KHD HUMBOLDT WEDAG INTERNATIONAL (DEUTSCHLAND) AG

Cologne

- Security Identification Number 657 800 -

Invitation to the Ordinary General Meeting of Shareholders

We cordially invite the shareholders of our Company to the **ordinary general meeting of shareholders** on Tuesday, March 23, 2010, at 10 a.m. at our premises in Colonia-Allee 3 in 51067 Köln.

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AGENDA

1 Presentation of the adopted annual financial statement of the Company, the approved annual financial statements of the Group, of the Management Report of the Company and the Group and of the Report of the Supervisory Board for Fiscal Year 2009.

These documents, as well as the proposed appropriation of earnings, can be viewed by the shareholders in the Electronic Federal Gazette at the Company premises, Colonia-Allee 3 in 51067 Cologne from the date of publishing of the invitation to the general meeting. Copies of these documents will be sent free-of-charge to the shareholders upon request and after furnishing proof of their status as shareholders. These documents, including the invitation, will also be on display at the website of the Company http://www.khd-hv.com. In addition, the above named documents will be open to inspection during the general meeting of shareholders.

2 Resolution on appropriation of net profit of the year.

The Executive Board and the Supervisory Board propose that,
of the net profit for the year totaling € 49,783,917.81
reported in the annual financial statements of the Company,
an amount totaling € 44,908,157.96
be used for the payout of a dividend of € 2.71
for each of the 16,571,276 no par shares
entitled to dividend, and that the
remaining amount of the net profit for the year
totaling € 4,875,759.85
be carried forward to new account.

Treasury shares have no dividend rights. The portion of the net profit for the year allocated for shares not entitled to dividend shall be carried forward to new account.

The dividend will be paid out 30 days following the general meeting of shareholders.

3 Resolution on granting discharge to the members of the Executive Board

The Executive Board and the Supervisory Board will propose to grant discharge to the members of the Executive Board for fiscal 2009.

4 Resolution on granting discharge to the members of the Supervisory Board

The Executive Board and the Supervisory Board will propose to grant discharge to the members of the Supervisory Board for fiscal 2009.

5 Appointment of an auditor for the Company and the Group

The Supervisory Board will propose to appoint Deloitte & Touche GmbH, Wirtschaftsprüfungsgesellschaft, Düsseldorf, as the auditor of the Company and the Group for fiscal 2010.

6 Change of the name of the Company

The Executive Board and the Supervisory Board propose that the following resolution be adopted:

> Section 1 (1) of the Articles of Incorporation shall be reworded as follows:
>
> „(1) The name of the Company is: KHD Humboldt Wedag International AG“.

7 Reapportionment of capital stock (stock split)

The Company's capital stock, in the amount of € 33,142,552.00, is currently divided into 16,571,276 no-par shares, each representing a nominal interest in the capital stock of € 2.00. By way of the stock split, the capital stock is to be reapportioned at a ratio of 1 : 2. This will double the number of the Company's shares without bringing in new funds.

The Executive Board and the Supervisory Board propose that the following resolution be adopted:

Each existing no-par share, representing a nominal interest in the capital stock of the Company of € 2.00, shall be replaced by 2 no-par shares, each representing a proportional amount of € 1.00 of the capital stock.

Section 3 of the Articles of Incorporation shall be reworded as follows:

„The Company's capital stock amounts to € 33,142,552.00 (in words: thirty-three million one hundred forty-two thousand five hundred fifty-two) and is divided into 33,142,552 no-par shares.“

8 Resolution on the Executive Board's authority to increase the capital stock with authority to exclude subscription rights (Authorized Capital) and respective amendment of the Articles of Incorporation.

The Executive Board's authority to increase the capital stock by € 10,079,392, granted in compliance with the Articles of Incorporation, expired on May 31, 2009. The Executive Board and Supervisory Board believe that it is in the Company's interests that fresh authority be granted to increase the capital. In order to exploit the available scope, a new authorized capital increase is to be approved in the maximum amount permitted by law of € 16,571,276.00. The Executive Board and Supervisory Board therefore propose that the following resolution be adopted:

(a) Within the framework of a new authorized capital increase, the Executive Board shall be authorized, with the consent of the Supervisory Board, to increase the capital stock of the Company once or from time to time by up to an aggregate amount of € 16,571,276,00 for contributions in cash and/or kind through the issue of up to 8,285,638 – after registration of the amendment of the Articles of Incorporation proposed under agenda item 7 in the Commercial Register of up to 16,571,276 - new no-par bearer shares during the period from and including March 23, 2010 to March 22, 2015. As a matter of principle, subscription rights are to be granted to the shareholders. The new statutory subscription right can also be granted by way of a banking consortium taking up of the new shares and at the same time undertaking to offer same for subscription by the shareholders indirectly according to Section 186 (5) AktG. The Executive Board shall be authorized, subject to the consent of the Supervisory Board, to exclude the statutory subscription right of the shareholders in the following instances:

