the candidates:

Mr. Ulrich Grillo

Mr. Grillo (born in 1959) holds a Master's degree in Economics from the university Münster. After working at Accounting and Tax Consultancy Arthur Andersen & Co. GmbH, Frankfurt a.M., Germany, from 1987 to 1989 and as a Management Consultant at A.T. Kearney GmbH, Düsseldorf, Germany, from 1989 to 1993 he held various management positions from 1993 until 2001 at Rheinmetall-Group, most recently as vice-chairman of the management board of Rheinmetall DeTec AG and – in personal union – as chairman of the management board of STN Atlas Elektronik GmbH. Since 2001 Mr. Grillo is member of the management board of Grillo-Werke AG, Duisburg, Germany, where he became the chairman of the management board in 2004.

Dr. Hans-Georg Vater

Dr. Vater (born in 1942) holds a Master's Degree in Macroeconomics from the university of Freiburg, Germany. After working as an Assistant Auditor at PwC Accounting Firm from 1969 to 1971, he held various management positions from 1972 to 1987 at Mannesmann Demag AG and at the BATIG Group, most recently as the commercial director of Pegulan AG. In 1988, Dr. Vater was named a member of the management board of MAN Gutehoffnungshütte AG, where he later became the chairman of the management board. From 1996 to 2006, Dr. Vater held the position as CFO on the management board of HOCHTIEF AG. He holds several supervisory board positions, including at DEMATIC Group S.à r.l. as well as Athens International Airport S.A.

The CVs of the members of the Supervisory Board are available on the Company's website at www.kloeckner.de/en/investor-relations/supervisory-board.html.

6. Resolution on the appointment of the auditor for the annual financial statements and consolidated annual financial statements for fiscal year 2012

The Supervisory Board proposes, on the recommendation of the Audit Committee, appointing KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, Germany, as auditor for the annual financial statements and the consolidated financial statements for fiscal year 2012, as well as for reviewing the condensed financial statements and the interim management report pursuant to Section 37w, para. 5, and Section 37y, no. 2, of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) for fiscal year 2012.

7. Resolution on the creation of authorized capital 2012 and amendment of the Articles of Association

The Company's authorized capital (Authorized Capital 2010) pursuant to Section 4, para. 5a of the Articles of Association has been fully used up as part of the capital increase carried out in 2011. The Management Board and the Supervisory Board therefore propose that new authorized capital be created and the following resolutions be adopted in this regard:

(1) Creation of new authorized capital

The Management Board is authorized, with the consent of the Supervisory Board, to increase the Company's share capital on one or several occasions until May 24, 2017, by up to EUR 124,687,500.00 in aggregate through the issue of up to 49,875,000 new registered no-par-value shares against contributions in cash or in kind (Authorized Capital 2012). The new shares can be assumed by a credit institution or an enterprise operating pursuant to Section 53, para. 1, sentence 1, or Section 53b, para. 1, sentence 1 or para. 7 of the German Banking Act (Kreditwesengesetz – KWG) ("financial institution") or by a syndicate of such credit or financial institutions, together with an obligation to offer them to the shareholders for subscription (hereinafter "indirect subscription rights"). In principle, the shareholders have subscription rights.

The Management Board is, however, authorized, with the consent of the Supervisory Board, to exclude the statutory subscription rights of shareholders in the following cases:

- a. to settle fractional shares;
- b. if the capital is increased against contributions in cash and the total proportionate amount of the share capital attributable to the new shares for which subscription rights are being excluded does not exceed 10 % of the share capital existing at the time of the resolution by the Annual General Meeting on this authorization or – if this figure is lower – at the time of the Management Board's resolution on the exercise of this authorization, and the issue price of the new shares is not substantially lower than the market price of the shares already listed at the time of the Management Board's final fixing of the issue price. The 10 % threshold shall include the proportionate amount of the share capital attributable to shares of Klöckner & Co SE that (i) are issued or sold by the Company with the exclusion of subscription rights in direct or analogous application of Section 186, para. 3, sentence 4 of the German Stock Corporation Act during the term of this authorization up to the time of its exercise, or (ii) are attributable to the subscription rights based on warrant-linked and/or convertible bonds issued on the basis of authorizations other than the preceding in direct or analogous application of Section 186, para. 3, sentence 4 of the German Stock Corporation Act during the term of this authorization up to the time of its exercise, with the exception of those shares intended to service convertible bonds issued on the basis of the resolution adopted as agenda item 9 of the Company's Annual General Meeting of June 20, 2007, of the resolution adopted as agenda item 7 of the Company's General Annual Meeting of May 26, 2009, or of the resolution adopted as agenda item 7 of the Company's Annual General Meeting of May 26, 2010, respectively;
- c. insofar as necessary in order to grant the holders of such warrants or warrant obligations or the creditors of such conversion rights or obligations as were or will be issued by the Company or group companies subscription rights as they would be entitled to after exercising their rights or obligations; and
- d. in capital increases against contributions in kind, in which case the exclusion of subscription rights shall be limited to a maximum of 20 % of the Company's share capital existing at the time of the Annual General Meeting's resolution

on this authorization, or – if this figure is lower – at the time of the Management Board's decision on the exercise of this authorization.

