

Agenda item 7: Resolution on the cancellation of the existing authorisation to issue convertible bonds and/or bonds with warrants, new authorisation to issue convertible bonds and/or bonds with warrants and change to the articles of incorporation



The authorisation of the Managing Board to issue convertible bonds and/or bonds with warrants resolved by the Shareholder's Meeting on 21 July 2016 in agenda item 8 ends on 20 July 2021. In order to ensure that the Managing Board is able to use attractive and flexible financing opportunities for another five years, the existing authorisation is to be revoked and the 2016 conditional capital that has not been utilised so far adjusted accordingly (Article 4 (4) of the articles of incorporation).

The Managing Board and the Supervisory Board propose to adopt the following resolution:

a) The authorisation of the Managing Board to issue convertible bonds and/or bonds with warrants resolved by the Shareholder's Meeting on 21 July 2016 in agenda item 8 ends on 20 July 2021. This authorisation is to be revoked with effect from the new authorisation to be resolved upon subsequently.

b) Authorisation to issue bonds with warrants or convertible bonds

aa) Term of the authorisation, nominal value, number of shares, term, interest

The Managing Board is authorised for a period ending on 18 May 2026 to issue, as specified in more detail in the terms and conditions of the bonds with warrants or convertible bonds, on one or more occasions, interest-bearing bearer or registered bonds with warrants or convertible bonds with or without a limited term with a total nominal value of up to EUR 100,000,000 and to grant the holders of the bonds with equal rights (partial debentures) option or conversion rights for up to 5,000,000 no-par value bearer shares with voting rights of the company (no-par shares). The minimum term of the bonds with warrants or convertible bonds is four years. Only after the expiration of this minimum term can creditors of the bonds with warrants and convertible bonds request the conversion of the bonds with warrants and convertible bonds into shares. The term of the option and conversion rights must not exceed the term of the bonds with warrants and convertible bonds. The bonds with warrants or convertible bonds may also carry a variable interest rate which, as in the case of a participating bond, may be fully or partially dependent on the amount of the company's dividend.

bb) Currency, issuance by companies in which init holds a majority interest

In addition to being issued in euro, the bonds with warrants or convertible bonds may also be issued in the legal currency of any OECD country – provided that the amount does not exceed the maximum equivalent in euro. They may also be issued by companies in which the company directly or indirectly holds a majority interest (companies in which the company has a direct or indirect majority of the votes and capital); in this case, the Managing Board is authorised to guarantee the bonds with warrants or convertible bonds and to grant or guarantee the holders of such bonds with warrants or convertible bonds option and conversion rights for shares in the company.

cc) Option and conversion right

Where bonds with warrants are issued, one or more warrants will be attached to each bond which entitles the holder to subscribe to no-par value bearer shares in the company as specified in more detail in the terms and conditions of the options. The terms and conditions of the options may provide that the option price may also be satisfied in whole or in part by transferring bonds. In this case, the exercise ratio is calculated by dividing the nominal value of a bond by the option price for one share in the company. Fractional shares resulting therefrom are settled in cash; further, these fractions may be added up in accordance with the terms and conditions of the bonds with warrants or convertible bonds, if necessary against an additional contribution, to enable the subscription of whole shares. The share in the capital stock converted into a nominal value attributable to the shares to be acquired relating to each bond must not exceed the nominal value of the individual bond.

If convertible bonds are issued, the holders are granted the right to exchange their bonds in accordance with the terms and conditions of the convertible bonds for no-par value shares in the company. The exchange ratio is calculated by dividing the nominal value of a bond by the conversion price for one share in the company. Fractional shares resulting therefrom are settled in cash; moreover, an additional cash contribution may be specified, and the

Company may require that fractional shares that cannot be converted be combined or settled in cash. The terms and conditions of the bonds may also provide for a variable exchange ratio and the determination of the conversion price (subject to the minimum price specified in section ff)) within a predetermined range, depending on the performance of the company's share during the term of the convertible bonds. The share in the capital stock converted into a nominal value attributable to the shares to be issued upon conversion must not exceed the nominal value of the convertible bond.

dd) Option or conversion obligation; substitution right

The terms and conditions of the bonds with warrants or convertible bonds may also provide for an option or conversion obligation at the end of the term or at another point in time (both also referred to as "final maturity") (option or conversion obligation) or provide a right to the company to grant the creditors of the bonds with warrants or convertible bonds shares in the company in full or partial substitution of the monetary amount due on final maturity (substitution right). Also in these cases, the share in the capital stock converted into a nominal value attributable to the shares to be issued upon conversion must not exceed the nominal value of the warrant bond or convertible bond.

ee) Grant of new shares; cash payment

In the event of conversion or exercise of option rights or upon fulfilment of the option or conversion obligations, the company grants new shares from conditional capital. The terms and conditions of the bonds with warrants or convertible bonds may also provide for a right to the company not to grant shares in the company in the event of the exercise of the conversion or option rights or the fulfilment of the option or conversion obligations, but to settle the equivalent value in cash, as specified in more detail in the terms and conditions of the bonds, the equivalent being the average of the closing auction prices of the company's share in the XETRA trading system of the Frankfurt Stock Exchange (or any successor system replacing the XETRA system) on the one to ten trading days prior to or after the declaration of the exercise of the option

or conversion or, in the case of option or conversion obligations, prior to or after the day of final maturity.

ff) Option/conversion price, adjustment of the option or conversion price to preserve value

The option or conversion price to be determined per share based on the proportion of the nominal value of a bond to the number of shares to be acquired is specified in euro and must

(1) amount to at least 80% of the average closing price of the company's shares in the XETRA trading system of the Frankfurt Stock Exchange (or a comparable successor system) during the last ten trading days prior to the day on which the resolution on issuing the bonds with warrants or convertible bonds is passed by the Managing Board

or

(2) if a subscription right is granted, amount to at least 80% of the average closing price of the company's shares in the XETRA trading system of the Frankfurt Stock Exchange (or a comparable successor system) during the period from the commencement of the subscription period up to and including the day preceding the day on which the final determination of the terms and conditions is announced according to Section 186 (2) AktG.

