

**Deutsche Beteiligungs AG**  
**Frankfurt am Main**

WKN 550 810  
ISIN DE0005508105

**Agenda for the**  
**2010 Annual Meeting**

This is a translation of the German Agenda. Please note that only the German text of this Agenda is binding and that in the event of any discrepancies the German text is authoritative.

**Invitation to the Ordinary Annual Meeting**

We take pleasure in inviting our shareholders to the Ordinary Annual Meeting of Deutsche Beteiligungs AG on Wednesday, 24 March 2010, 10:00 a.m., in the Palais im Zoo, Bernhard-Grzimek-Allee 1, D-60316 Frankfurt am Main.

**Agenda**

- 1. Presentation of the adopted Financial Statements and Management's Report for Deutsche Beteiligungs AG at 31 October 2009 with an explanatory report by the Board of Management on disclosures pursuant to § 289 (4) HGB (German Commercial Code); presentation of the approved Consolidated Financial Statements and Management's Report for the Group at 31 October 2009 with an explanatory report by the Board of Management pursuant to § 315 (4) HGB (German Commercial Code) and the Report of the Supervisory Board.**

The documents presented under Item 1 of the agenda can be viewed, beginning on the date of the convocation of the Annual Meeting, on the Internet site of the Company at [www.deutsche-beteiligungs.de/annualmeeting](http://www.deutsche-beteiligungs.de/annualmeeting). The same applies to the Board of Management's recommendation for the appropriation of the retained profit. These documents will also be available at the Annual Meeting on 24 March 2010 and will be elucidated verbally. A resolution by shareholders at the Annual Meeting on Item 1 of the Agenda is not proposed. The Supervisory Board approved the Financial Statements and the Consolidated Financial Statements prepared by the Board of Management in conformity with §§ 171, 172 AktG (German Stock Corporation Act). The Financial Statements have thus been adopted in accordance with § 172 AktG (German Stock Corporation Act). The requirements based on § 173 (1) AktG are therefore not given, subject to which the Annual Meeting of Shareholders would need to pass a resolution on the adoption of the Financial Statements and the approval of

the Consolidated Financial Statements. A resolution will be passed on the appropriation of the retained profit under Item 2 of the Agenda.

## **2. Resolution on the appropriation of retained profit**

The Board of Management and the Supervisory Board of Deutsche Beteiligungs AG recommend that the retained profit of €24,328,840.23 for financial year 2008/2009 be appropriated as follows:

Distribution of a dividend  
of €0.40 per dividend-bearing share,  
or a total of €5,470,543.60

Distribution of a surplus dividend  
of €0.60 per dividend-bearing share,  
or a total of €8,205,815.40

Profit carried forward  
to new account €10,652,481.23  
Retained profit €24,328,840.23

Insofar as own shares held by the Company exist on the day of the Annual Meeting, the resolution shall be modified and, based on an unchanged dividend of €0.40 per dividend-bearing share and a surplus dividend of €0.60 per dividend-bearing share, the residual amount that would be attributable to own shares shall be carried forward to new account.

## **3. Resolution on the ratification of the actions of the members of the Board of Management for financial year 2008/2009**

The Supervisory Board and the Board of Management recommend that the actions of the members of the Board of Management serving in financial year 2008/2009 be ratified for that period.

## **4. Resolution on the ratification of the actions of the members of the Supervisory Board for financial year 2008/2009**

The Board of Management and the Supervisory Board recommend that the actions of the members of the Supervisory Board serving in financial year 2008/2009 be ratified for that period.

## **5. Resolution on the appointment of auditors for financial year 2009/2010**

The Supervisory Board recommends that KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, be appointed as auditors for financial year 2009/2010.

The proposal is based on the recommendation of the audit committee.

## 6. Elections to the Supervisory Board

Dr Hans-Peter Binder and Professor Dr h.c. Rolf-Dieter Leister have resigned from their offices as members of the Supervisory Board effective concurrently with the conclusion of the Ordinary Annual Meeting on 24 March 2010.

The Supervisory Board nominates the following individuals for election to the Supervisory Board to succeed Dr Binder and Professor Leister:

- 6.1 Mr Gerhard Roggemann, domiciled in Hanover, Consultant/Vice Chairman of Hawkpoint Partners Ltd., London.

The election is for the duration of the resigning members' remaining term of office, which ends concurrently with the conclusion of the Annual Meeting that resolves on the actions of the corporate bodies for financial year 2009/2010.

Mr Roggemann holds offices on statutory supervisory bodies of the following domestic companies:

- Deutsche Börse AG, Vice Chairman
- GP Günter Papenburg AG, Schwarmstedt, Chairman

Mr Roggemann also holds the following offices on supervisory bodies comparable to statutory supervisory bodies of companies in Germany or abroad:

- F&C Asset Management Plc, Edinburgh
- Friends Provident Group Plc, Dorking
- Friends Provident Holdings (UK) Limited, London
- Resolution Limited, Guernsey

- 6.2 Mr Philipp Möller, domiciled in Hamburg, Managing Partner of Möller & Förster GmbH & Co. KG, Hamburg

The election is for the duration of the resigning members' remaining term of office, which ends concurrently with the conclusion of the Annual Meeting that resolves on the actions of the corporate bodies for financial year 2009/2010.

Mr Möller does not hold offices on statutory supervisory bodies or comparable supervisory bodies of companies in Germany or abroad.

It is proposed to hold the elections to the Supervisory Board by individual vote.

Nominations for elections are not binding upon the Annual Meeting. Pursuant to §§ 95 (1) sentence 2; 96 (1); 101 (1) AktG (German Stock Corporation Act) and § 9 (1) of the Articles of Association, the Supervisory

Board of Deutsche Beteiligungs AG consists of six members who are elected by Shareholders at the Annual Meeting.

## **7. Resolution on Authorisation for the acquisition and disposal of own shares and for the exclusion of pre-emptive tender rights for acquisitions and subscription rights for disposals**

The Authorisation granted by Shareholders at the preceding Annual Meeting on 26 March 2009 allowing the Company to acquire own shares in conformity with § 71 (1) No. 8 AktG (German Stock Corporation Act) is valid until 25 September 2010. To put the Company in a position to repurchase own shares in the future and to enhance the Company's scope over an extended period, the Existing Authorisation shall be cancelled and New Authorisation, which shall again be valid for 18 months, shall be granted.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

### **a) Authorisation for the acquisition of own shares**

The Board of Management shall be authorised, valid up to 23 September 2011, to acquire own shares of up to 10 % of the current share capital of €8,533,334.20 for purposes other than trading in own shares. The Authorisation granted at the Company's Annual Meeting on 26 March 2009 for the purchase of own shares shall be cancelled from the time the New Authorisation takes effect, to the extent that it has not yet been exercised. The acquired shares must not, in combination with other shares that are in the possession of the Company or that are attributable to the Company pursuant to §§ 71a et seq. AktG (German Stock Corporation Act), at any time, exceed 10 % of the share capital.

### **b) Types of acquisition**

The Board of Management may choose to purchase shares

- (1) via the stock exchange or
- (2) via a tender offer directed to all shareholders or an invitation to submit such a tender. For shares acquired via the stock exchange, the purchase price paid by the Company per share (excluding transaction costs) must not exceed or fall short of the opening quotation for the Company's shares in Xetra trading (or a comparable successor system) on the day of trading by more than 10%.

For shares acquired via a tender offer directed to all shareholders or an invitation to submit such a tender, the stated purchase price or the caps of the purchase price spread per share (excluding transaction costs) must not exceed the average closing quotation for the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange over the last five days of trading preceding the public announcement of the Company's tender offer or invitation to submit such a tender by more than 10 % or fall short of it by more than 15 %. Should there be significant deviations from the relevant price subsequent to the announcement of a tender offer or an invitation to submit such a tender, the tender offer or invitation to submit such a tender may be adjusted. In this event, the price shall be geared to the average closing quotation for the

Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange over the last five days of trading preceding the public announcement of any such adjustment. The volume of the tender offer or invitation to submit such a tender may be limited. Should the volume of the shares tendered through a tender offer or invitation to submit such a tender exceed the planned repurchase volume, the shares may be accepted in proportion to the shares subscribed or tendered; shareholders' right of tendering shares based on the percentage of shares they hold is therefore excluded. Preferential acceptance of smaller allotments of up to 100 shares tendered per shareholder and rounding to avoid fractional shares are admissible. Any further pre-emptive tender rights are thus excluded. The tender offer or invitation to submit such a tender may specify further conditions.

