

**Report of the Management Board to the general meeting on item 10 of the agenda pursuant to sect. 5 SE-VO in conjunction with §§ 71 para. 1 no. 8 sentence 5, 186 para. 4 sentence 2 AktG**

The Management Board has reported in writing pursuant to sect. 5 SE-VO in conjunction with § 71 para. 1 no. 8 sentence 5 AktG in conjunction with § 186 para. 4 sentence 2 AktG on item 10 of the agenda. The report is provided for insight by the shareholders on the business premises of the company and in the general meeting from the day on which the general meeting is convened onwards. Furthermore, the report will be published on the company's website at <http://www.stroeer.com/> under the section "Investor Relations", "General Meeting" and sent to each shareholder free of charge on request.

The report has the following content:

The authorisation of the company, limited until 9 July 2015, for purchase of own shares is to be renewed to continue to enable the company to purchase own shares beyond this time. The present authorisation is to be revoked as of entering into effect of the new authorisation.

§ 71 para. 1 no. 8 AktG, which applies to European public companies as well pursuant to sect. 5 SE-VO, enables the company to purchase own shares at up to 10% of the share capital based on an authorisation that for up to five years.

The petition for agenda item 10 contains a corresponding authorisation for the purchase of own shares that is limited to a period of five years and thus continues until 29 June 2020. According to it, the company should be able again to purchase own shares up to a total of 10% of the share capital of the company at the time the resolution is passed or, if this value is less, at the time at which the authorisation is utilised - until 29 June 2020 (inclusive) for any permissible purpose. The shares purchased based on this authorisation, together with other shares of the company that the company has already purchased or still possesses, or which are due to it pursuant to §§ 71a et seqq. AktG, must at no time exceed 10% of the respective share capital. Furthermore, the authorisation must not be used to trade own shares.

Purchase of own shares

When purchasing own shares, the principle of equal treatment of the shareholders (§ 53a AktG) must be maintained. This principle is considered in the authorisation intended in agenda item 10 to purchase own shares of the company via the stock exchange, by public purchase offer, via a public request for making sales offers or otherwise under consideration of the principle of equal treatment. This generally gives all shareholders the opportunity of selling shares to the company in the same manner if the company was to purchase own shares.

When purchasing through public purchase offer or through a public request to make sales offers, the volume of the offer or the volume of the request for making offers can be limited. Where the offer is exaggerated or where it is not possible to accept all of several equal offers after a request for making sales offers, the purchase or acceptance shall take place under partial exclusion of any offer right of the shareholders at the ratio of the respective shares offered. This considerably facilitates the technical processing of the offer since the relevant acceptance rate can be easily determined from the number of offered shares, while otherwise the participation rates of the respective shareholders would have to be used as a basis, which would considerably increase the effort for processing the purchase.

Furthermore, it is to be possible that preferential acceptance of small numbers up to 100 shares offered for purchase per shareholder may be provided for under partial exclusion of possible offer rights of the shareholders. This option serves to avoid small, usually uneconomical residual stocks and possibly connected factual disadvantaging of small shareholders. This also serves to simplify the technical processing of the purchase.

It is also possible to provide for rounding according to commercial aspects to avoid calculated fractions of shares. In this respect, the number of shares to be purchased from individual offering shareholders can be rounded as necessary for the purchase of whole shares under processing-technical points of view.

When purchasing otherwise, an offer right of the shareholders may be excluded for a factual reason under corresponding application of § 186 para. 3 sentence 4 AktG. Such purchase under exclusion of the offer right shall be permitted if it serves a purpose that is in the priority interest of the company and suitable and required to reach this purpose. This shall specifically be the case if the purchase through the stock exchange or a public purchase offer targeted at all shareholders or a public request to make sales offers targeted at all shareholders is unsuitable to achieve this purpose, too extensive, too slow or otherwise - also under consideration of the shareholders' interests - disproportional. This enables the company to design its acquisition financing flexibly and to, e.g., purchase own shares from one or several shareholders in the scope of the acquisition of companies or participation in companies. For the shareholders, this has no disadvantages if the purchase is in the interest of the company and - also under consideration of the shareholders' interests - is reasonable.

