

REPORT OF THE BOARD OF MANAGEMENT ON AGENDA ITEM 11

pursuant to § 71(1) no. 8 AktG in conjunction with § 186(3) and (4) AktG.

Under agenda item 11, the Board of Management is to be authorised to repurchase, retire or use treasury shares in accordance with § 71(1) no. 8 AktG.

1. Scope of the authorisations.

The Board of Management shall be authorised for a period of five years – i.e. until 13 May 2030 – to acquire and retire or use shares in the Company totalling up to 10% of the share capital. This is in line with the legal framework for such authorisations. The reference for the limitation to 10% of the share capital is the share capital at the time of the resolution or – if this value is lower – the share capital at the time of the respective exercise of the authorisation. The shares acquired under this authorisation, together with other shares of the Company that it may acquire outside of this authorisation in accordance with § 71 AktG and which are still held by the Company or are attributable to it pursuant to §§ 71a et seq. AktG, may at no time exceed 10% of the respective share capital.

The Company currently has only one authorisation of this kind, namely the authorisation to acquire treasury shares and to use them, including retirement and capital reduction, and to exclude subscription rights in accordance with the resolution of the Annual General Meeting of 11 May 2022. To avoid overlapping authorisations, the Board of Management and the Supervisory Board propose under agenda item 11 f) to revoke this authorisation, which is still valid until 2027, and replace it with the proposed authorisation. Shares that have already been repurchased on the basis of the previous authorisation may continue to be used in accordance with the previous authorisation.

In accordance with the legal requirements, the authorisation may not be used for the purpose of trading in treasury shares.

2. Acquisition of treasury shares.

The proposed authorisation provides that treasury shares can only be acquired via the stock exchange, thus ensuring equal treatment of shareholders. The purchase price per share paid by the Company (excluding ancillary purchase costs) must not be more than 10% above or below the price determined for the relevant class of shares (common or preference shares) in the opening auction in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange. This corresponds to a range that is customary in the market.

3. Retirement of treasury shares.

The repurchased treasury shares may be retired by resolution of the Board of Management. No further Annual General Meeting resolution is required for this. As the Company has par value shares, the retirement is associated with a reduction of the share capital.

4. Alternative use of treasury shares (under exclusion of subscription rights, if applicable).

The authorisation provides that the repurchased shares may be offered to and transferred to employees of the Company or a Group company within the framework of employee share programmes. The shares issued to employees are usually subject to a lock-up period of several years. Employees may be granted a reasonable discount from the stock market price at that time. Issuing treasury shares to employees serves the interest of the Company and its shareholders, as this can enhance identification with the Company, motivation, sense of responsibility and loyalty to the business. To issue shares under an employee share program, it is necessary to exclude the subscription rights of shareholders. Shares to service employee share programmes may also be acquired outside the proposed authorisation on the basis of the statutory permission in § 71(1) no. 2 AktG.

The authorisation also provides that treasury shares may be offered and transferred against contributions in kind, in particular in connection with mergers or for the acquisition of companies, parts of companies or shareholdings in companies. This expands the options available to the Company, as it allows for the use of treasury shares as consideration instead of a cash payment when acquiring companies or parts of companies. For this purpose, it is also necessary to exclude the subscription rights of shareholders to allow the shares to be transferred solely to the seller of the respective item. When determining the valuation ratios, care must be taken to ensure that the interests of the shareholders are adequately protected. This use of treasury shares is subject to the approval of the Supervisory Board. The Company currently has no concrete plans to use treasury shares in this way. The authorisation serves to extend the options so that the Company can act flexibly in appropriate situations. The Board of Management and the Supervisory Board will only exercise this option if, in their assessment, this is in the interest of the Company and its shareholders.

If necessary, the repurchased treasury shares can be resold via the stock exchange or by offer to all shareholders. In both cases, equal treatment of shareholders is ensured.

5. Limitation of the exclusion of shareholders' subscription rights.

As previously stated, it is particularly necessary to exclude the subscription rights of shareholders when treasury shares are used for employee share programmes or for the acquisition of

Annexe to agenda item 11: Resolution on the authorisation to repurchase and use treasury shares, including retirement and capital reduction, as well as exclusion of subscription rights.

contributions in kind. Furthermore, in the event of the sale of treasury shares by offer to all shareholders, the Board of Management may exclude the subscription rights of shareholders for fractional amounts. The exclusion of the subscription right for fractional amounts is necessary in order to make a disposal of repurchased treasury shares by way of an offer for sale to the shareholders technically feasible. Treasury shares excluded from the subscription rights of shareholders as free fractional shares will either be sold via the stock exchange or otherwise in the best possible way for the Company.

In total, the shares used on the basis of the above authorisations under exclusion of the subscription rights of shareholders must not exceed 10% of the share capital, neither at the time the resolution is adopted nor at the time the authorisation is exercised. If, during the term of this authorisation and until it is exercised, other authorisations to issue or sell shares of the Company or to issue rights that enable or oblige the subscription of shares of the Company are used and the subscription right is excluded in the process, this shall be counted towards the aforementioned 10% limit.

As stated in item 1, the Company currently has only one authorisation of this kind, which is to be revoked and replaced by the proposed authorisation in order to avoid overlapping authorisations, as outlined in the resolution proposal under agenda item 11 lit. f).

6. Exercising the authorisations.

The proposed authorisations may be exercised in whole or in part, once or several times, by the Company, Group companies or third parties acting for the account of the Company or Group companies. In addition, repurchased treasury shares can also be transferred to Group companies. The acquisition of treasury shares may concern shares of both classes, but may also be limited to shares of one class. The Company may therefore acquire and utilise common stock shares, preference shares or shares of both classes as required.