VI. ADDITIONAL INFORMATION ON AGENDA ITEM 10

In addition to the report regarding agenda item 9, the Executive Board also submits a written report regarding the resolution proposal in respect of agenda item 10 in accordance with section 71 (1) no. 8 in conjunction with section 186 (4) sentence 2 AktG; this is published completely in the following:

REPORT REGARDING AGENDA ITEM 10

In addition to the possibilities for acquiring treasury shares detailed in point 9 of the agenda, the company is also to be authorised to acquire treasury shares using certain equity derivatives. The volume of shares which overall can be acquired should not thus be increased; this only provides further options for acquiring treasury shares. These additional options extend the opportunities of the company for providing a flexible structure for the process of acquiring treasury shares.

For the company, it may be beneficial to acquire call options, to sell put options or to acquire shares of the company using a combination of call and put options or other equity derivatives (e.g. forward purchase contracts) instead of directly acquiring shares of the company. These options are limited to 5% of the share capital existing at the time at which the resolution of the annual general meeting is adopted or – if this figure is lower – the share capital existing at the time at which this authorisation is exercised. The term of the equity derivatives must not exceed 18 months in each case, and must be fixed in such a way that, if the equity derivatives are exercised, the shares are not acquired after 4 May 2027. This ensures that, after the expiry of the authorisation to acquire treasury shares which is valid until 4 May 2027, the company will not acquire any treasury shares – unless a new authorisation is provided.

If a call option is agreed, the company, in return for the payment of an option premium, receives the right, within a specified period or at a specified time, to purchase a pre-defined number of shares of the company for a fixed price (exercise price) from the respective vendor of the option or his legal successor, the writer. From the point of view of the company, it makes sense to exercise the call option if the price of the share is higher than the exercise price, as the company can then buy the shares from the writer for a lower price than would be payable in the market. This is also applicable if, as a result of the option being exercised, the company acquires a package of shares which could otherwise only be purchased for higher costs. In addition, the use of call options has a positive impact on the liquidity of the company because the exercise price for the shares only has to be paid at the point at which the call option is exercised. In individual circumstances, these aspects may justify the decision of the company to use call options for a planned acquisition of treasury shares. The option premium must be established in line with general market conditions, and must therefore essentially correspond to the value of the call option, taking account of various factors, including the exercise price, the term of the option and the volatility of the shares.

By concluding put options, the company grants to the respective holder of the put option the right to sell, within a specific period or at a specific time, shares of the company to the company for a price specified in the put option (exercise price). In return for the obligation to acquire treasury shares in accordance with the put option, the company receives an option premium which in turn has to be established subject to conditions which reflect the market, in other words which essentially corresponds to the value of the put option, or may be higher than that value – with due consideration being given to various factors, including the exercise price, the term of the option and the volatility of the shares. For the option holder, it only makes financial sense for the put option to be exercised if the price of the share at the time at which the option is exercised is lower than the exercise price, as he can then sell the shares to the company for a price which is higher than the price realisable on the market; the company can in turn use instruments available in the market to hedge against an excessive risk arising from the share price trend. For the company, the advantage of buying back shares by way of using put options is that a specific exercise price can already be defined at the point at which the option is concluded, whereas there is an outflow of liquidity only on the day on which the option is exercised. From the point of view of the company, the consideration provided for acquiring the shares is reduced by the option premium which has already been received. If the holder of the option does not exercise the option, in particular because the share price on the day on which the option is to be exercised or in the period in which the option is due to be exercised is higher than the exercise price, the company does not acquire any treasury shares in this way; however, it keeps the option premium without having to provide any further consideration.

In the case of equity derivatives being used, the consideration to be provided by the company for the shares is the respective exercise price (excluding incidental purchasing costs, but including the option premium which is paid or received). This may be higher or lower than the market price of the shares of the company on the day on which the transaction is concluded and on the day on which the shares are acquired as a result of the equity derivative being exercised.

The purchase price per share payable at the exercise of a put option or upon the maturity of the forward purchase must not be more than 10% higher and not more than 20% lower than the market price of the shares of the company established by the opening auction in electronic trading on the Frankfurt Stock Exchange on the day on which the respective option is concluded, in each case excluding incidental purchasing costs but including the agreed option premium or the forward rate. In the case of call options being used, the consideration for the shares to be provided by the company is the respective exercise price. This may be higher or lower than the market price of the shares of the company on the day on which the call option is concluded and on the day on which the shares are acquired as a result of the call option being exercised. However, it must not be more than 10% higher or 10% lower than the average closing price of the shares of the company in electronic trading on the Frankfurt Stock Exchange on the last three market trading days before the call option is exercised. The option premium paid will be included in this amount, but not incidental purchasing costs.

Finally, the company can also agree equity derivatives which provide for delivery of shares with a discount in relation to a weighted average price.

The obligation to agree options and other equity derivatives only with one or more credit institution(s) or equivalent companies and to ensure that the options and other equity derivatives are only serviced with shares which have been acquired in line with the principle of equal treatment means that shareholders are not disadvantaged when treasury shares are acquired using equity derivatives. In accordance with the statutory provision in section 71 (1) no. 8 AktG, it is sufficient, in order to comply with the principle of equal treatment, if the shares have been acquired via the stock exchange at the market price of the shares of the company which existed at the time at which they were acquired via the stock exchange. Because the price of the option (option price) is established in line with market conditions, nor will the shareholders who are not involved in the options suffer a value-related disadvantage. On the other hand, as a result of the possibility of agreeing equity derivatives, the company is enabled to take advantage of market opportunities which arise at short notice and to conclude corresponding options or other equity derivatives. Any right of the shareholders to conclude such options and other equity derivatives with the company is disapplied, as is any put option of the shareholders. This disapplication is necessary to enable equity derivatives to be used within the framework of a process of buying back treasury shares and in order to achieve the associated advantages for the company. It would not be possible for corresponding equity derivatives to be concluded with all shareholders.

After considering the interests of the shareholders and the interests of the company as a result of the benefits which may result for the company as a result of the use of call options, put options, a combination of call and put options or other above-mentioned equity derivatives, the Executive Board therefore considers that there are justified grounds for the authorisation not to grant or to limit shareholder rights for concluding such equity derivatives with the company and a put option of the shareholders.

With regard to the use of the treasury shares acquired on the basis of equity derivatives, there are no differences with respect to the possible uses proposed in agenda item 9. In respect of the justification for disapplying the pre-emption rights of shareholders for using the shares, please refer to the report of the Executive Board regarding agenda item 9.

The Executive Board will always carefully assess whether the utilisation of the authorisation is in the interest of the company and its shareholders. The Executive Board will report to the annual general meeting regarding any use of the authorisation.