When purchasing own shares, the compensation paid by the company per share (without secondary purchasing costs) must not be more than 10% above or below the average of the rate of the company's share in the closing auction in XETRA-trade (or a comparable successor system) at the Frankfurt stock exchange. The reference value when purchasing through the stock exchange or otherwise shall be the average on the last three trading days before the obligation to purchase, for public purchase offers the average from the sixth to the third trading day before the day on which the purchase offer is published, and when purchasing through a public request to make sales offers

the average of the last three trading days before the day of publication of the public request to make sales offers. This permits fair pricing in the interest of the company and for the protection of the shareholders. Shareholders whose shares are not purchased by the company also can sell their shares to the stock exchange for a comparable price.

In all of the above cases, the board should be enabled to use the instrument of share repurchase in the interest of the company and its shareholders. The exclusion of any offer right of the shareholders when purchasing the own shares shall be required and factually justified in this case according to the conviction of the Management Board, as well as appropriate towards the shareholders.

When using the authorisation to purchase own shares, it must be observed in addition to the 10%-limit of the § 71 para. 2 AktG that purchase is only permitted if the company can form the provision prescribed according to § 272 para. 4 HGB for own shares without reducing the share capital or a provision to be formed according to the law or articles of association that must not be used for payments to the shareholders.

#### Use of own shares

When using own shares, the principle of equal treatment of the shareholders (§ 53a AktG) also must be maintained. According to the suggested authorisation, the own shares purchased by the company may be used for any legally permissible purpose here.

Specifically, they can be withdrawn without requiring another resolution to be passed in the general meeting. This permits the corresponding reduction of the share capital of the company. Alternatively, the shares can also be withdrawn without reduction of the share capital, by increasing the calculated share of the remaining no-par-value shares even without reduction of the share capital. The Management Board therefore should also be entitled to perform the required change to the articles of association regarding the change of no-par-value shares due to the withdrawal.

The own shares may also be sold again on the stock exchange or by offer made to all shareholders. The shareholders' right to equal treatment shall be maintained. Where the shares are sold by offer to all shareholders, the Management Board is, however, to be entitled to exclude the subscription right of the shareholders for peak amounts. This is done to provide a technically executable subscription ratio. The shares excluded from the shareholders' subscription rights as free peaks shall be utilised by sale through the stock exchange or otherwise in the best manner for the company. The possible dilution effect is low due to the limitation to peak amounts.

Apart from this, the Management Board is to be authorised to use own shares under exclusion of the subscription rights for the purposes named in lit. c) cc) to c) ff).

The petition states in c) cc) that the purchased own shares may also be purchased in other ways than through the stock exchange or by offer to all shareholders if the purchased own shares are sold against cash at a price that is not below the average rate of the share of the company by more than 5% in the closing auction in XETRA trade (or a comparable successor system) at the Frankfurt stock exchange on the last three trading days before the sale. This is to specifically enable the company to issue shares of the company on short notice. The final specification of the sales price for own shares shall take place in a timely manner before sale. The Management Board shall determine any deduction from the share rate as low as this is possible according to the market conditions at the time of the placement. The deduction must never exceed 5% of the share rate at the time the authorisation is executed. The limitation of the number of the shares to be sold and the obligation to specify the sale price of the shares close to the share rate offers appropriate protection to the shareholder's shares from value dilution. At the same time, it is ensured that the compensation to be achieved by the company is appropriate. Where the shareholders are interested in maintaining their voting rights ratios, they incur no disadvantage, since they can purchase the respective number of shares at the stock exchange at any time. The company is thus able to quickly and flexibly react to beneficial sales options and to thus gain, e.g., new institutional investors. The capital basis of the company thus may be reduced in the interest of the company and the shareholders.