The total of the shares to be issued under the Authorized Capital 2012 with the exclusion of subscription rights, taking into account other shares that will be sold or issued after May 25, 2012, by the Company with the exclusion of subscription rights, or that are to be issued after May 25, 2012, based on warrant-linked and/or convertible bonds issued with the exclusion of subscription rights, must not exceed a proportionate amount of the share capital of EUR 49,875,000.00 (equivalent to 20% of the current share capital).

The Management Board is authorized, with the consent of the Supervisory Board, to stipulate the further details of the execution of capital increases from the Authorized Capital 2012. The Supervisory Board is authorized to modify the wording of the Articles of Association in line with the utilization of the Authorized Capital 2012 and, if the Authorized Capital 2012 is not used up or is not fully used up by May 24, 2017 after the expiration of the authorization.

(2) Amendment to the Articles of Association

Section 4, para. 3 of the Articles of Association, which is currently blank, contains the following wording:

"The Management Board is authorized, with the consent of the Supervisory Board, to increase the Company's share capital on one or several occasions until May 24, 2017, by up to EUR 124,687,500.00 in aggregate through the issue of up to 49,875,000 new registered no-par-value shares against contributions in cash or in kind (Authorized Capital 2012). The new shares can be assumed by a credit institution or an enterprise operating pursuant to Section 53, para. 1, sentence 1, or Section 53b, para. 1, sentence 1 or para. 7 of the German Banking Act (Kreditwesengesetz – KWG) ("financial institution") or by a syndicate of such credit or financial institutions, together with an obligation to offer them to the shareholders for subscription (hereinafter "indirect subscription rights"). In principle, the shareholders have subscription rights.

The Management Board is, however, authorized, with the consent of the Supervisory Board, to exclude the statutory subscription rights of shareholders in the following cases:

- a. to settle fractional shares;
- b. if the capital is increased against contributions in cash and the total proportionate amount of the share capital attributable to the new shares for which subscription rights are being excluded does not exceed 10 % of the share capital existing at the time of the resolution by the Annual General Meeting on this authorization or – if this figure is lower – at the time of the Management Board's resolution on the exercise of this authorization, and the issue price of the new shares is not substantially lower than the market price of the shares already listed at the time of the Management Board's final fixing of the issue price. The 10 % threshold shall include the proportionate amount of the share capital attributable to shares of Klöckner & Co SE that (i) are issued or sold by the Company with the exclusion of subscription rights in direct or analogous application of Section 186, para. 3, sentence 4 of the German Stock Corporation Act during the term of this authorization up to the time of its exercise, or (ii) are attributable to the subscription rights based on warrant-linked and/or convertible bonds issued on the basis of authorizations other than the preceding in direct or analogous application of Section 186, para. 3, sentence 4, of the German Stock Corporation Act during the term of this authorization up to the time of its exercise or are attributable to the subscription rights based on warrant-linked and/or convertible bonds issued during this period on the basis of authorizations other than the preceding in direct or analogous application of Section 186, para. 3, sentence 4, of the German Stock Corporation Act with the exception of those shares intended to service convertible bonds issued on the basis of the resolution adopted as agenda item 9 of the Company's Annual General Meeting of June 20, 2007, of the resolution adopted as agenda item 7 of the Company's General Annual Meeting of May 26, 2009, or of the resolution adopted as agenda item 7 of the Company's Annual General Meeting of May 26, 2010, respectively;
- c. insofar as necessary in order to grant the holders of such warrants or warrant obligations or the creditors of such conversion rights or obligations as were or will be issued by the Company or group companies subscription rights as they would be entitled to after exercising their rights or obligations; and

- d. in capital increases against contributions in kind, in which case the exclusion of subscription rights shall be limited to a maximum of 20 % of the Company's share capital existing at the time of the Annual General Meeting's resolution on this authorization, or – if this figure is lower – at the time of the Management Board's decision on the exercise of this authorization.

The total of the shares to be issued under the Authorized Capital 2012 with the exclusion of subscription rights, taking into account other shares that will be sold or issued after May 25, 2012, by the Company with the exclusion of subscription rights, or that are to be issued after May 25, 2012, based on warrant-linked and/or convertible bonds issued with the exclusion of subscription rights, must not exceed a proportionate amount of the share capital of EUR 49,875,000.00 (equivalent to 20 % of the current share capital).

The Management Board is authorized, with the consent of the Supervisory Board, to stipulate the further details of the execution of capital increases from the Authorized Capital 2012. The Supervisory Board is authorized to modify the wording of the Articles of Association in line with the utilization of the Authorized Capital 2012 and, if the Authorized Capital 2012 is not used up or is not fully used up by May 24, 2017 after the expiration of the authorization."

8. Resolution on the authorization to acquire and utilize treasury stock

Section 71, para. 1, no. 8 of the German Stock Corporation Act provides the Company with the option of acquiring its treasury stock, which may not exceed 10 % of the Company's share capital. By resolution of the Annual General Meeting of May 26, 2010, the Company is entitled to acquire its own shares. This authorization resolution, however, does not take into account the increase of share capital on the basis of the capital increase carried out in 2011 and, therefore, applies to only 6.67 % of the Company's current share capital. In order to enable the Company to utilize the acquisition of treasury stock as an additional financial instrument to the fullest extent permitted by law, the current authorization is to be revoked and a new resolution is to be adopted for the acquisition of treasury stock.