### **c) Disposal of treasury shares**

The Board of Management shall be authorised, subject to consent by the Supervisory Board, to dispose of treasury shares acquired under the Authorisation stated in a) and b) under suspension of shareholders' pre-emptive rights by ways other than via the stock exchange or by an offer to all shareholders,

– if the disposal price to be paid in cash is not significantly lower than the stock market price of the shares. The number of shares disposed of in this manner must not exceed 10 % of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised. In determining the maximum limit of 10 % of the share capital, those shares shall be included that were issued or disposed under suspension of pre-emptive rights in direct or corresponding application of § 186 (3) sentence 4 AktG (German Stock Corporation Act) during the term of this Authorisation. New shares that are issued to service option rights and/or conversion rights or conversion obligations arising from convertible bonds and/or warrant-linked bonds or convertible participatory notes shall also be included, insofar as these bonds or participatory notes were issued during the term of this Authorisation under suspension of shareholders' pre-emptive rights in corresponding application of § 186 (3) sentence 4 AktG (German Stock Corporation Act);

– against non-cash contributions for the purpose of acquisitions of companies, parts of companies, equity interests in companies or other assets in conjunction with acquisitions or in the context of mergers.

The Board of Management shall also be authorised, with the consent of the Supervisory Board, to use own shares acquired as stated in a) and b) under suspension of shareholders pre-emptive rights as follows:

– to fulfil subscription or conversion rights arising from the exercise of warrants and/or conversion rights or the fulfilment of conversion obligations that were granted or issued based on the Authorisation to issue warrant-linked bonds and/or convertible bonds adopted by Shareholders at the Ordinary Annual Meeting on 24 March 2010 under Agenda Item 9.

### **d) Retirement and cancellation of own shares**

The Board of Management shall be authorised, subject to consent by the Supervisory Board, to retire and cancel shares acquired on the basis of the Authorisation stated in a) and b), wholly or in part, without the

retirement and cancellation or execution thereof requiring a further resolution by the Annual Meeting of Shareholders. The Board of Management may decide not to reduce the share capital in conjunction with the cancellation of the shares, thereby increasing the proportional amount of the share capital attributable to the remaining shares, pursuant to § 8 (3) AktG (German Stock Corporation Act). In this event, the Board of Management is authorised to adapt the reference to the number of shares in the Articles of Association.

**e) Exercise in parts and by controlled companies or by third parties for account of the Company or its controlled companies**

All aforementioned Authorisations may be exercised by the Company wholly or in part, once or several times, in pursuit of one or several purposes. The Authorisations – with the exception of the Authorisation to retire and cancel own shares – may also be exercised by controlled companies or in which the majority is held or by third parties acting for account of the Company or its controlled companies.

**f) Exclusion of pre-emptive rights for disposals**

Shareholders' pre-emptive rights shall be excluded, insofar as these shares are used in accordance with the aforementioned Authorisation as stated in c).

**Report of the Board of Management consistent with §§ 71 (1) No. 8 sentence 5; 186 (4) sentence 2 AktG (German Stock Corporation Act) on Agenda Item 7 concerning the reasons for authorising the Board of Management to exclude shareholders' pre-emptive tender rights and subscription rights for purchases and disposals of own shares**

Pursuant to § 71 (1) No. 8 AktG (German Stock Corporation Act) provides for the purchase of own shares up to a total of 10 % of the share capital, subject to authorisation by the Annual Meeting of Shareholders. The Board of Management was authorised by resolution adopted at the Annual Meeting on 26 March 2009 to purchase own shares in conformity with § 71 (1) No. 8 AktG (German Stock Corporation Act) up to 25 September 2010. The resolution submitted under Item 7 of the Agenda provides for New Authorisation to be granted to the Board of Management, valid for a period of 18 months, to purchase own shares, which, taken together with own shares already held by the Company, may not exceed 10 % of the share capital. The Existing Authorisation expires when the New Authorisation comes into force, to the extent that it has not yet been exercised.

**(1) Exclusion of pre-emptive tender rights in purchasing own shares**

The Authorisation to acquire own shares is intended to put the Board of Management in a position to utilise the financial instrument of share repurchases in the interest of the Company and its shareholders.

The repurchases shall be accomplished via the stock exchange or via tender offer to all shareholders or invitation to submit such a tender, as the Board of Management may choose.

–If the purchase is to be accomplished via a tender offer to all shareholders or invitation to submit such a tender, the volume of the tender offer or invitation to submit such a tender may be limited. It could thus occur that the volume of shares tendered by shareholders may exceed the volume of shares the Company intends to buy back. In that event, a quota allotment must be performed. It should be possible to scale down the allotment in proportion to the number of shares subscribed or tendered (pro rata basis), instead of on the basis of the percentage of shares held. Additionally, it should be possible to provide for preferential acceptance of smaller allotments of up to 100 shares per shareholder. This option serves to avoid fractional amounts and small residual quantities in determining the quotas to be repurchased and, consequently, simplifies the settlement procedures of the buyback. This also avoids any factual disadvantages to small shareholders. Finally, the possibility should also exist to round off quantities to avoid arithmetic fractions of shares. This allows rounding the acquisition quota and the number of shares to be purchased from individual tendering shareholders in manner required to transact purchases of whole shares. The Board of Management and the Supervisory Board consider it justified to exclude any farther-reaching pre-emptive rights in this context.

## **(2) Exclusion of subscription rights for disposals of treasury shares**

The option of selling treasury shares serves as a simplified means to generate funds. In conformity with § 71 (1) No. 8 sentence 5 AktG (German Stock Corporation Act), the Annual Meeting of Shareholders may authorise the Company to dispose of shares in other ways than via the stock exchange or an offer to all shareholders.

Based on Agenda Item 7 c), first hyphen, this is conditional upon treasury shares being sold against cash for a price that does not substantially fall short of the stock market price of the Company's shares. This makes use of the legally admissible simplified option of excluding shareholders' pre-emptive rights in application of § 186 (3) sentence 4 AktG (German Stock Corporation Act). The principle of dilution protection is given adequate consideration, since the shares may only be sold for a price that does not substantially fall short of the stock market price. The final sales price for own shares is established on a timely basis prior to the sale. The Board of Management will – with the consent of the Supervisory Board – keep the discount to the stock market price as low as possible based on prevailing market conditions at the time of placement. The discount to the stock market price will not, in any event, exceed 5 %. In light of the intense competition on equity markets, the possibility of selling treasury shares with pre-emptive rights excluded and in other ways than via the stock exchange or an offer to all shareholders is in the Company's interest. This creates opportunities for the Company to quickly and flexibly offer own shares to national and international investors, expand the shareholder base and stabilise the share value. Selling treasury shares at prices that do not substantially fall short of stock market prices and limiting the proportion of treasury shares to a maximum of 10 % of the share capital (both at the time the Authorisation takes effect and when it is exercised) sufficiently safeguard the financial interests of shareholders. In determining the maximum limit of 10 % of the share capital, all shares will be included that were issued or sold under suspension of pre-emptive rights in direct or corresponding application of § 186 (3) sentence 4 AktG (German Stock Corporation Act) during the term of the Authorisation, e.g. from authorised capital. New shares that are issued to service option and/or conversion rights or conversion obligations arising from convertible bonds and/or warrant-linked bonds or participatory notes shall also be included, insofar as these bonds or participatory notes were issued during the term of this Authorisation under suspension of shareholders' pre-emptive rights in application of § 186 (3) sentence 4

AktG 8 (German Stock Corporation Act). Since the treasury shares are placed close to the stock market price, every shareholder can principally make on-market purchases at approximately the same conditions to maintain his or her proportionate interest in the Company.

Additionally, the proposed resolution in Agenda Item 7 c), second hyphen, enables the Company to have treasury shares available to offer against non-cash contribution in conjunction with the mergers of companies, acquisitions of companies or parts of companies or equity investments in companies, and also to be able to offer consideration for the acquisition of major tangible assets and of assets in conjunction with an acquisition project. There is growing demand for this form of consideration in the market for mergers and acquisitions as well as for other particularly attractive asset acquisitions. The proposed Authorisation is intended to grant the Company the required flexibility to quickly and flexibly exploit opportunities that arise to acquire companies or interests in companies or other assets in conjunction with acquisition projects.