(i) if the capital is to be increased by contributions in cash and the total proportional amount of the capital stock represented by the new shares, in respect of which subscription rights shall be excluded, does not exceed 10% of the capital stock, neither at the time the present authority is granted nor at the time the present authority is exercised, and the subscription price of the new shares is not materially lower, as defined by Section 203 (1) and (2) and Section 186 (3) Sentence 4 AktG, than the market price of the shares in the same category and carrying the same rights that are already listed at the time the subscription price is conclusively fixed; whereas shares

issued or to be issued to service bonds cum warrant or convertible bonds shall count towards the ceiling of 10% of the capital stock, provided that such bonds were issued with subscription rights excluded, applying Section 186 (3) Sentence 4 mutatis mutandis; whereas shares of the Company sold during the term of the authorized capital increase and excluding the shareholders' subscription right according to Section 71 (1) No. 8 Sentence 5 and Section 186 (3) Sentence 4 AktG shall also count towards the ceiling of 10% of the capital stock;

(ii) in the case of capital increases by contributions in kind through the issue of shares for the purpose of acquiring companies, company divisions, shareholdings in companies or other assets;

(iii) for fractional amounts;

(iv) if a third party other than a financial institution as defined by Section 186 (5) AktG subscribes the new shares and procures that the shareholders are granted an indirect subscription right.

The Executive Board shall also be authorized, subject to the consent of the Supervisory Board, to define the further particularities of capital increases arising from the authorized capital increase. The Supervisory Board shall be authorized to revise the wording of the articles of incorporation according to the extent of each such capital increase.

(b) The wording of section 5 of the articles of incorporation shall be revised as follows:

„(1) The Executive Board shall be authorized, with the consent of the Supervisory Board, to increase the capital stock of the Company once or from time to time by up to an aggregate amount of € 16,571,276,00 for contributions in cash and/or kind through the issue of up to 8,285,638 – after registration of the amendment of the Articles of Incorporation proposed under agenda item 7 in the Commercial Register of up to 16,571,276 - new no-par bearer shares during the period from and including March 23, 2010 to March 22, 2015. As a matter of principle, subscription rights are to be granted to the shareholders. The new statutory subscription right may also be granted by a takeover of the new shares by a banking group that guarantees that the shareholders are granted an indirect subscription right within the meaning of Section 186 (5) AktG. The Executive Board shall be authorized, subject to the consent of the Supervisory Board, to exclude the statutory subscription right of the shareholders in the following cases:

(i) if the capital is to be increased by contributions in cash and the total proportional amount of the capital stock

represented by the new shares, in respect of which subscription rights shall be excluded, does not exceed 10% of the capital stock, neither at the time the present authority is granted nor at the time the present authority is exercised, and the subscription price of the new shares is not materially lower, as defined by Section 203 (1) and (2) and Section 186 (3) Sentence 4 AktG, than the market price of the shares in the same category and carrying the same rights that are already listed at the time the subscription price is conclusively fixed; whereas shares issued or to be issued to service bonds cum warrant or convertible bonds shall count towards the ceiling of 10% of the capital stock, provided that such bonds were issued with subscription rights excluded, applying Section 186 (3) Sentence 4 mutatis mutandis; whereas shares of the Company sold during the term of the authorized capital increase and excluding the shareholders' subscription right according to Section 71 (1) No. 8 Sentence 5 and Section 186 (3) Sentence 4 AktG shall also count towards the ceiling of 10% of the capital stock ,

(ii) in the case of capital increases by contributions in kind through the issue of shares for the purpose of acquiring companies, company divisions, shareholdings in companies or other assets,

(iii) for fractional amounts,

(iv) if a third party other than a financial institution as defined by Section 186 (5) AktG subscribes the new shares and procures that the shareholders are granted an indirect subscription right.

(2) The Executive Board shall be authorized, subject to the consent of the Supervisory Board, to define the further particularities of the capital increase and its implementation. The Supervisory Board shall be authorized to revise the wording of the articles of incorporation according to the extent of each such capital increase.“

9 Resolution on the authorization to acquire and utilize treasury shares with a possible exclusion of subscription right and any right to tender.