The Management Board and the Supervisory Board propose that the following resolution be adopted:

- a. The authorization to acquire and utilize treasury stock resolved as agenda item 6 of the Annual General Meeting of Klöckner & Co SE on May 26, 2010 will be revoked once the subsequent authorization takes effect and will be replaced by said authorization.
- b. Pursuant to Section 71, para. 1, no. 8 of the German Stock Corporation Act, the Company is authorized, with the consent of the Supervisory Board, to acquire, until May 24, 2017, its treasury stock of up to 10 % of the Company's share capital that exists at the time of the resolution of the Annual General Meeting on this authorization, or – if this figure is lower – at the time of the exercise of this authorization. The authorization can be used in whole or in installments, once or several times, by the Company, by companies of the Klöckner & Co Group or by third parties for the account of the Company or companies of the Klöckner & Co Group. The authorization may be used for any legally permissible purpose. Trading with treasury stock is not permitted. At the discretion of the Management Board, such acquisitions will be effected either on the stock exchange or by means of a public purchase offer directed at all shareholders.
- c. The equivalent value of each share to be acquired (excluding transaction costs) may, where the share is purchased on the stock exchange, not exceed or fall below the price fixed on the trading day during the opening auction of the Company's shares with the same features in Xetra trading (or in a comparable successor system) on the Frankfurt Stock Exchange by more than 10 %.
- d. If shares are acquired by means of a public purchase offer, the Company can either publish a formal offer or publicly call for the submission of offers. In both cases, the Company will set a purchase price or a purchase price range per share. In the latter case, the final price will be determined from the available declarations of acceptance or sales offers. The offer or the call for submission of offers may include a time limit applying to acceptances or offers, conditions and the option of modifying a possible purchase price range during the time period covering acceptances or sales offers if significant price swings occur during this period. The purchase price per Company share (excluding transaction costs) may not exceed or fall below the stock market price by more than 10 %. If the Company makes a formal public offer, the applicable stock market price will be the average closing price of the Company's stock

with the same features in Xetra trading (or in a comparable successor system) on the Frankfurt Stock Exchange in the five trading days that preceded the final decision by the Management Board regarding the formal offer or, should the offer be adjusted, that preceded the final decision by the Management Board regarding the offer adjustment. In the event that a call to submit sales offers is issued, the day on which the Company accepted the sales offer will be substituted by the day on which the Management Board made a decision about the offer or the adjustment of the offer.

- e. Should the volume of tendered shares exceed the expected repurchase volume, the acquisition must be carried out on the basis of the proportion of the tendered or offered shares. A preferential acquisition of fewer than 100 shares of tendered or offered stock per shareholder as well as the rounding according to business principles can be stipulated.
- f. The Management Board will be authorized to sell the Company's treasury stock on the stock exchange or through a public offer directed at all shareholders. For sales on the stock exchange, shareholders' subscription rights will be excluded. In the event of a sale through a public offer, the Management Board is authorized to exclude shareholders' subscription rights for fractional amounts of shares.

The Management Board is also authorized to sell treasury stock in a different manner if the Company's shares are sold for cash at a price (excluding transaction costs) that is not significantly below the stock market price of the Company's shares at the time of the sale. This authorization is limited (taking into account other authorizations for the issuance of new shares and authorizations for the issuance of warrant-linked and/or convertible bonds with the exclusion of subscription rights pursuant to Section 186, para. 3, sentence 4 of the German Stock Corporation Act, that are exercised during the term of this authorization up to the time of its exercise) to a total of 10% of the share capital existing at the time of the Annual General Meeting's resolution on this authorization, or if this figure is lower, of the Company's share capital existing at the time of the exercise of the authorization to sell.

The Management Board is further authorized to sell the acquired treasury stock to third parties, with the exclusion of the shareholders' subscription rights, if this is carried out for

the purpose of acquiring companies, stakes in companies and/or making investments in companies or servicing warrant-linked and/or convertible bonds.

The Management Board is also authorized, in the event of an offer to all shareholders, to grant to holders of warrant-linked and/or convertible bonds issued by the Company or a group company subscription rights to the quantity of shares to which they would have been entitled had they exercised their warrants or conversion rights or fulfilled their conversion obligations.

- g. Finally, the Management Board is authorized to cancel the acquired treasury stock without any further resolution by the Annual General Meeting being necessary.

The preceding authorizations can be used once or several times, in whole or in part, individually or separately by the Company or by companies affiliated with it or by third parties for the account of the Company or companies affiliated with it.

9. Resolution on the authorization to use equity derivatives as part of the acquisition of treasury stock

In addition to the acquisition channels in the authorization proposed under agenda item 8, the possibility to buy back treasury stock by using derivatives is also to be provided for.

The Management Board and the Supervisory Board propose that the following resolution be adopted:

- a. In addition to the authorization to purchase treasury stock to be decided upon under agenda item 8, the acquisition of shares may also be carried out, apart from the means described there, by using put or call options or future purchase agreements (jointly: "derivatives"). The Company is authorized to sell options to third parties, which obligates the Company to acquire Company shares upon the exercise of the option (put option), to buy options that entitle the Company to acquire Company shares upon the exercise of the option (call option) and to acquire Company shares by using a combination of put and call options. The option terms and conditions must in each case ensure that the Company will only be provided with shares that were acquired by it in accordance with the principle of equal treatment (Section 53a of the German Stock Corporation Act). All share purchases with the use of Derivatives shall be limited to shares amounting to no more than 5 %

of the share capital available at the time of the resolution of the Annual General Meeting on this authorization or – if this figure is lower – of the share capital available at the time of the exercise of this authorization. The terms of the derivatives must expire no later than on May 24, 2017 whereas the term of any individual derivative may not exceed 18 months.

