Report pursuant to Section 71 (1) no. 8 AktG in conjunction with Section 186 (3) and (4) AktG (on Agenda Items 11 and 12)

Pursuant to § 71 (1) no. 8 sentence 5 in conjunction with § 186 (4) sentence 2 AktG, the Management Board submits the following report on items 11 and 12 of the agenda. § 186 (4) sentence 2 AktG, the Management Board submits the following report on items 11 and 12 of the agenda on the reasons for the proposed authorization of the Management Board to exclude shareholders' tender rights under certain circumstances and to exclude shareholders' subscription rights in the event of the sale of acquired treasury shares under certain circumstances.

There is no right to tender if the number of shares offered by the shareholders exceeds the number of shares requested by the company in the case of a public purchase offer or a public invitation to submit offers to sell. In this case, shares must be allocated on a pro rata basis. In accordance with the proposed authorization, it should be possible to provide for preferential acceptance of smaller offers to sell or smaller parts of offers to sell up to a maximum of 150 shares. This option serves to avoid fractional amounts when determining the quotas to be acquired and small residual amounts, thereby facilitating the technical processing of the share buyback. In addition, the repartition can be based on the ratio of shares offered (tender quotas) instead of participation quotas in order to simplify the allocation procedure. Finally, it should be possible to provide for rounding in accordance with commercial principles to avoid fractions of shares. The acquisition ratio and the number of shares to be acquired by individual tendering shareholders can therefore be rounded as necessary to represent the acquisition of whole shares for settlement purposes.

When using derivatives, shareholders should only be entitled to tender their shares when repurchasing treasury shares if the company is obliged to purchase the shares from them under the respective options. Otherwise, derivatives could not be used for the repurchase of treasury shares and the associated benefits for the company could not be realized. After weighing up the interests of the shareholders and the interests of the company, the Management Board considers the authorization not to grant or restrict any right of the shareholders to conclude such derivatives with the company and any right of the shareholders to tender shares to be justified, as the use of such financial instruments can be advantageous for the company compared to a direct acquisition. In addition, it must be taken into account that the rights of the shareholders are safeguarded by the fact that the respective contracting parties of the derivatives are obliged to acquire the shares of the company to be delivered to service the obligations under the derivative while observing the principle of equal treatment under stock corporation law (§ 53a AktG).

The company is also to be expressly authorized to acquire its own shares not via a stock exchange in the formal legal sense, but also via a multilateral trading facility ("**MTF**") within the meaning of § 2 (6) BörsG. The possibility of using MTFs, possibly additionally, for a share buyback enables the company to gain access to a larger trading volume. In this way, it may be able to achieve more favorable conditions when acquiring its own shares and also reach those shareholders who do not or do not exclusively use traditional stock exchanges for trading in the company's shares. The use of MTFs would therefore ultimately lead to an even better implementation of the principle of equal treatment. The company will generally acquire its own shares via MTFs where it can be assumed that prices will not deviate significantly from the stock exchange prices on the regulated market. Such MTFs do not differ materially from a stock exchange in the formal sense. The same upper and lower price limits apply to purchases via MTFs as to repurchases via the stock exchange. Treasury shares acquired via MTFs are counted towards the upper limit for the acquisition of treasury shares. The use of treasury shares acquired via an MTF is also subject to the same rules as those set out below for treasury shares acquired via the stock exchange in the authorization resolution.

The proposed exclusion of subscription rights for fractional amounts when using treasury shares enables the requested authorization to be utilized in full amounts. This exclusion of subscription rights makes sense and is common practice because the costs of trading in subscription rights for fractional amounts are regularly disproportionate to the associated benefits for shareholders. The dilution effect is kept within negligible limits due to the restriction to fractional amounts. The shares excluded from subscription rights in this respect are utilized in the best possible way for the company.

The authorization under Agenda Item 11 also provides for the acquired treasury shares to be sold to third parties in return for non-cash contributions, excluding shareholders' subscription rights, e.g. for the purpose of acquiring companies, businesses, parts of companies or businesses and/or investments in companies. The Management Board is to be enabled to offer shares in the company as consideration for the acquisition of assets or to grant shares to the holders of option or conversion rights to fulfill their claims without having to carry out a capital increase.

In order to be able to compete nationally and internationally for attractive acquisition opportunities, it is increasingly necessary to be able to offer shares rather than cash as consideration when acquiring companies or interests in other companies. The authorization proposed under Agenda Item 11 will give the company the necessary flexibility to use treasury shares as acquisition currency, for example, and thus to be able to react quickly and flexibly to offers to acquire companies, businesses, parts of companies or businesses, investments in other companies or other assets that are advantageous to the company. The proposed authorization to exclude shareholders' subscription rights takes this into account.