Additionally, the Board of Management is also to be authorised under Agenda Item 7 c), third hyphen, to use own shares acquired on the basis of the proposed Authorisation to service subscription or conversion rights arising from the exercise of option and/or conversion rights or the fulfilment of conversion obligations to holders of warrant-linked bonds and/or convertible bonds that are issued by the Company or one of its directly or indirectly controlled companies pursuant to the Authorisation to issue warrant-linked bonds and/or convertible bonds adopted by Shareholders at the Annual Meeting on 24 March 2010 under Agenda Item 9. The frame for the bond terms are laid down in Item 9 of the Agenda for the Annual Meeting on 24 March 2010. The Board of Management has submitted a written report concerning the reasons to authorise the Board of Management to exclude shareholders' pre-emptive rights when issuing warrant-linked bonds and/or convertible bonds, which can be found in the section following Item 9 of the Agenda for the Annual Meeting on 24 March 2010. Insofar as the Company makes use of the option of utilising own shares to service options and/or conversion rights arising from bonds, the Contingent Capital 2010/I, which is to be resolved under c) of Item 9 of the Agenda for the Annual Meeting on 24 March 2010, must not necessarily be used. Consequently, there is no strain on shareholders beyond the dilutive effects that may possibly be linked to an exclusion of pre-emptive rights for issues of warrant-linked bonds and/or convertible bonds. Rather, this augments the Board of Management's flexibility, as it is not compelled to service the aforementioned warrant-linked bonds and/or convertible bonds from Conditional Capital, but may also use treasury shares if this is deemed more appropriate under the given circumstances in the interests of the Company and its shareholders.

In taking its decisions on the use of own shares, the Board of Management will be guided exclusively by the interests of shareholders and of the Company.

The Board of Management will report on the application of the aforementioned Authorisations at the next Annual Meeting.

## **8. Resolution on the creation of Authorised Capital 2010 with the option of excluding subscription rights and amendments to the Articles of Association to that effect**

The Authorisation of the Board of Management, resolved by the Annual Meeting of Shareholders on 17 March 2005 pursuant to § 5 (3) of the Articles of Association, to raise the share capital, with the consent of the Supervisory Board, by up to €24,266,665.80 by one or several issues of no par bearer shares in exchange for

cash or non-cash contributions (Authorised Capital) expires on 16 March 2010. It is to be replaced by new Authorised Capital.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

a) The Board of Management shall be authorised, subject to the approval of the Supervisory Board, to raise the share capital in the period until 23 March 2015 by up to a total of €24,266,665.33 by one or several issues of new no par bearer shares in exchange for cash or non-cash contributions (Authorised Capital 2010). The number of shares in that context must be increased proportionately to the share capital.

Shareholders shall principally be granted subscription rights. The new shares may be underwritten by one or more banking organisations or companies appointed by the Board of Management within the scope of § 186 (5) sentence 1 AktG (German Stock Corporation Act) with the obligation of offering them to shareholders (indirect subscription right).

The Board of Management, however, shall be authorised, subject to the approval of the Supervisory Board, to exclude shareholders' subscription rights

– to except fractional amounts from shareholders' pre-emptive rights;

– if the new shares are to be issued in exchange for cash contributions and the issue price per share does not significantly fall short of the stock market price of the quoted shares at the time the issue price is fixed. The total number of shares issued in this way under exclusion of shareholders' subscription rights shall not exceed 10 % of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised. In determining the maximum limit of 10 % of the share capital, those shares shall be included that were issued or disposed under suspension of pre-emptive rights in direct or corresponding application of § 186 (3) sentence 4 AktG (German Stock Corporation Act) during the term of this Authorisation. New shares that are issued to service options and/or conversion rights or conversion obligations arising from warrant-linked bonds and/or convertible bonds or convertible participatory notes shall also be included, insofar as these bonds or participatory notes were issued during the term of this Authorisation under suspension of shareholders' pre-emptive rights in application of § 186 (3) sentence 4 AktG (German Stock Corporation Act);

– if the capital increase is performed in exchange for non-cash contributions for the purpose of acquisitions of companies, parts of companies, equity interests in companies or other assets in conjunction with acquisition projects or in the context of mergers.

– insofar as this is required to grant subscription rights for the new shares to holders or creditors of warrant-linked bonds and/or convertible bonds issued or that were or will be issued by Deutsche Beteiligungs AG or companies in which it directly or indirectly holds a majority, to the extent to which they would be entitled upon the exercise of their option or conversion rights or upon the fulfilment of conversion obligations;

and only insofar as the shares issued against cash and/or non-cash contributions under suspension of shareholders' pre-emptive rights during the term of this Authorisation do not, in total, exceed 20 % of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised.

The Board of Management shall be authorised, with the consent of the Supervisory Board, to stipulate the details of the capital increase as well as the terms of the share issuance, particularly the issue price.

The Supervisory Board shall be authorised to adapt the wording of the Articles of Association upon utilisation of the Authorised Capital 2010 or upon expiry of the authorisation period for the utilisation of the Authorised Capital 2010.

b) § 5 (3) of the Articles of Association, whose current wording will become invalid following the Authorisation's expiry on 16 March 2010, shall be amended as follows:

"(3) The Board of Management shall be authorised, with the consent of the Supervisory Board, to raise the share capital until 23 March 2015 by up to a total of €24,266,665.33 (Authorised Capital 2010) through one or several issues of new no par bearer shares in exchange for cash and/or non-cash contributions. The number of shares in that context must be increased proportionately to the share capital.

Shareholders shall principally be granted subscription rights. The new shares may be underwritten by one or more banking organisations or companies appointed by the Board of Management within the scope of § 186 (5) sentence 1 AktG (German Stock Corporation Act) with the obligation of offering them to shareholders (indirect subscription right).

The Board of Management, however, shall be authorised, subject to the approval of the Supervisory Board, to exclude subscription rights

– to except fractional amounts from shareholders' pre-emptive rights;

– if the new shares are to be issued in exchange for cash contributions and the issue price per share does not significantly fall short of the stock market price of the quoted shares at the time the issue price is fixed. The total number of shares issued in this way under exclusion of shareholders' subscription rights shall not exceed 10 % of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised. In determining the maximum limit of 10 % of the share capital, those shares shall be included that were issued or disposed under suspension of subscription rights in direct or corresponding application of § 186 (3) sentence 4 AktG (German Stock Corporation Act) during the term of this Authorisation. New shares that are issued to service option and/or conversion rights or conversion obligations arising from warrant-linked bonds and/or convertible bonds or convertible participatory notes shall also be included, insofar as these bonds or participatory notes were issued during the term of this Authorisation under suspension of shareholders' subscription rights in application of § 186 (3) sentence 4 AktG (German Stock Corporation Act);

– if the capital increase is performed in exchange for non-cash contributions for the purpose of acquisitions of companies, parts of companies, equity interests in companies or other assets in conjunction with acquisition projects or in the context of mergers.

– insofar as this is required to grant subscription rights for the new shares to holders or creditors of warrant-linked bonds and/or convertible bonds issued or that were or will be issued by Deutsche Beteiligungs AG or

companies in which it directly or indirectly holds a majority to the extent to which they would be entitled upon the exercise of their option or conversion rights or upon the fulfilment of conversion obligations;

and only insofar as the shares issued against cash and/or non-cash contributions under suspension of shareholders' pre-emptive rights during the term of this Authorisation do not, in total, exceed 20 % of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised.

The Board of Management shall be authorised, with the consent of the Supervisory Board, to stipulate the details of the capital increase as well as the terms of the share issuance, particularly the issue price.

The Supervisory Board shall be authorised to adapt the wording of the Articles of Association upon utilisation of the Authorised Capital 2010 or upon expiry of the authorisation period for the utilisation of the Authorised Capital 2010.

**Report of the Board of Management consistent with §§ 203 (2) sentence 2, 186 (4) sentence 2 AktG (German Stock Corporation Act) on Agenda Item 8 concerning the reasons for the exclusion of shareholders' subscription rights for capital increases from Authorised Capital**

Under Item 8 of the Agenda, the Board of Management and the Supervisory submit a resolution for adoption at the Annual Meeting to create Authorised Capital 2010 of up to €24,266,665.33. The Authorised Capital 2010 is to replace the previous Authorised Capital in accordance with § 5 (3) of the Articles of Association, which expires on 16 March 2010. For reasons of flexibility, the Authorised Capital 2010 can be used for capital increases in exchange for both cash and non-cash contributions. In the event of capital increases from Authorised Capital 2010, shareholders shall principally be granted subscription rights. Furthermore, the shares may be underwritten by one or more banking organisations or companies appointed by the Board of Management within the scope of § 186 (5) sentence 1 AktG (German Stock Corporation Act) with the obligation of offering them to shareholders (so-called indirect subscription right).