- b. The option premium that the Company pays for call options and receives for put options may not be significantly higher or lower than the theoretical market value of the respective option determined by generally accepted actuarial methods, in the calculation of which the agreed upon exercise price is also to be taken into account. The purchase price per Company share to be paid upon the exercise of the options or upon the maturity of the future purchase agreements may not exceed or fall below the average price of the Company shares of the same class and with the same features in the closing auction in Xetra trading (or in a comparable successor system) during the last three trading days preceding the settlement of the respective option or future purchase transaction by more than 10 % (excluding transaction costs, but taking into account the received or paid option premium).
- c. The option transactions must be concluded with an independent credit or financial services institution under terms and conditions that are in line with the market.
- d. The sale and cancellation of treasury stock acquired by using derivatives may occur in accordance with the provisions set forth under agenda item 8.

Report to the Annual General Meeting regarding agenda item 7

Pursuant to Section 203, para. 2, sentence 2, Section 186, para. 3, sentence 4, para. 4, sentence 2 of the German Stock Corporation Act, the Management Board wishes to submit the following report on agenda item 7 on the basis of the authorization of the Management Board to issue, with the consent of the Supervisory Board, shares with the exclusion of the shareholders' subscription rights.

This report will also be available on the Internet at **www.kloeckner.de/annual-meeting** as of the date of the convocation of the Annual General Meeting. Furthermore, it will also be available for inspection at the business premises of the Company, Am Silberpalais 1, 47057 Duisburg, Germany, and in the meeting room during the Annual General Meeting. The contents of the report are as follows:

With the approval of the Supervisory Board, the Management Board will be given the opportunity of being able to act flexibly and, in the interest of the Company, take up available financing in order to take advantage of business opportunities and strengthen its equity base. This is why the Management Board and the Supervisory Board are proposing to the Annual General Meeting that the creation of this Authorized Capital 2012 with a total amount of EUR 124,687,500.00 be resolved.

In the case of the utilization of the Authorized Capital 2012, shareholders must generally be granted subscription rights. The Management Board should, however, be authorized to exclude subscription rights in certain cases that are to be specified individually in the proposed resolution with the approval of the Supervisory Board.

- a. The Management Board should be authorized to exclude subscription rights for fractional shares in order to give a feasible subscription ratio in relation to the amount of the respective capital increase. This will make the technical implementation of the capital increase easier, particularly when capital is increased by a round amount. The new fractional shares that are left over as a result of the exclusion of shareholders' subscription rights will either be sold over the stock exchange or otherwise disposed of at the best possible price for the Company.
- b. The Management Board should, with the approval of the Supervisory Board, be authorized to exclude subscription rights with a capital increase against cash if the issue price for the new shares is not appreciably lower than the market price. This will enable management to place the new shares promptly and at a price close to the market price, i.e., without the discount generally required with subscription rights issues. This can generate higher proceeds from the issue, which serves the interests of the Company.

Account is taken of the shareholders' need to be protected against dilution of their shareholdings by a limitation on the size of the capital increase and an issue price that is close to the market price. The proposed authorization only provides the Management Board with the opportunity to exclude subscription rights if the total shares issued pursuant to Section 186, para. 3, sentence 4 of the German Stock Corporation Act do not exceed 10% of the share capital either at the time when the resolution on this authorization is passed or at the time

when this authorization is exercised. This limitation shall also include the proportionate amount of the share capital attributable to the Company's shares that (i) are issued or sold with the exclusion of the subscription rights in direct or analogous application of Section 186, para. 3, sentence 4 of the German Stock Corporation Act during the term of this authorization up to the time of its exercise and (ii) are attributable to the subscription rights based on warrant-linked and/or convertible bonds issued with the exclusion of subscription rights on the basis of authorizations other than the preceding in direct or analogous application of Section 186, para. 3, sentence 4 of the German Stock Corporation Act, with the exception of those shares intended to service convertible bonds issued on the basis of the resolution adopted as agenda item 9 of the Company's Annual General Meeting of June 20, 2007, of the resolution adopted as agenda item 7 of the Company's General Annual Meeting of May 26, 2009, or of the resolution adopted as agenda item 7 of the Company's Annual General Meeting of May 26, 2010, respectively. As a result of this step, it can be ensured that the legally admissible maximum limit of 10 % of the share capital for such a simplified exclusion of subscription rights (Section 186, para. 3, sentence 4 of the German Stock Corporation Act) is not exceeded. Under these terms it is possible and reasonable, as a result of the issue price being close to the market price and the restriction on the size of the capital increase without subscription rights, for shareholders to maintain their proportionate shareholdings by the purchase of shares on the stock exchange under virtually identical conditions.