The proposed authorization to use treasury shares also provides for the sale of treasury shares to third parties in ways other than via the stock exchange or by means of a public offer to all shareholders, provided that the treasury shares are sold for cash and at a price that is not significantly lower than the relevant stock market price. This is intended to enable the company to sell shares to institutional investors, financial investors or other cooperation partners and to achieve the highest possible sale amount and the greatest possible strengthening of equity by setting a price close to the market price. Although this type of sale involves an exclusion of shareholders' subscription rights, this is permitted by law as it corresponds to the simplified exclusion of subscription rights pursuant to § 186 (3) sentence 4 AktG.

Furthermore, the Management Board is authorized to satisfy claims of holders of warrant or convertible bonds issued by the company or by companies dependent on it or majority-owned by the company with treasury shares, excluding subscription rights. This may be particularly relevant if, especially, conditional capital is not available for this purpose.

In addition, the company is to be given the opportunity to partially exclude shareholders' subscription rights when selling treasury shares through an offer to all shareholders in favor of the holders of bonds with warrants or convertible bonds that grant an option or conversion right or establish a conversion obligation, in order to grant them subscription rights to the shares to be sold to the extent to which they would be entitled after exercising their option or conversion rights or after fulfilling their conversion obligation. In this way, a reduction in the option or conversion price that would otherwise occur can be avoided, thereby strengthening the company's financial resources.

It should also be possible to offer treasury shares to employees of the company and its Group companies as well as members of the executive bodies of Group companies (employee shares). It is in the interests of the company and its shareholders to issue treasury shares to these persons, generally subject to an appropriate lock-up period of several years, as this promotes the identification of the beneficiaries with the company. At the same time, the understanding and willingness to assume greater responsibility, especially economic responsibility, can be strengthened. The issue of shares also enables structures with a long-term incentive effect, in which both positive and negative developments can be taken into account. The shares are intended to provide an incentive to ensure a lasting increase in value for the company. In order to be able to issue corresponding employee shares, shareholders' subscription rights must be excluded. When determining the purchase price to be paid by the beneficiaries, an appropriate discount based on the company's success may be granted, as is customary for employee shares. It should also be possible to use repurchased treasury shares within the framework of regulations that may be agreed in future with members of the company's Management Board as a remuneration component for their activities. The exclusion of shareholders' subscription rights is also required in this respect. The details of the remuneration for the members of the Management Board are determined by the Supervisory Board. Variable remuneration components can be granted that provide an incentive for long-term, sustainable corporate management, for example by granting a portion of the variable remuneration in shares instead of cash or in share commitments, which can also be linked to a vesting period. Variable remuneration components can also be linked to specific performance targets. The remuneration system for the Management Board approved by the 2023 Annual General Meeting does not provide for the granting of shares to Management Board members. However, in view of possible future changes to the remuneration system, a corresponding option is to be created as a precautionary measure. A corresponding change to the remuneration system would first be submitted to the Annual General Meeting for approval in accordance with the legal requirements.

Finally, the Management Board is to be authorized to exclude shareholders' subscription rights in connection with a scrip dividend. Shareholders will only be offered whole shares for purchase; with regard to the portion of the dividend entitlement that does not reach (or exceeds) the subscription price for a whole share, shareholders are referred to receiving the cash dividend and cannot purchase any shares in this respect; there are no plans to offer partial rights or to set up trading in subscription rights or fractions thereof. As the shareholders receive a cash dividend instead of acquiring shares, this appears to be justified and appropriate. The principle of equal treatment under stock corporation law (§ 53a AktG) is complied with.

Furthermore, the sum of the shares that are sold with the exclusion of subscription rights, together with new shares that are issued from authorized capital during the term of this authorization until it is exercised by exercising another authorization with the exclusion of shareholders' subscription rights, and together with rights which are issued during the term of this authorization until it is exercised by exercising another authorization with the exclusion of subscription rights and which enable or oblige the exchange into or subscription of shares in the company, do not exceed a proportionate amount of the share capital of 10% of the share capital. This limit further restricts the dilution potential in favor of existing shareholders. This includes, in particular, measures in direct or analogous application of § 186 (3) sentence 4 AktG. In these cases, the legislator considers it reasonable for existing shareholders to maintain their shareholding quota by acquiring shares on the stock exchange if necessary. For the possible issue of employee shares or to members of the Management Board under possible future remuneration regulations, the volume is limited to 5% of the relevant share capital figure in order to protect the interests of existing shareholders and prevent possible misguided incentives when structuring remuneration.