The Board of Management, however, is to be authorised, subject to the approval of the Supervisory Board, to exclude shareholders' subscription rights

– to except fractional amounts from shareholders' pre-emptive rights;

– if the new shares are to be issued in exchange for cash contributions and the issue price per share does not significantly fall short of the stock market price of the quoted shares at the time the issue price is fixed. The total number of shares issued in this way under exclusion of shareholders' subscription rights shall not exceed 10 % of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised. In determining the maximum limit of 10 % of the share capital, those shares shall be included that were issued or disposed under suspension of subscription rights in direct or corresponding application of § 186 (3) sentence 4 AktG (German Stock Corporation Act) during the term of this Authorisation. New shares that are issued to service options and/or conversion rights or conversion obligations arising from warrant-linked bonds and/or convertible bonds or convertible participatory notes shall also be included, insofar as these bonds or participatory notes were issued during the term of this Authorisation under suspension of shareholders' subscription rights in application of § 186 (3) sentence 4 AktG (German Stock Corporation Act);

– if the capital increase is performed in exchange for non-cash contributions for the purpose of acquisitions of companies, parts of companies, equity interests in companies or other assets in conjunction with acquisition projects or in the context of mergers.

– insofar as this is required to grant subscription rights for the new shares to holders or creditors of warrant-linked bonds and/or convertible bonds issued or that were or will be issued by Deutsche Beteiligungs AG or companies in which it directly or indirectly holds a majority to the extent to which they would be entitled upon the exercise of their option or conversion rights or upon the fulfilment of conversion obligations;

and only insofar as the shares issued against cash and/or non-cash contributions under suspension of shareholders' subscription rights during the term of this Authorisation do not, in total, exceed 20 % of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised.

The Board of Management submits the following report in accordance with §§ 203 (2) sentence 2, 186 (4) sentence 2 AktG (German Stock Corporation Act) on this Authorisation of excluding shareholders' subscription rights with the consent of the Supervisory Board:

#### **(1) Exclusion of shareholders' subscription rights for fractional amounts**

Shareholders' subscription rights are to be excluded for fractional amounts. This authorisation serves to create a practicable subscription ratio with regard to the amount of the respective capital increase. Without the suspension of subscription rights for fractional amounts, the issue procedure would be considerably more difficult to transact, particularly for capital increases involving round sums. New shares that ensue from fractional amounts under suspension of subscription rights will be sold on the stock exchange or used in other best possible ways. For these reasons, the Board of Management and the Supervisory Board consider the exclusion of subscription rights appropriate.

#### **(2) Exclusion of shareholders' subscription rights if the issue price of the new shares does not significantly fall short of the stock market price and the new shares issued in this way under suspension of subscription rights do not exceed 10 % of the share capital**

Shareholders' subscription rights may also be excluded if the new shares are issued in exchange for cash contributions in accordance with §§ 203 (1), 186 (3) sentence 4 AktG (German Stock Corporation Act) for a price not significantly lower than the stock market price and if the total proportionate share in the share capital attributable to the issued shares does not exceed 10 % of the share capital, neither at the time the Authorisation takes effect, nor when it is exercised. The Authorisation enables the Company to cover any capital requirement at very short notice and to quickly and flexibly take advantage of market opportunities. The suspension of subscription rights is conducive to responding quickly to arising opportunities without the costly and time-consuming formal procedures involved in a capital increase with subscription rights and enables the placement of new shares at prices close to stock market rates, meaning without the usual discount for subscription right issues. Additionally, such capital increases are suitable to attract new investors nationally and internationally. When exercising the Authorisation, the Board of Management, with the consent of the Supervisory Board, will

keep the discount to the stock market price as low as the prevailing market conditions at the time of placement permit. The discount to the stock market price will not, in any event, exceed 5% of the stock market price.

Moreover, the extent of the cash capital increase under suspension of subscription rights in accordance with § 186 (3) sentence 4 AktG (German Stock Corporation Act) is limited to 10 % of the share capital at the time the Authorisation takes effect or, if lower, when the Authorisation to exclude shareholders' subscription rights is exercised. In determining the maximum limit of 10 %, those shares will be included that were issued or disposed under suspension of subscription rights in direct or corresponding application of § 186 (3) sentence 4 AktG (German Stock Corporation Act) during the term of this Authorisation, e.g. own shares. New shares that are issued to service options and/or conversion rights or conversion obligations arising from warrant-linked bonds and/or convertible bonds or convertible participatory notes will also be included, insofar as these bonds or participatory notes were issued during the term of this Authorisation under suspension of shareholders' subscription rights in application of § 186 (3) sentence 4 AktG (German Stock Corporation Act). This limitation adequately safeguards shareholders against a dilution of their holdings. Since the new shares are placed close to the stock market price, every shareholder can acquire shares in the market to maintain their proportionate interests in the Company on virtually equal terms.

### **(3) Exclusion of shareholders' subscription rights for capital increases in exchange for non-cash contributions**

The proposed resolution also provides for Authorisation to suspend shareholders' subscription rights if the capital increase is effected in exchange for non-cash contributions in conjunction with the acquisition of companies, parts of companies, equity interests in companies or other assets in conjunction with acquisition projects or in the context of mergers. This gives the Company the required leeway to quickly, flexibly and liquidity-sparingly take advantage of opportunities that arise to acquire companies, participatory interests in companies or parts of companies or to transact mergers as well as to acquire other major tangible assets or assets in conjunction with acquisition projects to improve its competitive position and augment its profitability. Transactions frequently call for very high contributions, and often it is not possible or desirable to pay these in cash. In many cases, the vendors of attractive companies or other attractive assets prefer receiving the buyer's voting shares as consideration. To purchase such enterprises or other assets, the Company should be in a position to offer its shares as non-cash contributions. Since such acquisition opportunities frequently arise at short notice, it will generally be too late to put the issue up to shareholders' vote at an Annual Meeting, which principally convenes only once annually. It is therefore essential to create an Authorised Capital which the Board of Management – with the consent of the Supervisory Board – can quickly access. In such events, the Board of Management will ensure that shareholders' interests are adequately considered when determining the pricing ratios, and it will also take the stock market price of the Company's shares into account. The Board of Management will only make use of this Authorisation if the exclusion of subscription rights on a case-by-case basis is in the Company's best interest. There are currently no concrete acquisition projects for which the proposed Authorisation for capital increases in exchange for non-cash contributions with shareholders' subscription rights excluded is to be exercised.

### **(4) Exclusion of shareholders' subscription rights insofar as is necessary to grant subscription rights for new shares to holders or creditors of warrant-linked bonds and/or convertible bonds to the extent to**

**which they would be entitled upon exercising their options and/or conversion rights or upon the fulfilment of conversion obligations**

Moreover, it should be possible, if necessary, to exclude shareholders' subscription rights in order to grant subscription rights for new shares to holders or creditors of warrant-linked bonds and/or convertible bonds issued by the Company or its subsidiaries utilising the Authorised Capital 2010 to the extent to which they would be entitled upon exercising their option and/or conversion rights or upon the fulfilment of conversion obligations arising from these bonds. To facilitate the placement of bonds in the capital market, the warrant or bond terms generally contain anti-dilutive provisions. One way of providing anti-dilutive protection is to grant holders and creditors of bonds subscription rights to new shares for subsequent capital increases the way shareholders are entitled to. They would thus be treated as if they already were shareholders. To attach such an anti-dilutive provision to bonds, shareholders' subscription rights to new shares must be excluded. This serves to facilitate the placement of bonds and, consequently, and serves shareholders' interest in achieving an optimal financing structure for the Company.

Alternatively, another option to hedge against dilution would be to reduce the warrant or bond price, insofar as this is admissible under the warrant or bond conditions. This, however, would be more complicated and more cost-intensive for the Company. In addition, it would reduce the inflow of capital arising from the exercise of option and conversion rights or conversion obligations. It would also be conceivable to issue bonds not hedged against dilution. However, this would be much less attractive for the market.

**(5) Utilisation of the Authorisations and limitation of the exclusion of subscription rights to 20 % of the share capital in total**

The Board of Management is also authorised, in accordance with (1) to (4) above, to exclude shareholders' subscription rights using the Authorised Capital 2010 only to the extent that the proportionate amount in the share capital attributable to shares issued under suspension of shareholders' subscription rights does not exceed 20 % of the share capital in total, neither at the time this Authorisation takes effect, nor when it is exercised.

The Board of Management and the Supervisory Board will carefully examine on a case-by-case basis whether to make use of one of its authorisations to effect a capital increase with shareholders' subscription rights excluded. This option will only be exercised, if, in the opinion of the Board of Management and the Supervisory Board, this is in the interest of the Company and its shareholders.

The Board of Management will report on any exercise of the aforementioned authorisations to exclude shareholders' subscription rights at the next Ordinary Annual Meeting.

**9. Resolution on Authorisation to issue warrant-linked bonds and/or convertible bonds and to exclude shareholders pre-emptive rights, cancellation of the existing Conditional Capital and creation of new Conditional Capital as well as amendments to the Articles of Association to that effect**

At the Annual Meeting on 17 March 2005, shareholders authorised the Board of Management to issue bearer and/or registered warrant-linked bonds and/or convertible bonds by one or several issues. This authorisation

expires on 16 March 2010. The Board of Management did not make use of this Authorisation. The Conditional Capital created to provide cover for this Authorisation pursuant to § 5 (4) of the Articles of Association resolved at the Annual Meeting on 17 March 2005 shall therefore be cancelled.

