

REPORT OF THE EXECUTIVE BOARD TO THE ANNUAL GENERAL MEETING:

In respect of Agenda Item 5

Stock corporations have the possibility of acquiring treasury stock up to an amount of 10% of their share capital on the basis of a resolution adopted by the Annual General Meeting, as well as the possibility of disposing of such stock.

The acquisition of treasury stock for the purpose of trading in treasury stock or of maintaining the share price on an ongoing basis is not permitted. When acquiring and disposing of treasury stock, companies are required to comply with the principle of equal treatment of shareholders pursuant to § 53a of the German Stock Corporation Act (AktG).

The proposed resolution will allow the company to acquire treasury stock up to an amount of 10% of the current share capital of Euro **117,962,676.00** via the stock exchange or by way of a public purchase offer addressed to all shareholders. In this respect, the purchase price per share in the case of such shares being acquired via the stock exchange must be within $\pm 10\%$ of the average closing price of the stock in the Xetra trading system (or in any comparable system replacing the Xetra system) at the Frankfurt Stock Exchange on the three trading days preceding such purchase. In the event of the shares being acquired by means of a public purchase offer, the purchase price offered and paid must be within $\pm 10\%$ of the average closing price of the stock in the Xetra trading system (or in any comparable system replacing the Xetra system) at the Frankfurt Stock Exchange on the fifth to third trading day (in both cases inclusive) preceding the publication of the purchase offer.

The proposed resolution allows the company to retire or to dispose of the shares thereby acquired without any further resolution being required from the Annual General Meeting. In the event of such shares being retired, the share capital of the company is to be reduced accordingly.

Furthermore, the proposed resolution also authorizes the treasury stock thereby acquired to be disposed of in return for cash consideration to the exclusion of shareholders' subscription rights in ways other than via the stock exchange. Such transaction is dependent on the shares being disposed of in return for cash consideration at a price not falling materially short of the stock market price of equivalent shares in the company at the time of such disposal. This authorization draws on the possibility of simplified exclusion of subscription rights permitted by § 71 (1) No. 8 of the German Stock Corporation Act (AktG) with corresponding application of § 186 (3) Sentence 4 of the German Stock Corporation Act (AktG). The need to protect shareholders against any dilution of their holdings is accounted for to the extent that the price at which such shares are disposed of may not fall materially short of the respective stock market price. The possibility of such disposal is in the interests of the company.

This way, shares can be sold, for example, to institutional investors in the context of a book building procedure, thus enabling additional German and foreign shareholders to be accessed. Moreover, the authorization to exclude subscription rights allows the company to react rapidly, flexibly and inexpensively to any opportunities arising in stock market trading. Furthermore, the proposed authorization provides the Executive Board, subject to approval by the Supervisory Board, with the possibility of offering own individual bearer shares to third parties as consideration for an asset contribution in the context of the acquisition of companies or

shareholdings. The authorization provides the company with the scope required to seize opportunities for acquiring companies, parts of companies or shareholdings in companies on both national and international markets rapidly and flexibly. This is accounted for by the proposed exclusion of subscription rights.

All of the authorizations referred to and explained above can be exercised in total or in part, individually or jointly, on several occasions by the company , associates of the company, or third parties acting on behalf of the company or associates of the company.