In the absence of an existing authorization to acquire treasury shares, the Executive Board shall be authorized for this purpose. The Executive Board and Supervisory Board therefore propose that the following resolution be adopted:

(a) The Company is authorized until 31 December 2014 to acquire treasury shares in the aggregate amount of up to 10% of the capital stock of the Company existing at the time the resolution is adopted, subject to the proviso that shares

acquired under this authorization, together with other shares of the Company already acquired and still owned by the Company or attributable to same according to Sections 71d and 71e AktG, shall not at any time represent more than 10% of the capital stock of the Company. Treasury shares can be purchased and sold only by way of the stock exchange or a public acquisition offer, and the transactions must comply with the principle of equal treatment of shareholders (Section 53 a AktG). If shares are acquired on the stock exchange, the purchase price (excluding incidental costs) paid by the Company must not differ by more than 10% from the price of the Company's shares on the XETRA market (or comparable successor) of the Frankfurt securities exchange, as determined by the opening auction on the trading date. If the acquisition takes place by way of a public offer, the offer price (excluding incidental costs) paid by the Company must not differ by more than 10% from the price of the Company's shares on the XETRA market (or comparable successor) of the Frankfurt securities exchange, as determined by the closing auction on the final trading day before publication of the acquisition offer. If the total number of shares tendered to the Company on the basis of the public acquisition offer exceeds the volume of such offer, shares can be acquired pro rata the tendered shares (tender ratios), whereas a preferential acceptance of small quantities (up to 50 shares per shareholder) and, for the avoidance of arithmetic fractions of shares, commercial rounding can take place. Any further right of the shareholders to tender shares shall thus be excluded.

(b) The authority can be exercised either once or from time to time. Shares can also be acquired by group enterprises under the control of the Company as defined by Section 17 AktG or by third parties for the account of the Company or such group enterprises. The authority can be exercised for any legally permissible purpose subject to compliance with the statutory provisions, in particular in pursuit of one or several of the purposes named under clauses (c), (d), (e) and (f). Trading in treasury shares is not allowed. If the acquired treasury shares are used for one or several of the purposes named under clauses (c), (d) and (e), the shareholders' right of subscription shall be excluded. If the acquired treasury shares are sold by way of the stock exchange, the shareholders shall likewise not be entitled to subscribe. If the acquired treasury shares are sold by way of a public offer to the shareholders, the Executive Board shall be authorized to exclude the shareholders' subscription right in respect of fractional amounts with the consent of the Supervisory Board.

(c) The Executive Board shall be entitled to sell the treasury shares acquired under the preceding authorization not only by way of the stock exchange or an offer to all shareholders, but also otherwise, provided that same are sold for cash and at a price that is not materially lower than the

market price of the Company's shares at the time of the disposal.

This authorization is restricted to shares representing an aggregate interest in the capital stock not exceeding 10% of the capital stock, neither at the time the present authority takes effect nor – if a smaller figure – at the time the present authority is exercised. The ceiling of 10% of the capital stock shall be reduced by the proportional amount of the capital stock attributable to the shares issued or sold, excluding subscription rights in compliance with or according to Section 186 (3) Sentence 4 AktG, during the term of this authorization. The ceiling of 10% of the capital stock shall be reduced further by the proportional amount of the capital stock attributable to the shares to be issued to service bonds cum warrant or convertible bonds, provided that such bonds are issued during the term of this authorization with subscription rights excluded, applying Section 186 (3) Sentence 4 mutatis mutandis.

(d) The Executive Board shall be entitled to transfer the treasury shares acquired under the preceding authorization to third parties, whereas such transfer shall represent a (partial) consideration, provided that such transfer takes place for the purpose of acquiring companies, company divisions, shareholdings in companies or other assets, or of implementing mergers.

(e) The Executive Board and, if affected itself, the Supervisory Board, shall be entitled to grant the treasury shares acquired under the preceding authorization to executives of the Company and subordinate associated enterprises and to employees of the Company and subordinate associated enterprises at home and abroad in order to service stock option or other incentive programs (hereinafter "stock programs").

(f) The Executive Board shall be entitled to retire the treasury shares acquired under the preceding authorization, at the same time decreasing the capital stock, without such retirement or its implementation requiring a further resolution of the general meeting of shareholders. Notwithstanding this provision, the Executive Board can determine that the capital stock shall not be decreased, whereas the proportional interest of the other no-par shares in the capital stock of the Company shall increase according to Section 8 (3) AktG. In such an event, the Executive Board shall be authorized to amend the number of no-par shares in the articles of association.