The Authorisation granted to the Board of Management by shareholders at the Annual Meeting on 27 March 2001 to issue, once or several times, stock options to members of the Company's management team expired on 24 March 2006. Insofar as the Board of Management made use of this Authorisation, all stock options granted on that basis have meanwhile either expired or been settled in cash. The Conditional Capital to provide cover for the stock option programme pursuant to § 5 (4) of the Articles of Association resolved at the Annual Meeting on 27 March 2001 is no longer required and shall therefore be cancelled as well.

The expiring Authorisation to issue bearer and/or registered warrant-linked bonds and/or convertible bonds and the Conditional Capital which is to be cancelled shall be replaced by a new authorisation to issue warrant-linked bonds and/or convertible bonds and the creation of new Conditional Capital.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

**a) Authorisation to issue warrant-linked bonds and/or convertible bonds and to exclude subscription rights**

**aa) Authorisation period, extent of authorisation, term**

The Board of Management shall be authorised, with the consent of the Supervisory Board, to issue, by one or in several issues, bearer and/or registered warrant-linked bonds and/or convertible bonds (hereinafter jointly referred to as "**bonds**") in the period until 23 March 2015 with or without a maturity cap for a total nominal amount of up to €160,000,000.00 and to grant holders of warrant-linked bonds warrants and the holders or creditors of convertible bonds conversion rights to bearer shares in the Company with a proportionate share in the share capital of up to €24,266,665.33 under the conditions specified for the warrant-linked bonds or convertible bonds (hereinafter jointly referred to as "**bond conditions**").

In addition to euros, the bonds may also be denominated in an official currency of an OECD country, limited to the equivalent amount in euros.

The bonds may also be issued by affiliates in which the Company directly or indirectly holds a majority. In such an event, the Board of Management shall be authorised, with the consent of the Supervisory Board, to guarantee for the bonds and to grant the holders and/or creditors of such bonds option or conversion rights to bearer shares in the Company.

The individual issuances may be denominated into debentures each carrying equal rights.

**bb) Subscription rights and exclusion of pre-emptive rights**

Shareholders are principally entitled to subscription rights to bond issues. Shareholders' statutory pre-emptive rights may be accommodated in that bond issuances are underwritten, in application of § 186 (5) sentence 1

AktG (German Stock Corporation Act), by one or more banking organisations appointed by the Board of Management with the obligation of offering the bonds to shareholders (indirect pre-emptive right). If bonds are issued by affiliates in which the Company directly or indirectly holds a majority, the Company shall ensure that shareholders are granted pre-emptive rights in accordance with the stipulations above.

The Board of Management shall, however, be authorised to exclude pre-emptive rights, with the consent of the Supervisory Board, for the following purposes:

- to except fractional amounts from shareholders pre-emptive rights;
- insofar as bonds are issued in exchange for cash and the issue price is not significantly lower than the theoretical market value determined on the basis of accepted methods of financial mathematics. The number of shares issued to service bonds in this way under suspension of shareholders' pre-emptive rights shall not, in total, exceed 10 % of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised. In determining the maximum limit of 10 % of the share capital, those shares shall be included that were issued or disposed under suspension of subscription rights in direct or corresponding application of § 186 (3) sentence 4 AktG (German Stock Corporation Act) during the term of this Authorisation.
- insofar as is required in order to grant pre-emptive rights to holders or creditors of warrant-linked bonds and/or convertible bonds with option or conversion rights or conversion obligations issued by Deutsche Beteiligungs AG or affiliates in which the Company directly or indirectly holds a majority to the extent to which such holders or creditors would be entitled upon the exercise of their option and/or conversion rights or upon the fulfilment of the conversion obligation.

### **cc) Option and conversion rights, possible conversion obligation**

In the event of a warrant-linked bond issue, one or more warrants shall be attached to each bond entitling the holder to subscribe for bearer shares in the Company under the terms of a warrant-linked bond issue to be specified by the Board of Management. For warrant-linked bonds issued by the Company that are denominated in euros, the bond conditions may provide for the fact that the option premium may be fulfilled wholly or in part through a transfer of bonds and, if appropriate, an additional cash payment. The proportionate amount in the share capital attributable to the shares eligible for subscription per bond must not exceed the nominal amount of the bond. The requirements of § 9 (1) in conjunction with § 199 (2) AktG (German Stock Corporation Act) shall be observed. In the event of fractional shares, the warrant or bond conditions may specify that these fractional shares may be added together for subscription to whole shares, possibly against an extra payment.

In the event of a convertible bond issue, the holders or creditors of these bonds are granted an irrevocable entitlement to convert their convertible bonds into bearer shares in the Company (conversion right) under the conditions of the convertible bond issue to be specified by the Board of Management. The conversion ratio is derived by dividing the nominal value or the lower issue price of a bond by the fixed conversion price for a bearer share in the Company. The conversion ratio may be rounded up or down to even amounts; furthermore, an additional cash payment may be fixed. Additionally, fractional amounts may be taken together and/or settled in cash. The proportionate amount in the share capital of the shares to be issued upon conversion per

bond must not exceed the nominal value of the convertible bond. The requirements of § 9 (1) in conjunction with § 199 (2) AktG (German Stock Corporation Act) must be observed. The conversion conditions may also substantiate a conversion obligation at maturity (or at some other point in time) or provide for the Company's right to grant the holders or creditors of convertible bonds, wholly or in part, shares in the Company at maturity (this also extends to maturity at call), instead of the amount due in cash. In this event as well, the proportionate amount in the share capital of the shares to be issued upon conversion per bond must not exceed the nominal value of the convertible bond. The requirements of § 9 (1) in conjunction with § 199 (2) AktG (German Stock Corporation Act) shall be observed.

Instead of delivering bearer shares, the bond conditions can also provide for the Company's right to settle conversion or option rights by a cash payment that corresponds to the product derived from the number of shares to be delivered and the volume-weighted average closing price of the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange over the ten days of trading following the day on which the option or conversion exercise was declared. In the event that the Company announces that it will exercise its right to pay an amount in cash instead of delivering shares subsequent to the declaration of conversion or option exercise, the ten days of trading shall only start after three days of trading subsequent to the Company's announcement of a cash settlement.

The bond conditions may also provide for the Company's option to service the bonds upon conversion or option exercise by delivering existing bearer shares in the Company or shares in another quoted company, instead of new bearer shares issued from Conditional Capital.

#### **dd) Option or conversion price**

The option or conversion price for one share must – even when applying the following dilution protection provisions – amount to at least 80 % of the volume-weighted average closing price in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange

– on the ten days of trading prior to the Board of Management's resolution on the bond issuance or

– insofar as shareholders are entitled to subscription rights for the bond issue, during the days in which the subscription rights for the bonds are traded on the Frankfurt Stock Exchange, except for the final two days in which the subscription rights are traded.

If the convertible bond conditions provide for the Company's right to grant the holders or creditors of convertible bonds, wholly or in part, shares in the Company instead of the amount due in cash, and the Company exercises this right, the conversion price shall correspond to the conversion price derived in conformity with the aforementioned paragraphs on the third day of trading prior to maturity ("valuation date"), whereby the Company may, if appropriate, pay the holders or creditors of the convertible bonds an additional amount that corresponds to the difference between the nominal value of the bond and the current market price of the shares (volume-weighted average closing price of the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange over the 20 days of trading immediately prior to the valuation date) to be delivered. In this event as well, the proportionate amount in the share capital of the shares to be issued upon conversion per bond must not exceed the nominal value of the convertible bond. The

requirements of § 9 (1) in conjunction with § 199 (2) AktG (German Stock Corporation Act) shall be observed.

#### **ee) Dilution protection**

Notwithstanding § 9 (1) AktG (German Stock Corporation Act), the option or conversion price may, based on an anti-dilutive clause as stipulated by the bond conditions, be reduced through the payment of a commensurate amount in cash when exercising option or conversion rights or fulfilling a conversion obligation or by reducing the additional payment, if the Company increases the share capital during the option or conversion period with pre-emptive rights for its shareholders or issues further warrant-linked bonds or convertible bonds or grants other option rights and does not grant subscription rights to the holders of option or conversion rights to the extent to which they would be entitled upon exercising their option or conversion rights. Instead of a cash payment or reduction of the additional payment, the conversion ratio may – insofar as possible – be adjusted by dividing by a reduced option or conversion price. Additionally, the terms may provide for an adaptation of the option or conversion rights in the event of a capital decrease or other extraordinary event (such as exceptionally high dividends, control gained by third parties). In the event that control is gained by a third party, the terms may provide for an adaptation of the option or conversion price in line with market practice.