- c. The Management Board should also be authorized to exclude subscription rights, should this be necessary, in order to grant holders or creditors of option bonds and/or convertible bonds (hereinafter "bonds") issued in the past or any that may be issued in the future, subscription rights to new shares. Excluding subscription rights serves to ensure that the holders of these bonds are in the same position as they would have been, had they already made use of their rights or met their obligations arising from the bonds and were already shareholders. This will make it easier to place the bonds and thus serves the interests of the shareholders in an optimal financial structure for the Company. In order to be able to provide the bonds with such protection from dilution, the subscription rights of

shareholders to these shares must be excluded. This protection against dilution prevents the option price or conversion price from ever being reduced for the issued bonds. This ensures a higher inflow of funds overall.

- d. It is further proposed to authorize the Management Board to exclude shareholders' subscription rights when the share capital is increased against contributions in kind. This enables the Management Board to use the Company's shares in suitable case-by-case situations to acquire companies, parts of companies, stakes in companies or other goods. The necessity may arise in negotiations to offer shares rather than cash in consideration. The opportunity to be able to offer shares in consideration gives a competitive advantage to use interesting acquisition targets as well as the necessary leeway to take advantage of arising opportunities to acquire companies, parts of companies, stakes in companies or other goods while sparing the Company's liquidity. From the aspect of an optimal financing structure the offer of shares may also make sense. This is not disadvantageous to the Company as a prerequisite for the issue of shares against contributions in kind is that the ratio of the value of such contribution be proportionate to the value of the shares. In determining the valuation ratio, the Management Board will ensure that the interests of the Company and its shareholders are upheld in an appropriate manner and that an appropriate issue price for the new shares is achieved. The exclusion of subscription rights in this case is, however, subject to a maximum limitation of 20 % of the Company's share capital at the time of the resolution by the Annual General Meeting on this authorization, or – if this figure is lower – at the time of the resolution by the Management Board to exercise this authorization.

There is also a further restriction: The total of the shares to be issued upon utilization of the Authorized Capital 2012 with the exclusion of subscription rights, taking into account other shares that will be sold or issued after May 25, 2012, by the Company with the exclusion of subscription rights, or that are to be issued after May 25, 2012, based on warrant-linked and/or convertible bonds issued with the exclusion of subscription rights, must not exceed a proportionate amount of the share capital of EUR 49,875,000.00 (equivalent to 20 % of the current share capital).

The Management Board will in every instance carefully check whether it is going to use the authorization to increase capital while excluding shareholders' subscription rights and will only do so if, in its opinion and that of the Supervisory Board, this is in the interest of the Company and, thus, its shareholders. It will report to the Annual General Meeting on every use of the proposed authorization. For all of the cases proposed here that involve the exclusion of shareholders' subscription rights, the consent of the Supervisory Board is required.

Report to the Annual General Meeting regarding agenda items 8 and 9

Pursuant to Section 71, para. 1, no. 8, sentence 5, Section 186, para. 3, sentence 4, para. 4, sentence 2 of the German Stock Corporation Act, the Management Board wishes to submit the following report on agenda items 8 and 9, in particular on the grounds for the proposed authorization of the Management Board to exclude shareholders' subscription rights in the sale of the Company's treasury stock.

This report will also be available on the Internet at **www.kloeckner.de/annual-meeting** as of the date of the convocation of the Annual General Meeting. Furthermore, it will also be available for inspection at the business premises of the Company, Am Silberpalais 1, 47057 Duisburg, Germany, and in the meeting room during the Annual General Meeting. The contents of the report are as follows:

In line with usual international practice, the provision of Section 71, para. 1, no. 8 of the German Stock Corporation Act is intended to enable the Company to use the acquisition of its treasury stock as an additional financial instrument. By resolution of the Annual General Meeting of May 26, 2010, the Company is authorized to acquire its treasury stock. This authorization resolution, however, does not take into account the increase of share capital on the basis of the capital increase carried out in 2011 and, therefore, applies to only 6.67% of the Company's current share capital. In order to enable the Company to utilize the acquisition of treasury stock as an additional financial instrument to the fullest extent permitted by law, the current authorization is to be revoked and a new resolution is to be adopted for the acquisition of treasury stock.

On the basis of the authorization proposed under agenda item 8, the Company will be enabled to acquire, with the consent of the Supervisory Board, treasury stock of up to 10 % of the existing

share capital until May 24, 2017. In this way, the legally permissible maximum limit will be preserved. Acquisitions may only be made via the stock exchange or on the basis of a public purchase offer to all shareholders. In the latter case, the Company itself can issue a formal offer or call for the submission of sales offers. This will ensure compliance with the obligations set forth under Section 71, para. 1, no. 8, sentences 3 and 4 of the German Stock Corporation Act on the equal treatment of all shareholders. In the event of an acquisition by means of a public purchase offer, acceptance will be based on quotas if the offer is oversubscribed or if more shares than anticipated are offered to the Company. A preferred acceptance of a lower number of shares of up to 100 shares tendered or offered per shareholder and a rounding in accordance with commercial principles may be provided for in order to simplify the technical settlement process.

The authorization proposed under agenda item 9 to acquire treasury stock by using derivatives provides the Company with the opportunity to optimally structure a share buyback. As the limitation to 5 % of the share capital already makes clear, only the method of the share buyback is to be amended. The design of the authorization ensures that the principle of the equal treatment of shareholders will be complied with also with this form of acquisition.