(g) The Executive Board can exercise the authorities under clauses (c) and (d) only with the consent of the Supervisory Board. In other respects, the Supervisory Board can

determine that actions of the Executive Board based on the present resolution of the general meeting of shareholders can be taken only with its consent.

(h) The authorizations to use treasury shares set forth in clauses (c) to (f) shall apply mutatis mutandis to treasury shares acquired on the basis of an acquisition authority granted earlier by the general meeting of shareholders. The shareholders' subscription right shall be excluded in this respect as well. As regards the necessity of the Supervisory Board's consent, clause (g) shall apply mutatis mutandis.

10 Election of Supervisory Board members.

According to Section 10 (1) of the Articles of Incorporation in conjunction with Section 95 sentence 1 to 4, Section 101 (1) AktG, the Supervisory Board consists of three members to be elected by the general meeting of shareholders.

Mr. Reimund Berner, Mr. Andrew Blythe and Mr. Richard Kelsey announced to resign as members of the Supervisory Board with effect from the ending of the general meeting. Therefore, three new members have to be elected. The general meeting of shareholders is not obliged to follow the candidates' proposals.

The Supervisory Board therefore proposes that the following resolution be adopted:

(i) Mr Michael John Smith, Hong Kong, China, SAR, Chairman of the Board of Directors of KHD Humboldt Wedag International Ltd., Vancouver, Canada,
(j) Ms Silke Stenger, Rodgau, Germany, self-employed controller, and managing director of finance of Management One Human Capital Consultants Limited, Frankfurt am Main, Germany, and
(k) Mr Gerhard Rolf, Frankfurt am Main, Germany, retiree,

shall be elected members of the Supervisory Board of the Company until the ending of the general meeting of shareholders that adopts a resolution concerning approval of the acts of the members of the Supervisory Board for the second fiscal year following the start of the period of office, whereas the fiscal year in which the period of office starts shall not be counted, therefore until the ending of the general meeting of shareholders in 2013.

11 Resolution on the amendment of the articles of incorporation to adapt the remuneration of the Supervisory Board

Section 13 (1) of the articles of incorporation shall be reworded as follows:

„(1) The members of the Supervisory Board shall receive, in addition to the reimbursement of their expenses, a fixed remuneration payable after the end of the fiscal year totaling EUR 317,000.00. The Supervisory Board decides by resolution on the allotment of the overall remuneration to the individual Supervisory Board members – including those who have resigned or have been newly elected during the fiscal year – while taking into account the tasks of the individual members such as chairman or deputy chairman of the Supervisory Board.“

12 Resolution on amendments to the articles of incorporation for the convention and attendance at the general meeting of shareholders in conformity to the act to implement the shareholders' rights directive (ARUG)

The deadlines for convocation and the prerequisites for the attendance at the general meeting of shareholders as well as the exercise of voting rights have been rearranged by the act to implement the shareholders' rights (ARUG).

The Executive Board and Supervisory Board therefore propose that the following resolution be adopted:

Section 15 (2) of the articles of incorporation shall be reworded as follows:

„(2) The general meeting of shareholders shall be convened at the latest 30 days before the day of registration of the shareholders (Section 16 (1)). The day the registration is received shall not be included.“

Section 16 (1 to 3) of the articles of incorporation shall be reworded as follows:

„(1) Only those shareholders, who have registered to do so in due time before the general meeting of shareholders, shall be entitled to attend the general meeting of shareholders, to exercise their voting rights and to present motions. The registration has to be received by the company or one of the offices specified in the invitation to the general meeting of shareholders at the latest six days before the general meeting. The day of the general meeting and the day the registration was received shall not be included.

(2) Evidence shall be provided of the entitlement to attend the general meeting of shareholders, to exercise voting rights and to present motions. A confirmation issued by the custodian bank in written form either in German or in English shall be required as proof of share ownership. The confirmation shall refer to the beginning of the 21st day prior to the general meeting and to be received by the Company at the address notified in the invitation to the general meeting of shareholders at the latest six days prior to the general meeting. The day of the meeting and the day the confirmation was received shall not be included.