#### **ff) Details of issuance and additional features**

The Board of Management shall be authorised, with the consent of the Supervisory Board and in compliance with the principles laid down in this Authorisation, to stipulate the further details involving the issuance and features of bonds or to stipulate or agree the bond conditions with the respective management boards and supervisory bodies of affiliates in which the Company holds a direct or indirect majority performing the issuance. This pertains in particular to the interest rate, issue price, term and denomination, subscription and conversion ratio, the substantiation of a conversion obligation, the fixing of an additional cash payment, rounding off or taking together fractional amounts, cash settlement instead of delivering shares, delivery of existing instead of new shares, the option or conversion price, dilution protection, and the option or conversion exercise period

#### **b) Cancellation of existing Conditional Capital**

aa) The conditional capital increase of up to €19,413,334.20 resolved by shareholders at the Annual Meeting on 17 March 2005 under Item 7 of the Agenda of that Meeting shall be cancelled.

bb) The conditional capital increase of up to €1,820,000.00 resolved by shareholders at the Annual Meeting on 27 March 2001 under Item 9 of the Agenda of that Meeting shall be cancelled.

#### **c) Creation of new Conditional Capital**

The share capital shall be conditionally raised by up to €24,266,665.33 through the issuance of up to 6,838,179 new no par bearer shares (Conditional Capital 2010/I). The number of shares shall be increased proportionate

to the share capital. The conditional capital increase shall serve to grant new no par bearer shares to holders or creditors of warrant-linked bonds and/or convertible bonds with option or conversion rights or conversion obligations issued pursuant to the Authorisation resolved by shareholders at the Annual Meeting on 24 March 2010 under Agenda Item 9 in the period until 23 March 2015 by the Company or by a subsidiary in which the Company directly or indirectly holds a majority. The issuance of new shares is subject to the conversion or option exercise price to be fixed in each case pursuant to a) above under the terms of the Authorisation. The conditional capital increase shall only be performed insofar as these option or conversion rights are exercised or insofar as conversion-obligated holders or creditors fulfil their conversion obligation and insofar as a cash settlement is not offered, or the Company's own shares or the shares of another quoted company are delivered to service the entitlements. The new shares shall be entitled to dividends from the beginning of the financial year in which they are issued as a result of the exercise of option or conversion rights or the fulfilment of conversion obligations. The Board of Management shall be authorised, with the consent of the Supervisory Board, to stipulate the additional details in executing a conditional capital increase.

The Supervisory Board shall be authorised to adapt the wording of § 5 of the Articles of Association in accordance with the respective issuance of new shares as well as to perform all other adaptations in that context that relate to the wording. The same applies in the event that the Authorisation to issue warrant-linked bonds and/or convertible bonds has not been exercised by the time the Authorisation period expires as well as in the event that the Conditional Capital has not been used up to the dates the exercise of options or conversion rights or the fulfilment of conversion obligations expire.

#### **d) Amendments to the Articles of Association**

aa) § 5 (4) of the Articles of Association, the wording of which becomes invalid through the cancellation of the Conditional Capital as stated in section b) aa) above, shall be amended as follows:

“(4) The share capital shall be conditionally raised by up to €24,266,665.33 through the issuance of up to 6,838,179 new no par bearer shares (Conditional Capital 2010/I). The number of shares shall be increased proportionate to the share capital. The conditional capital increase shall only be performed insofar as holders or creditors of warrant-linked bonds and/or convertible bonds, which the Company or a subsidiary in which the Company directly or indirectly holds a majority issues up to 23 March 2015 pursuant to the Authorisation adopted at the Annual Meeting on 24 March 2010 under Agenda Item 9, exercise their option or conversion rights or fulfil their conversion obligations and insofar as a cash settlement is not offered, or the Company's own shares or the shares of another quoted company are delivered. The new shares shall be issued for a conversion or option exercise price to be fixed in each case under the terms stipulated by resolution of the Annual Meeting on 24 March 2010 in Agenda Item 9 a). The new shares shall be entitled to dividends from the beginning of the financial year in which they are issued as a result of the exercise of conversion or option rights or the fulfilment of conversion obligations. The Board of Management shall be authorised, with the consent of the Supervisory Board, to stipulate the additional details in executing a conditional capital increase.

The Supervisory Board shall be authorised to adapt the wording of § 5 of the Articles of Association in accordance with the respective issuance of new shares as well as to perform all other adaptations in that context that relate to the wording. The same applies in the event that the Authorisation to issue warrant-linked bonds and/or convertible bonds has not been exercised by the time the Authorisation period expires as well as

in the event that the Conditional Capital has not been used up to the dates the exercise of option or conversion rights or the fulfilment of conversion obligations expire."

bb) § 5 (5) of the Articles of Association shall be deleted entirely.

**Report of the Board of Management pursuant to §§ 221 (4), 186 (4) sentence 2 AktG (German Stock Corporation Act) on Agenda Item 9 concerning the reasons for the authorisation of the Board of Management to exclude shareholders' subscription rights for issues of warrant-linked bonds and/or convertible bonds**

Under Item 9 of the Agenda, the Board of Management and the Supervisory have submitted a resolution for adoption at the Annual Meeting on the issuance of warrant-linked bonds and/or convertible bonds (hereinafter jointly referred to as **"bonds"**) for a total nominal amount of up to €160,000,000.00 and to create the appurtenant Conditional Capital of up to €24,266,665.33 through issuances of up to 6,838,179 new no par bearer shares. The Authorisation to issue warrant-linked bonds and/or convertible bonds is to replace the former Authorisation to issue warrant-linked bonds and/or convertible bonds which expires on 16 March 2010 and the new Conditional Capital is to replace the former Conditional Capital pursuant to § 5 (4) and (5) of the Articles of Association which is no longer needed.

In addition to the classical ways of raising borrowings and equity, the Authorisation requested to issue bonds is intended to enable the Company to employ attractive financing alternatives in the capital market, depending on market conditions. The issuance of bonds permits the raising of borrowings that, depending on the way they are structured, may be employed both for rating purposes as well as for accounting reasons as equity or similar instruments. The capital base of the Company benefits from the option or conversion premiums achieved as well as the equity enhancement. The proposed possibility of establishing conversion obligations in addition to granting option and/or conversion rights broadens the scope for structuring financial instruments of this kind. The Authorisation is to put the Company in a position to issue bonds either itself or through affiliates in which the Company holds a majority and to allow the Company to access the German or international capital markets in order to issue bonds in euros as well as in an official currency of an OECD country.

Shareholders have a statutory entitlement to subscription rights for bonds issues (§ 221 (4) in conjunction with § 186 (1) AktG (German Stock Corporation Act). To facilitate administrative procedures, the Authorisation, in conformity with § 186 (5) sentence 1 AktG (German Stock Corporation Act), also provides for one or more banking organisations or companies appointed by the Board of Management underwriting the issuances with the obligation of offering them for subscription to shareholders (so-called indirect subscription right). The Board of Management shall, however, be authorised to exclude shareholders' pre-emptive rights for the following purposes:

- to except fractional amounts from shareholders' pre-emptive rights;
- insofar as bonds are issued in exchange for cash and the issue price is not significantly lower than the theoretical market value determined on the basis of accepted methods of financial mathematics. The number of shares issued to service bonds in this way under suspension of shareholders' subscription rights shall not, in

total, exceed 10 % of the share capital, neither at the time this Authorisation takes effect, nor when the Authorisation is issued. In determining the maximum limit of 10 % of the share capital, those shares shall be included that were issued or disposed under suspension of subscription rights in direct or corresponding application of § 186 (3) sentence 4 AktG (German Stock Corporation Act) during the term of this Authorisation;

– insofar as is required in order to grant subscription rights to holders or creditors of warrant-linked bonds and/or convertible bonds with conversion rights or conversion obligations previously issued or that will be issued by Deutsche Beteiligungs AG or affiliates in which the Company directly or indirectly holds a majority to the extent to which such holders or creditors would be entitled upon the exercise of their option and/or conversion rights or upon the fulfilment of the conversion obligation.

The Board of Management submits the following report in accordance with §§ 221 (4), 186 (4) sentence 2 AktG (German Stock Corporation Act) on this Authorisation to exclude shareholders' subscription rights with the consent of the Supervisory Board:

#### **(1) Exclusion of shareholders' subscription rights for fractional amounts**

Shareholders' subscriptions rights are to be excluded for fractional amounts. This authorisation permits utilising the requested authorisation in round amounts and to create a practicable subscription ratio. Without the suspension of subscription rights for fractional amounts, the issue procedure would be considerably more difficult to transact. The exclusion of subscription rights in these events facilitates the issuance's administrative procedures. New shares that ensue from fractional amounts under suspension of subscription rights will be sold on the stock exchange or used in other best possible ways. For these reasons, the Board of Management and the Supervisory Board consider the exclusion of subscription rights appropriate.

