

**Report of the General Partner to the general meeting on item 9 of the agenda pursuant to § 278 para 3 AktG in conjunction with § 221 para. 4 AktG. in conjunction with § 186 para. 4 sentence 2 AktG**

The General Partner has reported in writing pursuant to § 278 para 3 AktG in conjunction with § 221 para. 4 AktG in conjunction with § 186 para. 4 sentence 2 AktG on item 9 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:

To give the general partner the option of taking up loan capital at attractive conditions by issuing convertible and/or option bonds, a new authorisation to issue convertible bonds and/or option bonds is to be passed. Accordingly, item 9 of the agenda suggests revoking the existing authorisation from 23 June 2016 and the associated contingent capital 2016 and authorising the general partner to issue one or several convertible bonds and/or option bonds (together the "Bonds") with the consent of the supervisory board once or several times, at a total nominal amount of up to EUR 500,000,000.00. The authorisation shall be limited until 13 June 2022. The bonds can be applied with conversion or subscription rights or obligations for shares of the company in here. To grant holders of bonds shares of the company when the conversion and subscription rights are executed or to meet the conversion obligation, a new contingent capital 2017 is to be created at up to EUR 11,056,400.00, enabling the company to issue up to 11,056,400.00 new shares. The new contingent capital does not utilise the statutory scope of 50% of the share capital.

The bonds can be issued with or without limitation of the term and in other statutory currencies. They may also - where the increase of funds serves group financing interests - be issued by affiliated companies of the group. In this case, the General Partner shall have the right to assume the guarantee for the bonds for the company, with the consent of the supervisory council and to make any further declarations and actions required for successful issuing and - where the bonds grant convertible or option rights for new no-par-value shares of the company – to grant the bearers such conversion or option rights.

Appropriate capital equipment is an essential basis for the development of the company. Option and convertible bonds are an essential instrument for financing, by which the company initially receives low-interest loan capital.

The shareholders of the company generally have a subscription right to the bonds. They are thus given the option of investing their capital with the company and at the same time maintaining their participation rate. The subscription right may be granted in the manner that the bonds are assumed by a credit institution with the obligation of offering them to the shareholders for subscription indirectly.

The General Partner is, however, to have the right to exclude the subscription right of the shareholders to the bonds in specific cases explained below with the consent of the Supervisory Board.

The resolution suggested in agenda item 9 initially intends for the General Partner having the right to exclude the statutory subscription right of the shareholders for peak amounts with the consent of the Supervisory Board. Such peak amounts may result from the amount of the respective emission volume and the presentation of practical subscription ratio. Exclusion of the subscription right facilitates processing of the emission in this case, since specifically the costs of a subscription rights trade would not be at a reasonable ratio to the profit of the shareholders in case of peak amounts. Both the value of such peaks and the possible dilution effect are usually low for the individual shareholder. The free peaks excluded from the shareholders' subscription rights shall be utilised by sale via the stock exchange or otherwise in the best manner for the company. The General Partner and the Supervisory Board therefore consider this authorisation appropriate.

Furthermore, the General Partner is entitled to exclude the subscription right of the shareholders to bonds with consent of the Supervisory Board where it is required to grant the holders of already-issued conversion or option rights shares of the company or the creditors of convertible bonds already issued with conversion obligations a subscription right at the scope that they would be due if they had already executed their conversion or subscription right or if they had already met their conversion obligations. Bonds regularly contain dilution protection clauses in their conditions for the case that the company emits further bonds or shares to which the shareholders have subscription rights. For the value of the bond not to be impaired by such measures, the holders usually receive compensation for this by the conversion or subscription price being reduced or by giving them a subscription right to the bond issued later as well. To maintain the best flexibility in this respect, the possibility for excluding subscription rights therefore should apply in this case as well. Specifically, it is common on the market to give share creditors a subscription right to subsequent bonds so that the convertible or option bonds can be placed better. Furthermore, this can be used to prevent an otherwise necessary deduction of the conversion or subscription price and the finance structure of the company can be strengthened.

The General Partner also is to be entitled under corresponding application of § 186 para. 3 sentence 4 AktG to exclude the subscription right of the shareholders with consent of the Supervisory Board where the issue price of the bond does not essentially undercut the theoretic market value of the bonds with conversion and/or option rights or conversion obligations determined according to the recognised financial-mathematics methods. This subscription rights exclusion is necessary when bonds are to be placed quickly to use an advantageous market environment. Since the time and cost effort from processing of the subscription right is dispensed with in this respect, the issue conditions can be specified close to the market to achieve a higher funds inflow for the company. The shareholders' interests are maintained because the bonds must not be issued essentially below the market value, so that the value of such subscription right is almost zero. Each shareholder thus is able to purchase the shares required to maintain his share rate through the stock exchange at almost comparable conditions. Additional-

ly, the scope of this authorisation for subscription right exclusion is limited, since the shares issued or to be issued to serve conversion and/or option rights or to meet conversion obligations must not exceed a total of 10% of the share capital, neither at the time of entering into effect of this authorisation, nor at the time of execution of the authorisation - if this is lower. All shares that are issued or sold during the term of this authorisation under exclusion of subscription rights of the shareholders pursuant to or under corresponding application of § 186 para. 3 sentence 4 AktG shall be set off against the above maximum amount of 10 %. Furthermore, this number shall also consider the shares that have been issued or are to be issued to serve conversion and/or option rights, where the bonds have been issued during the term of this authorisation under exclusion of the subscription rights pursuant to § 186 para. 3 sent. 4 AktG. This set-off takes place in the interest of the shareholders and ensures the lowest possible dilution of their participation.

Apart from this, the General Partner shall finally also be authorised to exclude the subscription rights of the shareholders to the bonds with the consent of the supervisory council, where they are issued against contribution in kind for the purpose of (also indirect) acquisition of companies, company parts, participations in companies or other assets. The subscription rights exclusion shall, however, only be permitted if the value of the contribution in kind is at an appropriate ratio to the value of the bond. In case of bonds with conversion and/or option rights or conversion obligations, the market value shall be essential. The possibility to offer shares of the company as compensation in suitable cases is of advantage in competition for interesting acquisition objects and creates the necessary tolerances to use short-term opportunities for purchasing companies, company parts, participations in companies or other assets in the short term. This way, the market position and competitiveness of the company can be strengthened and further developed. Furthermore, the suggested authorisation to issue bonds against contributions in kind creates the best financing opportunity for the company, since it protects the company's liquidity and can strengthen the capital basis. The company does not incur any disadvantage from this, since the issue of bonds against contributions in kind requires that the value of the contributions in kind is at an appropriate ratio to the value of the bond. The General Partner will ensure when specifying the evaluation relation that the interests of the company and its shareholders are appropriately maintained.

The General Partner shall review carefully from case to case whether the purchase and issuing of bonds against contributions in kind is in the well-understood interest of the company. The General Partner and the Supervisory Board consider this authorisation appropriate.

Each issue of bonds excluding subscription rights may only take place under this authorisation if the amount of the share capital apportioned to the total new shares to be issued on the basis of such bonds does not exceed 20 % of the share capital. This limit applies both at the date when it comes into force and – if this value is lower – at the time this authorisation is exercised. This limit includes shares that were issued or sold during the term of this authorisation on the basis of another authorisation excluding the subscription right.

This document is a convenience translation of the German original. In case of discrepancy between the English and German versions, the German version shall prevail.

The General Partner shall report on any utilisation of the authorisation for the issuing of convertible bonds and/or option bonds to in the next general meeting in each case.

Cologne, 26 April 2017

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