(3) The day of the meeting shall not be counted when calculating the deadlines and dates which are counted back from the general meeting. Rescheduling a Sunday, Saturday or a public holiday to a preceding or subsequent workday is not permitted. Hence Section 187 to 193 of the German Civil Code (BGB) are not applicable.“

CONDITIONS OF PARTICIPATION

Those shareholders, who have registered to do so before the general meeting of shareholders, shall be entitled to attend the general meeting of shareholders, to exercise their voting rights and to present motions. The registration has to be received by the Company (Postal address: KHD Humboldt Wedag International (Deutschland) AG, c/o UniCreditBank AG, CBS50HV, 80311 Munich, FAX +49 (0) 89 / 54002519 / e-mail: hauptversammlungen@hvb.de) by Tuesday, March 16, 2010 at the latest.

Shareholders have to provide evidence of their entitlement to attend the general meeting of shareholders, to exercise voting rights and to present motions. A confirmation issued by the custodian financial institutions in written form either in German or in English is required as proof of share ownership (Section 126b BGB). The confirmation has to refer to the beginning of the 21st day prior to the general meeting, e.g. to midnight CET on Tuesday, March 2, 2010, and be received by the Company (Postal address: KHD Humboldt Wedag International (Deutschland) AG, c/o UniCredit Bank AG, CBS50HV, 80311 Munich, FAX +49 (0) 89 / 54002519 / e-mail: hauptversammlungen@hvb.de) by expiry of the statutory deadline, which is midnight CET on March 16, 2010 at the latest. The Company is entitled to request further suitable evidence if there is doubt as to the correctness or authenticity of the proof of entitlement. If this evidence is not provided or not in a suitable form, the Company may reject the shareholder. Only shareholders who have provided such evidence are entitled to attend the general meeting of shareholders and to exercise voting and attending rights.

After receipt of the registration and proof of share ownership, admission tickets for the general meeting will be sent to the shareholders. We ask the shareholders to register and submit proof of share ownership in due time in order to ensure the receipt of the admission ticket on time.

Shareholders may also appoint a proxy e.g. a bank, a shareholders' association or another person to exercise their voting right at the general meeting. In this case the proxy has to register himself on time or get himself registered by the shareholder. A power of attorney has to be issued in writing (Section 126 b BGB), unless the following exceptions apply. The following fax number is offered to the shareholders for electronic transmission of the proof of share ownership:

FAX +49 (0) 89 / 54002519

According to the law and the Articles of Incorporation there is no requirement of the written form for the authorization of a bank, a shareholders' association or any other equivalent institution or person to act as a proxy pursuant to Section 135 of the German Stock Corporation Law. We would, however, like to point out that in such cases the institutions or persons to be authorized to act as a proxy might possibly request a specific form of the proxy, because pursuant to § 135 of the German Stock Corporation Law they are required to produce a verifiably

proxy. If you would like to authorize a bank, a shareholders' association or any other equivalent institution or person pursuant to § 135 of the German Stock Corporation Law to act as a proxy, please discuss in due time the potential form of the power of attorney with such institutions or persons.

As a special service for our shareholders, a general proxy has been appointed who will ensure the exercise of the voting rights of shareholders who are not personally present at the meeting. These proxies are bound by the instructions of their respective principals. Shareholders who wish to authorize the general proxy appointed by the Company before the general meeting have to register on time and submit proof of share ownership. Together with the admission ticket you will receive further information on the exercise of voting rights by proxy and a form for authorizing and giving instructions to the proxy of the Company. The authorized proxy of the Company shall be strictly bound by the instructions of each shareholder when exercising the voting right on behalf of their respective principals. The power of attorney cannot be exercised with respect to agenda items for which no individual instructions have been given with the result of abstention from voting in these cases. Requests to speak and other motions shall not be accepted by the proxy.

Shareholders of the Company can submit counter-motions against proposals of the Executive Board and/or Supervisory Board referring to specific agenda items and make nominations. Counter-motions that are to be disclosed must be supported by reasons. Shareholders' counter-motions, nominations and other inquiries for the general meeting are to be addressed exclusively to:

KHD Humboldt Wedag International (Deutschland) Auftraggeber
att. Mr Hans-Rudolf Lenhartz
Colonia-Allee 3, 51067 Köln
FAX +49 (0) 89 / 54002519

Email: Hans-Rudolf.Lenhartz@khd.com

Upon receipt, we shall publish shareholders' counter-motions and nominations that are to be disclosed, including the name of the shareholder, as well as reasons that are to be disclosed, at the internet address http://www.khd-hv.com. Due consideration shall be given to all counter-motions and nominations concerning items of the agenda received at the forenamed address or by fax or email by midnight CET on Monday, March 8, 2010. Any comments of management shall also be published at this internet address.

The ordinary general meeting of shareholders shall not be transmitted in sound or vision.