#### **(2) Exclusion of subscriptions rights if the issue price does not significantly fall short of the theoretical market value and the shares issued in this way under suspension of subscription rights do not exceed 10 % of the share capital**

Shareholders' pre-emptive rights may also be excluded if bonds are issued in exchange for cash and the issue price is not significantly lower than the theoretical market value determined on the basis of accepted methods of financial mathematics.

This enables the Company to quickly take advantage of favourable market conditions at very short notice and to achieve better terms on interest rates and option or conversion prices of the bonds by fixing close-to-the-market terms. That would not be possible if shareholders' statutory pre-emptive rights were maintained. § 186 (2) AktG (German Stock Corporation Act) permits publication of the subscription price (and, in the event of bonds, the terms) up to the third last day of the subscription period. However, in view of the stock markets' volatility, the market risk involved over a period of several days would lead to safety deductions when the terms are fixed and, consequently, to terms less in line with market conditions. Moreover, if shareholders' statutory pre-emptive rights were maintained, the placement of bonds among third parties may be endangered or tied to additional charges due to the uncertainty governing the exercise of these rights. Finally, the minimum

subscription period of two weeks that must be observed if shareholders' statutory pre-emptive rights are maintained impedes responding to favourable and unfavourable market conditions, which may not result in a procurement of capital which is not optimal.

In employing the exclusion of pre-emptive rights in application of § 186 (3) sentence 4 AktG (German Stock Corporation Act), shareholders' interests are safeguarded in that the bonds are not permitted to be issued substantially below their theoretical market value, whereby the arithmetic benefit of a pre-emptive right falls close to zero. Shareholders wishing to maintain their proportionate interest in the Company' share capital can do so through on-market purchases. In assessing which issue price would correspond to the theoretical market value and would guarantee that the bond issuance will not notably dilute the value of the existing shares, the Board of Management may call on external experts, e.g. the underwriting banks or other experts, if this is considered appropriate. The issue price may also be fixed by way of a book-building process.

Moreover, the exclusion of pre-emptive rights in this context is limited in volume: The number of shares issued to service bonds in this way under suspension of shareholders' pre-emptive rights must not, in total, exceed 10 % of the share capital, neither at the time this Authorisation takes effect, nor – if lower – when the Authorisation is exercised. In determining the maximum limit of 10 % of the share capital, those shares will be included that were issued or disposed under suspension of subscription rights in direct or corresponding application of § 186 (3) sentence 4 AktG (German Stock Corporation Act) during the term of this Authorisation. Taking these shares together ensures that no bonds are issued if this would result in excluding shareholders' pre-emptive rights for more than 10 % of the share capital in direct or corresponding application of § 186 (3) sentence 4 AktG (German Stock Corporation Act).

**(3) Exclusion of subscription rights insofar as is required to grant subscription rights for bond issues to holders or creditors of warrant-linked bonds and/or convertible bonds with conversion rights or conversion obligations to the extent they would be entitled to upon the exercise of their option and/or conversion rights or upon the fulfilment of their conversion obligation**

Furthermore, pre-emptive rights may be excluded insofar as is required to grant subscription rights for bonds to holders or creditors of warrant-linked bonds and/or convertible bonds issued by the Company or one of its majority-owned subsidiaries upon exercising the Authorisation to the extent they would be entitled upon the exercise of their option and/or conversion rights or upon the fulfilment of the conversion obligation. To facilitate the placement of bonds in the capital market, the warrant or bond terms generally contain anti-dilutive provisions. One way of providing anti-dilutive protection is to grant holders and creditors of bonds subscription rights to bonds for subsequent bond issues, as shareholders are entitled to. They would thus be treated as if they already were shareholders. To attach such an anti-dilutive provision to bonds, shareholders' subscription rights to the bonds must be excluded. This serves to facilitate the placement of bonds and, consequently, shareholders' interest in achieving an optimal financing structure for the Company.

Alternatively, another option to hedge against dilution would be to reduce the warrant or bond price, insofar as this is admissible under the warrant or bond terms. This, however, would be more complicated and more cost-intensive for the Company in transacting the issuance. In addition, it would reduce the inflow of capital arising from the exercise of option and conversion rights. It would also be conceivable to issue bonds not hedged against dilution. However, this would be much less attractive for the market.

## **10. Resolution on amendments to the Articles of Association on enhancing the flexibility of voting procedures at the Annual Meeting**

The German Act Implementing the Shareholder's Rights Directive (ARUG) became effective on 1 September 2009. It creates the opportunity of participating in the Annual Meeting by electronic means and voting by correspondence. The Board of Management is to decide whether to make use of these options.

### **10.1 Amendment to the Articles of Association in § 15 (4) (participation by electronic means)**

The Board of Management and the Supervisory Board submit the following resolution for adoption: § 15 of the Articles of Association shall be supplemented by clause 4 as follows:

“(4) The Board of Management shall be authorised to permit shareholders to participate in Annual Meeting without having to attend in person and without having to appoint a proxy holder and to exercise all or individual rights, wholly or in part, by way of electronic communication. The Board of Management shall also be authorised to define the extent and the procedures governing the participation and exercise of rights pursuant to sentence 1. These shall be announced in the notice of the convocation of the Annual Meeting.”

### **10.2 Amendment to the Articles of Association in § 15 (5) (voting by correspondence)**

The Board of Management and the Supervisory Board submit the following resolution for adoption: § 15 of the Articles of Association shall be supplemented by clause 5 as follows:

“(5) The Board of Management shall be authorised to permit shareholders to exercise their voting right without having to attend the Annual Meeting in person, in writing or by way of electronic communication (voting by correspondence). The Board of Management shall also be authorised to define the procedures. These will be announced in the notice of the convocation of the Annual Meeting.”

## **1. Participation in the Annual Meeting and exercise of voting rights**

Shareholders who have registered for the Annual Meeting and have presented proof of share ownership to the Company are entitled to participate in the Annual Meeting and exercise their voting right.

Proof of share ownership must be issued and certified by their depository bank in text form in either English or German and must relate to the beginning of the twenty-first day prior to the Annual Meeting, which is

**Wednesday, 3 March 2010, 00:00 hours**  
**(“record date”)**

Registration and proof of shareholdings must reach the Company no later than six days prior to the Annual Meeting, (whereby the day of the Annual Meeting and the day of receipt of the documents are not be counted), which is

**Wednesday, 17 March 2010, 24:00 hours,**

at the following address:

Deutsche Beteiligungs AG  
c/o Deutsche Bank AG  
General Meetings  
P.O. Box 20 01 07  
60605 Frankfurt am Main

Fax: +49 (0) 69 12 012 - 86 045

E-mail: [wp.hv@xchanging.com](mailto:wp.hv@xchanging.com)

### **Significance of the record date**

Only those shareholders who have presented proof of their shareholdings are eligible to participate in the Annual Meeting. The eligibility to participate and the extent of voting rights are exclusively measured by a shareholder's holdings in the Company at the record date. The record date is not associated with a lock-up period prohibiting the sale of shares. Even if holdings are sold in part or in their entirety after the record date, the shares held by the shareholder on the record date are determinative for a shareholder's participation and extent of voting rights, in other words, sales or other transfers of shares subsequent to the record date have no effect on a shareholder's eligibility to participate in the Annual Meeting or the extent of his or her voting rights. The same applies respectively to the purchase or additional purchases of shares after the record date. Individuals who do not hold shares at the record date or become shareholders thereafter are not eligible to participate or vote, unless they let themselves be appointed as proxy holders or have the power of attorney to exercise rights. The record date has no significance for an entitlement to dividends.

Admission tickets will be sent to shareholders entitled to attend the Annual Meeting. Shareholders are asked to register and submit proof of their share ownership to the Company in due time to ensure that they receive their admission tickets in time for the Meeting, and we recommend that shareholders contact their depository banks as soon as possible.

## **2. Voting by proxy**

Shareholders not attending the Annual Meeting in person may elect a third party, such as a bank or shareholders' association or another person of their choice, to exercise their voting right. This also requires registration and proof of share ownership in time and as specified above.