The authorization under agenda item 8 provides that the acquired treasury stock can be sold to third parties with the exclusion of shareholders' subscription rights, where this is done for the purpose of acquiring companies, parts of companies and/or stakes in companies or for the purpose of servicing warrant-linked bonds and/or convertible bonds. In these cases, it should be made possible for the Management Board to offer Company shares in consideration for the acquisition of these companies or stakes in companies and/or to grant the holders of option rights and/or conversion rights shares for the fulfillment of their claims without having to carry out a capital increase.

As a result of national and international competition, it increasingly has to be possible to be able to offer shares instead of money as consideration for the acquisition of companies or stakes in other companies. The authorization proposed under agenda item 8 provides the Company with the necessary flexibility to use treasury stock as currency for acquisitions and thereby to be able to react fast and flexibly to attractive offers to acquire companies or stakes in companies. This is also taken into account by the proposed authorization to exclude shareholders' subscription rights.

The proposed authorization for the use of treasury stock also provides for the sale of treasury stock to third parties in ways other than via the stock exchange or by way of a public offer to all shareholders as long as the treasury stock is sold in return for contribution in cash and at a price that is not significantly below the relevant stock exchange price. This is intended to ensure that the Company is able to issue shares to institutional investors, financial investors or other cooperating partners and, by setting prices close to the market rate, achieves as high a sales value as possible and ensures the greatest possible strengthening of the equity capital. This type of sale involves an exclusion of the subscription rights of shareholders, which is legally admissible as it corresponds to the simplified exclusion of subscription rights of Section 186, para. 3, sentence 4 of the German Stock Corporation Act. This authorization may only be exercised for up to 10 % of share capital at the time of the resolution of the Annual General Meeting on this authorization, or – if this figure is lower – at the time the authorization proposed under agenda item 8 is exercised. This 10 % threshold shall include shares and warrant-linked or convertible bonds of Klöckner & Co SE issued on the basis of other authorizations that are issued or sold by the Company in direct or analogous application of Section 186, para. 3, sentence 4 of the German Stock Corporation Act during the term of this authorization for acquisition and use of treasury stock up to the time of its exercise, with the exception of shares intended to service convertible bonds issued on the basis of the resolution adopted as agenda item 9 of the Company's Annual General Meeting of June 20, 2007 or of the resolution adopted as agenda item 7 of the Company's Annual General Meeting of May 26, 2009 or of the resolution adopted as agenda item 7 of the Company's Annual General Meeting of May 26, 2010, respectively. As a result of this step, it can be ensured that the legally admissible maximum limit of 10 % of the share capital for such a simplified exclusion of subscription rights (Section 186, para. 3, sentence 4 of the German Stock Corporation Act) is not exceeded.

To the extent that the authorization proposed under agenda item 8 provides for the opportunity to exclude subscription rights in order to fulfill option or conversion rights and meet conversion obligations arising from warrant-linked and/or convertible bonds issued by the Company or group companies, this is intended to enable management to meet commitments with treasury stock that already exists instead of using otherwise available conditional capital. This currently affects the convertible bonds issued in 2007, 2009 and 2010.

Finally, the Company should be given the opportunity to partially exclude shareholders' subscription rights in the event of a sale of treasury stock through an offer to all shareholders in favor of holders of warrant-linked and/or convertible bonds, in order to grant such holders subscription rights on the shares to be sold in a volume equivalent to that to which they would have been entitled after exercising their option or conversion rights or after satisfying their conversion obligation. This will avoid a reduction in the option or conversion price that would otherwise arise and thus achieve a strengthening of the funds available to the Company. Canceling treasury stock without a further resolution by the Annual General Meeting ultimately enables the Company to use the share capital reduction associated with such cancellation in order to quickly and flexibly adjust its equity to the demands of the capital market.

The statements above on the authorization to exclude subscription rights when utilizing treasury stock apply accordingly to treasury stock acquired by using derivatives in accordance with agenda item 8. The Management Board will report to the next Annual General Meeting regarding any use of the proposed authorizations to acquire and use treasury stock.

Report to the Annual General Meeting regarding the Capital Increase in 2011

The Management Board wishes to submit the following report on the capital increase from authorized capital exercised in 2011.

This report will also be available on the Internet at **www.kloeckner.de/annual-meeting** as of the date of the convocation of the Annual General Meeting. Furthermore, it will also be available for inspection at the business premises of the Company, Am Silberpalais 1, 47057 Duisburg, Germany, and in the meeting room during the Annual General Meeting. The contents of the report are as follows:

The Management Board resolved on May 26, 2011, with the approval of the Supervisory Board, to increase our issued share capital by EUR 83,125,000 from EUR 166,250,000 to EUR 249,375,000, under full use of the authorized capital pursuant to Section 4, para. 5a of the articles of association, by issuing 33,250,000 new ordinary registered shares with no par value.

The new shares carry full dividend rights from January 1, 2011. The new shares have been offered by the underwriters of the transaction (Deutsche Bank Aktiengesellschaft, J.P. Morgan Securities Ltd., COMMERZBANK Aktiengesellschaft, HSBC Trinkaus & Burkhardt AG, The Royal Bank of Scotland N.V. and UniCredit Bank AG) for subscription to the shareholders. Two (2) subscription rights entitled their holder to subscribe for one (1) new share. Therefore, shareholders could subscribe one new share for two old shares. The subscription price was EUR 15.85 per new share.