Cologne, February 2010
KHD Humboldt Wedag International (Deutschland) AG
The Executive Board

Reports of the Executive Board

The following reports of the Executive Board can be viewed by the shareholders in the Electronic Federal Gazette at the Company premises, Colonia-Allee 3 in 51067 Cologne from the date of publishing of the invitation to the general meeting. Copies of these documents will be sent free-of-charge to the shareholders upon request and after furnishing proof of their status as shareholders. These documents will also be on display at the website of the Company http://www.khd-hv.com. and will be open to inspection during the general meeting of shareholders.

Report of the Executive Board concerning item 8 of the agenda, relating to the reasons for the exclusion of the subscription right according to Section 186 (4) Sentence 2 and Section 203 (1) and (2) AktG

The Executive Board has produced a written report concerning agenda item 8 according to Section 203 (2) in conjunction with Section 186 (4) Sentence 2 AktG, relating to the reasons for the exclusion of the subscription right and for the issue amount. The report is disclosed as follows:

In order to increase the Company's flexibility in the procurement of capital, capital increases are to be facilitated by both contributions in cash and contributions in kind. The Company's management is to be entitled, through the granting of fresh authority, to increase the capital stock of the Company by issuing new no-par bearer shares. As regards the amount of the authority, the authorized capital increase is to utilize the full scope permitted by law.

In total, a new authorized capital increase is to be approved up to an amount of € 16,571,276.00. The authorization entitles the Executive Board, subject to the consent of the Supervisory Board, to increase the capital stock of the Company once or from time to time by up to an aggregate amount of € 16,571,276,00 for contributions in cash and/or kind through the issue of new no-par bearer shares. The Executive Board is authorized to exclude the statutory subscription right of the shareholders. The authorities shall be granted for a term of 5 years from the date the resolution is adopted by the general meeting of shareholders. The proposed authorities to issue new shares on the basis of the authorized capital increase shall enable the Executive Board, with the consent of the Supervisory Board, to respond to financing requirements arising in connection with the implementation of strategic decisions.

Within the framework of the authorized capital increase, the Executive Board shall be authorized, with the consent of the Supervisory Board, to exclude the subscription right in case of capital increases for contributions in kind being implemented to grant shares for the purpose of acquiring companies, company divisions, shareholdings in companies or other assets (such as intangible assets). This authority to exclude the subscription right shall serve the purpose of facilitating the acquisition of companies, company divisions, shareholdings in companies or other assets through the issue of shares in the Company. The Company engages

in global competition. It must be able at any time to act quickly and flexibly on the international markets in the interests of its shareholders. This ability encompasses the option of acquiring companies, company divisions, shareholdings in companies or other assets in order to improve its competitive position. The best way of exercising this option in the interests of the shareholders and the Company can, in individual cases, entail the acquisition of a company, company division, shareholding or other asset through the granting of shares in the acquiring entity. In practice, the holders of attractive acquisition targets often call for the transfer, as a consideration for a sale, of voting shares in the acquiring company. In order to be able to acquire such enterprises, the Company must be able to grant treasury shares as a consideration. The proposed granting of authority to exclude the subscription right shall give the Company the flexibility required to exploit emerging opportunities to acquire companies, company divisions, shareholdings in companies or other assets quickly and flexibly. Although a subscription right exclusion reduces the existing shareholders' relative investment and relative share in the voting rights, the granting of a subscription right would make it impossible to acquire companies, company divisions or shareholding in companies through the granting of shares, and the benefits associated with such an acquisition would not accrue to the Company and the shareholders. Actual acquisition projects requiring the exercise of the proposed option do not exist at present. If actual opportunities arise to acquire companies, company divisions, shareholdings in companies or other assets, the Executive Board will carefully examine whether to use the authorized capital increase for the purpose of acquiring companies, company divisions, shareholdings in companies or other assets through the issue of new shares in the Company. It will exercise the authority only if the acquisition of the company or shareholding through the granting of shares in the Company is in the properly considered interests of the Company. And only if this condition is satisfied will the Supervisory Board grant its required consent. The shares of the Company and the shares of the companies, holdings or other assets that are to be acquired will be valued on the basis of independent company valuations according to expert opinions of auditing companies and/or international investment banks.