The asset and voting rights interest of the shareholders are appropriately maintained in this kind of sale of own shares under exclusion of subscription rights based on the rules of § 71 para. 1 no. 8 AktG in conjunction with § 186 para. 3 sentence 4 AktG. This authorisation shall be limited to shares with a prorated amount of the share capital that must not exceed a total of 10% of the share capital, neither at the time of entering into effect of this authorisation, nor - if this value is lower - at the time of utilisation of the authorisation. The limitation shall consider shares that have been issued or sold under direct or corresponding application of § 186 sent. 4 AktG during the term of this authorisation under exclusion of subscription rights, e.g. from authorised capital. Furthermore, this number shall consider the shares that have been issued or are to be issued to serve conversion and/or option rights, where the convertible and option bonds have been issued during the term of this authorisation under exclusion of the subscription rights pursuant to § 186 para. 3 sent. 4 AktG.

Furthermore, the company is to be able pursuant to lit. c) dd) of the petition to have own shares available to sell or transfer against contribution in kind, specifically also in connection with company combinations or when purchasing companies, participations in companies, company parts or other assets. Own shares are an important instrument as acquisition currency. The international compensation and globalisation of the economy increasingly demand this type of compensation. The suggested authorisation is to give the company the required flexibility to quickly and flexibly use apparent opportunities to purchase companies or participations in companies. The company's market position this way can be developed and thus strengthened in a liquidity-protecting manner. This is considered by the suggested exclusion of the subscription rights. When

specifying the evaluation relations, the Management Board shall ensure that the interests of the shareholders are appropriately maintained. It shall specifically align itself with the share price of the company's shares when determining the compensation value to be granted. The use of own shares for acquisitions also has the benefit for the shareholders that their voting rights are not diluted as compared to the situation before acquisition of the own shares by the company.

Furthermore, there is to be the opportunity pursuant to lit. c) ee) of the petition to offer purchased own shares to employees of the company and affiliated companies in the sense of §§ 15 et seqq. AktG (including body members) in connection with share-based compensation or employee share programmes and to transfer them to these. Where own shares are offered or promised and transferred to members of the Management Board of the company, this authorisation shall apply via the supervisory council. This gives the company the option of offering its employees shares without having to utilise the authorised capital. The use of present own shares may be more economical, sensible and cost-efficient than the performance of a capital increase, and specifically leads to higher flexibility. The required exclusion of the subscription rights of the shareholders shall be justified by the benefits that an employee participation programme offers for the company and thus also for the shareholders. The issuing of shares to employees is considered an important instrument for long-term commitment of employees to the company by the Management Board and the supervisory board, and therefore is of special interest for the company and the shareholders. Specifically, identification with the company and thus increase of the corporate value can be promoted with this.

Apart from this, the company is to be given the opportunity pursuant to lit. c) ff) of the petition to use own shares to meet executed option and/or conversion rights or conversion obligations from convertible and option bonds issued by the company or other companies of the group. Where own shares are transferred to members of the Management Board of the company, this authorisation shall apply via the supervisory council. This use of own shares may be more beneficial for the company than the use of a contingent capital and increase the company's flexibility. The shareholders' interests are less affected by this additional option of excluding subscription rights, since no further shares are issued new from a capital increase and dilution of the shareholder can thus be avoided.

In all of the cases named for use of own shares (except in case of sale through the stock exchange, by public offer to all shareholders or withdrawal), the subscription right of the shareholders to own shares must be excluded to permit their use as described. Upon consideration of all circumstances, the Management Board considers the exclusion of subscription rights in the cases named to be factually justified and appropriate for the reasons named. The Management Board shall in any case review whether own shares of the company are to be used for the measures named. In its decision, it shall be guided by the interest of the shareholders and the company and carefully consider whether it should make use of the authorisation. Only in this case shall the measure be

taken and the subscription right excluded.

The authorisations contained in this agenda item 10 may be executed independently of each other, once or several times, individually or together, wholly or in parts, also by companies of the group or third parties acting for the account of the company or its group companies. Additionally, purchased own shares may also be transferred to companies of the group.

Finally, the supervisory council may determine that measures of the Management Board due to the above authorisation must only be taken with its consent.

The Management Board shall report on any utilisation of the authorisation for the purchase of own shares to in the next general meeting in each case.

Cologne, 18 May 2015

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Management Board

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