Shareholders have been requested, through the publication of the subscription offer on May 26, 2011 in the electronic version of the German Federal Gazette (Bundesanzeiger) and on May 27, 2011 in the Frankfurter Allgemeine Zeitung to exercise their subscription rights during the subscription period from May 27, 2011, through June 9, 2011. The subscription rights (ISIN DE000A1KRDK2) for the new shares were traded during the period from May 27, 2011 up to and including June 7, 2011 on the regulated market (XETRA Frankfurt Specialist) of the Frankfurt Stock Exchange. More than 99% of the subscription rights have been exercised. The remaining shares have been placed by the underwriters on the market.

The registration of the capital increase in the commercial register of the local court of Duisburg took place on June 8, 2011. The new shares were admitted to the regulated market of the Frankfurt Stock Exchange, with simultaneous admission to the sub-segment of the regulated market with further post-admission obligations of the Frankfurt Stock Exchange (Prime Standard), on June 9, 2011. The new shares were included in the existing quotation of the listed shares of Klößner & Co SE on June 10, 2011.

All of the new shares have been successfully placed, with proceeds from the offering being approximately EUR 516 million. The proceeds of the offering shall mainly be used to pursue our Klößner & Co 2020 strategy. Further, with the proceeds from the offering, we continuously were and are able to keep our net indebtedness and our equity ratio at an appropriate level.

Conditions for the participation in the Annual General Meeting and other details pursuant to Section 121, para. 3, sentence 3 of the German Stock Corporation Act

Conditions for attending the Annual General Meeting and exercising voting rights

Those shareholders are entitled to attend the Annual General Meeting and to exercise their voting rights, who have registered with the Company at the address below by no later than May 18, 2012 (midnight Central European Summer Time):

Hauptversammlung Klöckner & Co SE
c/o ADEUS Aktienregister-Service-GmbH
PO Box 57 03 64
22772 Hamburg, Germany
Fax: +49 69 71267173

in writing or by fax or electronically by using the access-protected online service for the Annual General Meeting at **www.kloeckner.de/agm-service** and who are listed in the Company's shareholders' register at the time of the Annual General Meeting. This also applies to shareholders who cast their vote by absentee ballot. Forms that shareholders may use to register are attached to the invitation documents.

The invitation documents will be sent by post to all shareholders listed in the shareholders' register. The personal data required for use of our online service for shareholders (shareholder number and individual access number) are recorded on the reverse of the invitation sent by post. Once again this year, you may register for the Annual General Meeting via our Annual General Meeting online service (**www.kloeckner.de/agm-service**) and order entry cards to the Annual General Meeting, authorize the Company-appointed proxies or third parties to exercise your voting rights, or cast your vote by absentee ballot. Registration via the Annual General Meeting online service is similarly only possible until May 18, 2012 (midnight Central European Summer Time).

During the preparation of the Annual General Meeting, for practical reasons, no changes can be made to the entries in the shareholders' register, i.e., acquirers of shares whose applications for changes of registration are received after May 18, 2012, will be unable to exercise the entitlements to participate at the Annual General Meeting and the voting rights of these shares. In such cases, the shareholders still listed in the shareholders' register will

remain entitled to participate in the Annual General Meeting and to exercise their voting rights until the change of registration has been made. All acquirers of shares in the Company not yet entered in the shareholders' register are therefore requested to apply for a change of registration as soon as possible.

Procedures for exercising voting rights by proxy

Shareholders who do not wish to attend the Annual General Meeting in person may have their voting rights exercised by proxies, e.g., by a credit institution, or an association of shareholders or the Company-appointed proxies. Even in this case, registrations must be submitted on time. Shareholders will receive a proxy form together with their entry card to the Annual General Meeting. The proxy form will also be sent at any time upon written request. Finally, this can be downloaded on the Internet at www.kloeckner.de/annual-meeting. Kindly note that, in the event of several persons or institutions being authorized, the Company is entitled to reject one or more such parties.

Should a credit institution or an association of shareholders or such persons or institutions as are considered their equivalent pursuant to Section 135, para. 8, and Section 135, para. 10, in conjunction with Section 125, para. 5 of the German Stock Corporation Act be authorized, we would ask that you promptly coordinate with the authorized person or institution as to the required form of the authorization. Special proof of the proxy is not required by the Company in this case.

If neither a credit institution nor an association of shareholders nor such persons or institutions as are considered their equivalent pursuant to Section 135, para. 8, and Section 135, para. 10, in conjunction with Section 125, para. 5 of the German Stock Corporation Act are authorized, the granting of an authorization, its revocation and evidence of the authorization vis-à-vis the Company must be made in writing. Proxies and their revocations may either be sent to the Company at the address

Hauptversammlung Klöckner & Co SE
c/o ADEUS Aktienregister-Service-GmbH
PO Box 57 03 64
22772 Hamburg, Germany
Fax: +49 69 71267173
E-mail: hv-service.kloeckner@adeus.de

or declared to the proxy holder. If the proxy is issued to the proxy holder, proof of the proxy must be provided to the Company. This can be sent to the Company at the above address. In addition, the proof can also be provided on the day of the Annual General Meeting at the entry and exit controls. You may also use our Annual General Meeting online service (www.kloeckner.de/agm-service) to authorize the Company-appointed proxies or third parties to exercise your voting rights and order entry cards for them to the Annual General Meeting.