It shall also be possible to exclude the subscription right within the framework of the authorized capital increase if the volume stipulations and other requirements relating to such an exclusion according to Section 186 (3) Sentence 4 AktG are satisfied. Any discount on the current market price is unlikely to exceed 3%, and shall not in any case exceed 5%. The purpose of this option to exclude the subscription right is to enable the management to exploit favorable stock market situations promptly and, by fixing the price close to the market, to maximize the issue amount and thus reinforce the equity base as much as possible. Because action can be taken quicker, a capital increase implemented in this way generally gives rise to a greater inflow of funds than a similar capital increase executed with shareholder subscriptions rights. It is thus in the properly considered interests of the Company and the shareholders. Although a subscription right exclusion reduces the existing shareholders' relative investment and relative share in the voting rights, shareholders wishing to retain their relative investment and relative share in the voting rights have the opportunity to acquire the number of shares required for this purpose on

the stock exchange. Shares issued or to be issued to service bonds cum warrant or convertible bonds shall count towards the ceiling of 10% of the capital stock, provided that such bonds were issued with subscription rights excluded, applying Section 186 (3) Sentence 4 mutatis mutandis. Shares of the Company sold during the term of the authorized capital increase and excluding the shareholders' subscription right according to Section 71 (1) No. 8 Sentence 5 and Section 186 (3) Sentence 4 AktG shall also count towards the ceiling of 10% of the capital stock.

Having duly considered all the forenamed circumstances, the Executive Board and Supervisory Board believe that the exclusion of the subscription right in the named cases is objectively justified and appropriate for the indicated reasons, even paying due regard to the associated dilution of the shareholders' interests. If the Executive Board does not exercise the forenamed authorities to exclude fractional amounts from the shareholders' subscription right, it is to be authorized, subject to the consent of the Supervisory Board, to exclude such right within the framework of the authorized capital increase. The exclusion of the subscription right for fractional amounts is necessary in order to obtain a technically feasible subscription ratio. The shares excluded from the shareholders' subscription right, being freely marketable fractions, are to be sold either on the stock exchange or otherwise in the best interests of the Company. In view of the restriction to fractional amounts, the possible dilution of interests is slight. For these reasons, the Executive Board and Supervisory Board believe that the exclusion of the subscription right is objectively justified and reasonable for the shareholders.

Alongside the direct issue of the new shares or their issue through a financial institution or other enterprise satisfying the conditions of Section 186 (5) Sentence 1 AktG, it shall also be possible as a general rule for the new shares to be issued by way of third parties. In any event, however, this shall apply only if the third party or financial institution ensures and undertakes that the shares shall be offered to all shareholders in compliance with their statutory subscription right. This method of placement is capable of facilitating and accelerating the implementation of a capital increase. In view of the undertaking of the third party or financial institution to grant the indirect subscription right, each shareholder shall be duly entitled, and such entitlement must be ensured, and each shareholder shall be able to subscribe and acquire the number of shares corresponding to his statutory subscription right. Since dilution does not take place, therefore, if the shareholders are able to subscribe accordingly, and the prompt and conclusive placement of new shares can be ensured at the same time, the Executive Board and Supervisory Board believe that the exclusion of the subscription right and the placing of new shares by way of a financial institution, granting an indirect subscription right to all shareholders, is objectively justified and reasonable for the shareholders.

Report of the Executive Board concerning item 9 of the agenda: Authorization to acquire and utilize treasury shares with a possible exclusion of subscription right and any right to tender.

The Executive Board has produced a written report concerning agenda item 9 according to Section 71 (1) N° 8 in conjunction with Section 186 (3) and (4) Sentence 2 AktG, relating to the reasons for the exclusion of the subscription right in connection with the acquisition of treasury shares and for the issue amount. The report is disclosed as follows:

Section 71 (1) No 8 AktG entitles corporations to acquire treasury shares in the aggregate amount of up to 10% of the capital stock of the Company based on an authorization given by the general meeting of shareholders. Agenda item 9 proposes that such authorization, being limited in time until December 31, 2014, be granted to enable the Executive Board, in the interests of the shareholders and the Company, to purchase treasury shares representing no more than 10% of the existing capital stock of the Company by way of the stock exchange.

Treasury shares can be purchased by way of the stock exchange or a public acquisition offer to all shareholders. If the total number of shares tendered to the Company on the basis of the public acquisition offer exceeds the total number of shares envisaged for purchase by the Company, shares can be acquired pro rata the tendered shares in order to simplify the acquisition procedure, whereas the right of the shareholders to tender shares shall be excluded. A preferential acceptance of small quantities (up to 50 shares per shareholder) – likewise subject to the exclusion of the right of the shareholders to tender shares – and, for the avoidance of arithmetic fractions of shares, commercial rounding shall also be allowed in the interests of simplifying the procedure.

Treasury shares acquired by the Company can be resold by way of the stock exchange or a public offer to all shareholders. These options ensure compliance with the principle of equal treatment of shareholders in connection with both the acquisition and the sale of shares.