The terms and conditions of the options may provide that the option price (subject to the minimum price specified above) may be adjusted within a predetermined range, depending on the performance of the company's share during the term of the bonds with warrants.

In deviation from the above, in the case of a conversion or option obligation (section dd)), the conversion or option price may correspond to the average closing price of the company's shares in the XETRA trading system of the Frankfurt Stock Exchange (or a comparable successor system) during the ten trading days prior to or after the day of final maturity, even if this average price is lower than the above-mentioned minimum conversion or option price of 80%.

Section 9 (1) AktG remains unaffected.

The option or conversion price may, without prejudice to the lowest issue amount pursuant to Section 9 (1) AktG, be adjusted to preserve value during the option or conversion period if any dilution occurs in respect of the economic value of the existing option or conversion rights or obligations, unless the adjustment is already mandatory by law.

As set out in more detail in the terms and conditions of the bonds with warrants or convertible bonds, in all these cases, payment of a corresponding amount in cash by the company upon exercise of the option or conversion right or upon fulfilment of the option or conversion obligation instead of an adjustment of the option or conversion price may be provided or the holders of bonds with warrants or convertible bonds may be granted subscription rights as compensation.

gg) Subscription right, exclusion of subscription rights

In general, the bonds with warrants or convertible bonds must be offered to the company's shareholders for subscription. The statutory subscription right may also be granted in such a manner that the bonds with warrants or convertible bonds will be subscribed by one or more credit institutions or similar entities pursuant to Section 186 (5) Sentence 1 AktG, subject to the requirement to offer them to the shareholders for subscription. The company must ensure the shareholders' subscription right if the bonds with warrants or convertible bonds are issued by a company in which it directly or indirectly holds a majority interest.

However, with the consent of the Supervisory Board, the Managing Board is authorised to exclude the shareholders' statutory subscription right for bonds with warrants or convertible bonds in the following cases:

- (1) for fractional amounts arising from the subscription ratio;
- (2) to the extent required in order to grant holders of previously issued bonds with warrants or convertible bonds with option or conversion rights or obligations a right to subscribe company shares in the same volume that they would be entitled to after exercising their conversion or option rights

or fulfilling their option or conversion obligations;

- (3) if the bonds with warrants or convertible bonds are designed in such a way that their issue price is not significantly lower than their theoretical market value, calculated on the basis of generally accepted financial modelling methods. However, this authorisation to exclude subscription rights only applies for bonds with option or conversion rights or obligations for shares with a pro rata share of up to 10 per cent of the capital stock of the company. The calculation of the 10 per cent threshold is based on the amount of the capital stock existing on the date the resolution on this authorisation is passed by the Shareholders' Meeting or - if this amount is lower - the amount of capital stock existing on the date on which the authorisation is exercised. The authorised volume is to be reduced by the pro rata amount of capital stock represented by shares or to which option or conversion rights or obligations under bonds with warrants or convertible bonds relate which have been issued or sold since this authorisation took effect in direct, analogous or *mutatis mutandis* application of Section 186 (3) Sentence 4 AktG.

hh) Authorisation to determine further details

The Managing Board is authorised, as described above, to determine further details of the issue and design of the bonds with warrants and convertible bonds, in particular interest rate, type of interest, issue price, potential variability of the option price or exchange ratio, term and denomination as well as the option or conversion period, or to determine such details in consultation with the corporate bodies of the companies in which the company directly or indirectly holds a majority interest, which are issuing the bonds with warrants or convertible bonds.

c) Amendment to the articles of incorporation

Article 4 (4) of the articles of incorporation is amended as follows:

“The company’s capital stock has been increased by up to EUR 5,000,000 by issuing up to 5,000,000 new bearer shares (2021 conditional capital).”

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The conditional capital increase is made solely for the purpose of granting shares, on the exercise of option or conversion rights or on the performance of option or conversion obligations, to holders of bonds with warrants attached and convertible bonds issued as authorised by the Annual General Meeting of 19 May 2021. The new shares will be issued at the option or conversion price (issuing price of the share) set pursuant to the authorisation of 19 May 2021 (2021 authorisation). The conditional capital increase will only be carried out provided the holders of warrants from bonds with warrants or convertible bonds issued or guaranteed by 18 May 2026 by the company or companies in which it directly or indirectly holds a majority interest pursuant to the authorisation of 19 May 2021 exercise their option or conversion rights or meet their corresponding option or conversion obligations or the company exercises its substitution right. The new shares participate in the profit from the beginning of the financial year in which they are created through the exercise of option or conversion rights or the satisfaction of option or conversion obligations; if legally permissible, and notwithstanding this and Section 60 (2) of the German Stock Corporation Act (AktG), the Managing Board may, with the consent of the Supervisory Board, determine the profit share of new shares, even for a financial year that has already ended.

The Managing Board is authorised to determine further details of the implementation of the conditional capital increase with the consent of the Supervisory Board.

The Supervisory Board is authorised to amend the wording of the articles of incorporation after the complete or partial utilisation of the 2021 conditional capital or after the expiry of the authorised period.”