Where Company-appointed proxies are to be authorized, they must be instructed on how to exercise their voting rights. Without such an instruction, their authorization is invalid. Proxies are obliged to vote in accordance with these instructions. Please note that proxies of the Company are unable to accept any authority or mandate for the exercise of the right to speak and ask questions at the Annual General Meeting, the submission of motions and the filing of objections against shareholders' resolutions, and that proxies will always abstain from voting in the event of a vote with respect to which no instructions have been given.

Powers of attorney in favor of the Company-appointed proxies can be issued by May 18, 2012 (midnight Central European Summer Time), to the following address in writing, by fax or e-mail or via our Annual General Meeting online service (www.kloeckner.de/agm-service):

Hauptversammlung Klöckner & Co SE
c/o ADEUS Aktienregister-Service-GmbH
PO Box 57 03 64
22772 Hamburg, Germany
Fax: +49 69 71267173
E-mail: hv-service.kloeckner@adeus.de

To the extent that you have issued an authorization in favor of the Company-appointed proxies via our Annual General Meeting online service you may, if you wish, change your instructions up until May 25, 2012 (8:00 a.m. Central European Summer Time).

Our shareholders will receive more details on the issue of powers of attorney and instructions with the application forms. This information can also be downloaded on the Internet at www.kloeckner.de/annual-meeting.

Procedures for voting by absentee ballot

Once again, we are offering you the option this year to cast your vote by absentee ballot ahead of the Annual General Meeting. The shareholders will receive a corresponding form together with the invitation documents. The absentee ballot form will also be sent at any time upon written request. Finally, this can be downloaded on the Internet at **www.kloeckner.de/annual-meeting**. Timely registration for the Annual General Meeting is also required, which means that the votes cast by absentee ballot must be received by the Company no later than the end of May 18, 2012 (midnight Central European Summer Time) at the following address:

Hauptversammlung Klöckner & Co SE
c/o ADEUS Aktienregister-Service-GmbH
PO Box 57 03 64
22772 Hamburg, Germany
Fax: +49 69 71267173
E-mail: hv-service.kloeckner@adeus.de

or be submitted via our Annual General Meeting online service (**www.kloeckner.de/agm-service**). If you have cast a vote by absentee ballot via our Annual General Meeting online service, you may, if you wish, change or revoke your vote until May 25, 2012 (8.00 a.m. Central European Summer Time).

Motions and election nominations

Motions and election nominations from shareholders pursuant to Sections 126 and 127 of the German Stock Corporation Act in respect of one or more agenda items must be sent by no later than May 10, 2012 (midnight Central European Summer Time) exclusively to:

Klöckner & Co SE
Zentralbereich Human Resources / Legal & Compliance
Am Silberpalais 1
47057 Duisburg, Germany
Fax: +49 203 57900-2284
E-mail: hv@kloeckner.de

All motions of shareholders to be made available in accordance with Sections 126 and 127 of the German Stock Corporation Act will be made available on the Internet at **www.kloeckner.de/annual-meeting** together with any comments of the administration.

Supplementary motions for the agenda at the demand of a minority pursuant to Article 56 of the SE Regulation, Section 50, para. 2 of the German SE Implementation Act and Section 122, para. 2 of the German Stock Corporation Act

Pursuant to Article 56 of the SE Regulation and Section 50, para. 2 of the German SE Implementation Act in conjunction with Section 122, para. 2 of the German Stock Corporation Act, shareholders whose shares jointly comprise at least a pro rata share in the Company's share capital amounting to EUR 500,000.00 (equivalent to 200,000 no-par-value shares in the Company) may demand that items be added to the agenda and announced.

Such demands for additions to the agenda must reach the Company in writing together with the statutorily required evidence and documents at least 30 days prior to the Annual General Meeting, i.e., by no later than April 24, 2012, at the following address:

Klöckner & Co SE
Zentralbereich Human Resources / Legal & Compliance
Am Silberpalais 1
47057 Duisburg, Germany

Entitlement to information on the part of the shareholders pursuant to Section 131, para. 1 of the German Stock Corporation Act

Pursuant to Section 131, para. 1 of the German Stock Corporation Act, all shareholders and proxies at the Annual General Meeting may demand from the Management Board information on the affairs of the Company, the legal and business relationships of the Company with an affiliated company as well as on the situation of the Group and of the companies included in its consolidated financial statements, provided that such information is necessary to form a considered opinion on one or more agenda items. Kindly note that the Management Board may refuse to give such information subject to the conditions listed in Section 131, para. 3 of the German Stock Corporation Act.

Details of the website where information relevant to the Annual General Meeting is available

This invitation and all other information on the Annual General Meeting including a more detailed explanation of the shareholders' rights listed above and the information that has to be made available pursuant to Section 124a of the German Stock Corporation Act is available on the Internet at www.kloeckner.de/annual-meeting.

Transmission of the Annual General Meeting

The opening of the Annual General Meeting at 10.30 a.m. on the day of the Annual General Meeting by the chairman of the meeting, the speech by the Chairman of the Management Board and the report of the Supervisory Board can be followed live on the internet at **www.kloeckner.de/annual-meeting**. After the Annual General Meeting has ended, these contributions will be available for download.

Total number of shares and voting rights

At the time this Annual General Meeting is convened, the Company's share capital in the amount of EUR 249,375,000.00 is divided into 99,750,000 registered no-par-value shares, each carrying voting rights.

Duisburg, April 2012

Klöckner & Co SE
The Management Board