The Executive Board is to be entitled, when the treasury shares are being sold by way of an offer to all shareholders of the Company, to exclude the subscription right of the shareholders in respect of fractional amounts with the consent of the Supervisory Board. The exclusion of the subscription right for fractional amounts allows a round subscription ratio to be determined and is required in order to make the disposal of acquired treasury shares by way of an acquisition offer to the shareholders technically feasible. The freely marketable fractions excluded from the shareholders' subscription right are to be sold either on the stock exchange or otherwise in the best interests of the Company.

Furthermore, the Company shall be entitled to sell the treasury shares outside the stock exchange without an offer to all shareholders, provided that the shares are sold at a price that is not materially lower than the market price of the Company's shares at the time of the disposal.

This authorization utilizes the option permitted by § 71 (1) No. 8 AktG, with § 186 (3) Sentence 4 AktG apply mutandis, to facilitate the exclusion of subscription rights. In the interests of the Company, it thus serves the particular purpose of enabling shares in the Company to be offered to

institutional investors at home and abroad and enlarging the shareholder group. The Company is to be enabled, by way of the requested authority, to respond quickly and flexibly to favorable stock market conditions. The shareholders' interests, both pecuniary and as regards voting rights, are duly protected. The authority to exclude subscription rights in the case of the disposal of treasury shares, as envisaged by § 186 (3) Sentence 4 AktG, is restricted to no more than an aggregate of 10 % of the capital stock of the Company. This portion shall refer to the amount of capital stock existing at the time the authorization takes effect or at the time such authority is exercised, whichever is lower. This ceiling shall be reduced by shares or bonds cum warrant or convertible bonds otherwise issued with subscription rights excluded in compliance with or according to Section 186 (3) Sentence 4 AktG. Due consideration is given to protecting against the dilution of shareholders' interests because the shares can be sold only at a price that is not materially lower than the relevant market price. The price at which the treasury shares are to be sold is to be conclusively determined shortly before the disposal. When determining the price, the Executive Board shall – paying due regard to the current market circumstances – seek to minimize any discount on the market price. Shareholders wishing to maintain the existing proportion of their shareholding, can make purchases on the market on largely identical conditions.

The Company is further to be enabled to offer treasury shares as a consideration within the framework of business combinations or when acquiring companies, company divisions, shareholdings in companies or other assets. The proposed authorization shall give the Company the freedom required to exploit acquisition opportunities quickly and flexibly as they arise. The proposed exclusion of subscription rights serves this purpose. When determining the pricing ratios, the Executive Board shall ensure that the shareholders' interests are duly protected. As a general rule, the value of the shares surrendered as consideration shall be measured against the market price of the Company's shares.

A model for indexing the valuation to a market price is not envisaged, however, in particular in order to prevent already negotiated outcomes being jeopardized by market price fluctuations. Actual acquisition plans do not exist at present.

The Company is further to be enabled, by way of the provisions in clauses (e) and (h), to use treasury shares to service stock option or similar incentive programs. Although a stock option or similar incentive program does not currently exist in the Company, the proposed authority to exclude the subscription right serves the purpose of ensuring that the Company, in case such a stock program is introduced later, has the option of using a then existing repurchasing authority according to Section 71 (1) No. 8 AktG, without needing to create such a new authority. The granting of stock options or subscription rights to employees and executives, entitling same to acquire shares in the Company subject to certain conditions, is a method of remuneration that is common in the international arena. This incentive serves the purpose of encouraging outstanding performance and thus adding additional value to the enterprise, therefore fostering an increase in the Company's share price, absolutely and in relation to other companies' stock, in the interests of

both the shareholders and the Company. It also underpins the endeavor to recruit skilled employees and executives to the Group and foster their loyalty.

Finally, the authorization enables the Company to retire treasury shares without an additional resolution being adopted by the general meeting. An authorization to this effect is likewise conventional. It allows the Company to respond appropriately and flexibly to the prevailing capital market situation. In compliance with § 237 (3) No. 3 AktG, the proposed authorization envisages that the Executive Board can retire the shares even without a capital decrease. By way of the retirement of shares without a capital decrease, the proportional interest of the remaining no-par shares in the Company's capital stock increases. The Executive Board shall be authorized in this respect to revise the wording of the articles of incorporation concerning the changed number of no-par shares.

Actual plans to exercise such authorities do not exist. The Executive Board shall notify the next general meeting in each case of the extent to which the authority has been exercised.