The appointment of a proxy holder other than a bank, a shareholders' association, or one of the other persons defined in § 135 Aktiengesetz (German Stock Corporation Act), the revocation thereof, and notification of the appointment to the Company must be made in text form, which is the form legally stipulated for listed companies. Proxy authorisations can either be declared to vis-a-vis the proxy holder or the Company. If the authorisation is declared to the proxy holder, proof of the proxy holder's authorisation can be presented on the day of the Annual Meeting at the registration desk. Proof of the authorisation given to a proxy holder may also be forwarded by mail, fax or electronic means (e-mail) at the following address:

Deutsche Beteiligungs AG  
c/o Computershare HV-Services AG  
Prannerstrasse 8  
D-80333 München  
Fax: +49 (0) –89 309037-4675  
E-mail: [deutsche-beteiligungs-HV2010@computershare.de](mailto:deutsche-beteiligungs-HV2010@computershare.de)

Shareholders may also use the communication channels stated above if the authorisation of a proxy holder is to be declared vis-à-vis the Company; separate proof of authorisation is not required in this case. The same communication channels may also be used to notify the Company when shareholders wish to revoke the appointment of a proxy holder.

A form sheet that may be used for the appointment of a proxy is on the back of the admission ticket which shareholders receive after registering for the Meeting or which may be downloaded at [www.deutsche-beteiligung.de/annualmeeting](http://www.deutsche-beteiligung.de/annualmeeting). If a shareholder appoints more than one proxy, the Company is entitled to reject one or more of them.

Banks, shareholders' associations, or other persons or organisations defined in § 135 (8) and (10) in conjunction with § 125 (5) AktG (German Stock Corporation Act) may have different rules for the procedures in appointing proxies; shareholders are therefore requested to enquire about the form and the procedures called for by the person or organisation they wish to appoint.

The Company offers shareholders a special service of appointing prior to the Annual Meeting a proxy designated by the Company. Shareholders wishing to appoint the proxy designated by the Company must register for the Meeting in time and submit proof of their shareholdings in conformity with the procedures stated above. The proxies designated by the Company are bound by shareholders' directives in exercising their voting rights. Without shareholders' directives, the proxies designated by the Company are not authorised to exercise voting rights. A form sheet for the appointment of and instructions for the proxy designated by the Company is attached to each admission ticket. It may also be downloaded at [www.deutsche-beteiligung.de/annualmeeting](http://www.deutsche-beteiligung.de/annualmeeting). Appointments of and instructions for the proxy designated by the Company must also be communicated to the Company in text form.

For organisational purposes, we kindly request that shareholders wishing to appoint a proxy designated by the Company prior to the Annual Meeting return the filled-in appointment and instruction forms by no later than **Tuesday, 23 March 2010, 24:00 hours (midnight)** (to be received) by mail, fax or e-mail to the following address:

**Deutsche Beteiligungs AG**  
**c/o Computershare HV-Services AG**  
**Prannerstrasse 8**  
**80333 München**

**Fax: +49 (0) 89 309037-4675**

**E-mail: deutsche-beteiligung-HV2010@computershare.de**

Additionally, shareholders who have registered for the Annual Meeting in time, submitted proof of the shareholdings in accordance with the requirements stated above and attend the Annual Meeting may also make use of a further service we offer and appoint a proxy designated by the Company during the Annual Meeting to exercise their voting rights.

Further details concerning participation in the Annual Meeting and voting by proxy will be forwarded to shareholder along with the admission ticket. This information is also accessible on the Internet at [www.deutsche-beteiligung.de/annualmeeting](http://www.deutsche-beteiligung.de/annualmeeting).

#### **Shareholders' rights**

#### **3. Motions concerning the Agenda pursuant to § 122 (2) AktG (German Stock Corporation Act)**

- Shareholders, individually or collectively, holding a minimum of one-twentieth of the share capital or the proportionate amount of €500,000.00 (“quorum”) may submit a motion to put items on the agenda and have them published. Each new item must be substantiated and have a draft resolution attached. The motion must be forwarded in writing to the Board of Management (Deutsche Beteiligungs AG, Board of Management, Kleine Wiesenau 1, D-60323 Frankfurt) and must be received by the Company at least 30 days prior to the Annual Meeting (whereby the day of the Annual Meeting and the day of receipt of the documents are not be counted), which is no later than

**Sunday, 21 February 2010, 24.00 hours (midnight).**

5. Those submitting a motion must present proof that they have held the shares for at least three months. It is uncertain whether the holding period of three months refers to the period prior to the receipt of the motion by the Company, or the period up to the day on which the Annual Meeting is held. If the former is the case, movers must submit proof that they have held the shares for at least three months prior to the day the Company receives the motion. If the latter is the case, movers must submit proof that they have held the shares since at least 24 December 2009. The Company will apply the more advantageous time limit for shareholders and publish motions regarding the agenda if proof is submitted that the shares required for the quorum have been held since 24 December 2009.

**6. Countermotions and nominations pursuant to §§ 126 (1), 127 AktG (German Stock Corporation Act)**

Shareholders may submit countermotions to draft resolutions proposed by the Board of Management and the Supervisory Board regarding specific items on the agenda. Shareholders may also make nominations for elections to the Supervisory Board or for the appointment of auditors. Countermotions and nominations in accordance with §§ 126 (1); 127 AktG (German Stock Corporation Act) must be forwarded to

Deutsche Beteiligungs AG,  
Kleine Wiesenau 1,  
D-60323 Frankfurt am Main.  
Fax: +49 (0) 69 / 95 787 - 199 or - 391  
E-mail: [hauptversammlung@deutsche-beteiligung.de](mailto:hauptversammlung@deutsche-beteiligung.de)

7. **Pursuant to § 126 (1) AktG (German Stock Corporation Act), the Company will publish countermotions, including the name of the shareholder, the substantiation as well as any commentary by management on the Internet at [www.deutsche-beteiligung.de/annualmeeting](http://www.deutsche-beteiligung.de/annualmeeting) provided that countermotions with a substantiation attached are received at least two weeks prior to the date of the Annual Meeting (whereby the day of the Annual Meeting and the day of receipt of the documents are not counted), which is no later than**

**Tuesday, 9 March 2010, 24:00 hours (midnight)**

at the aforementioned address. Countermotions addressed otherwise will not be considered. The Company may refrain from publishing a countermotion under the conditions stated in § 126 (2) AktG (German Stock Corporation Act), if, for example, the countermotion would lead to a resolution at the Annual Meeting that is either illegal or contrary to the Articles of Association. If the substantiation is longer than 5,000 characters, it need not be published. The procedures stated above apply to nominations for elections to the Supervisory Board and for the appointment of auditors based § 127 AktG (German Stock Corporation Act)

correspondingly. Nominations by shareholders do not need to be substantiated and they need not be published, except in the instances stated in § 126 (2) AktG (German Stock Corporation Act), even if the name, profession and residence of the nominee are not stated. Nominations for elections to the Supervisory Board are not required to be published even if the nomination does not contain information concerning his/her offices on statutory supervisory boards or comparable domestic and international supervisory bodies

### **Right to information pursuant to § 131 (1) AktG (German Stock Corporation Act)**

Based on § 131 (1) AktG (German Stock Corporation Act), every shareholder may put questions to the Board of Management during the Annual Meeting on issues relating to the Company, insofar as the information serves to clarify an item on the agenda. The obligation to provide information also extends to the Company's legal and business relations to associated companies and to the state of the Group and the consolidated companies, since the consolidated financial statements and management's report on the Group will be presented under item 1 of the agenda for the Annual Meeting.

The Board of Management may refrain from answering certain questions for reasons stated in § 131 (3) AktG (German Stock Corporation Act), e.g. if the information, based on reasonable commercial judgement, might be detrimental to the Company or one of its associated companies. According to § 16 (3) of the Articles of Association, the chairman of the Annual Meeting may commensurately limit the time allowed for shareholders to take the floor for their questions and statements. He may, in particular, specify the time frame for the Annual Meeting, for individual items on the agenda, or for individual speakers/enquirers.

Further details and information at the Company's Internet site

Shareholders can access information based on § 124a AktG (German Stock Corporation Act) at the Company's Internet site at [www.deutsche-beteiligung.de/annualmeeting](http://www.deutsche-beteiligung.de/annualmeeting). Further details on shareholders' rights according to § 122 (2), 126 (1), § 127, § 131 (1) AktG (German Stock Corporation Act) can also be found at [www.deutsche-beteiligung.de/annualmeeting](http://www.deutsche-beteiligung.de/annualmeeting).

### **Webcast of the Annual Meeting**

Please note that it is intended to webcast the complete Annual Meeting on the Internet as specified in § 16 (4) of the Company's Articles of Association, making the Meeting publicly accessible.

### **Total number of shares outstanding and voting rights at the convocation of the Annual Meeting**

The share capital of the Company at the date of the convocation of the Annual Meeting amounts to €48,533,334.20 and is denominated into 13,676,359 no par value shares, all carrying the same voting and dividend rights.

Frankfurt am Main, January 2010  
Deutsche Beteiligungs AG  
The Board of Management