This is a translation of the German Agenda for the 2017 Annual Meeting. 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.

Deutsche Beteiligungs AG
Frankfurt am Main

WKN A1TNUT
ISIN DE000A1TNUT7

Invitation to the Ordinary Annual Meeting

We take pleasure in inviting our shareholders to attend our Ordinary Annual Meeting to be held on Wednesday, 22 February 2017, at 10:00 a.m., in the Gesellschaftshaus Palmengarten, Palmengartenstrasse 11, 60325 Frankfurt am Main, Germany.

I. Agenda

1. Presentation of the adopted separate financial statements of Deutsche Beteiligungs AG at 30 September 2016, the approved consolidated financial statements at 30 September 2016 and the combined management report of Deutsche Beteiligungs AG and the Group, together with an explanatory report by the Board of Management on disclosures pursuant to §§ 289 (4), 315 (4) HGB (German Commercial Code) as well as the Report of the Supervisory Board on the 2015/2016 financial year.

The documents presented under Item 1 of the Agenda can be viewed, beginning on the date on which the Annual Meeting is convoked, on the Company's website at *https://www.dbag.de/am-2017*. These documents will also be available at the Annual Meeting and will be explained verbally. The Supervisory Board has approved the separate financial statements and the consolidated financial statements prepared by the Board of Management for the 2015/2016 financial year. The separate financial statements have thus been adopted. As stipulated by law, a resolution by shareholders at the Annual Meeting on Item 1 of the Agenda is therefore not required.

2. Resolution on the appropriation of retained profit

The Board of Management and the Supervisory Board propose that the retained profit of Deutsche Beteiligungs AG totalling €55,614,059.39 for the 2015/2016 financial year be appropriated as follows:

Distribution of a dividend of €1.20 per dividend-bearing share, or a total of	€18,052,792.80
Profit carried forward to new account	€37,561,266.59
Retained profit	**€55,614,059.39**

By the time of the Annual Meeting, the number of dividend-bearing no par value shares may change. In that event, the proposed resolution on the appropriation of retained profit will be modified to that effect and submitted at the Annual Meeting on the basis of an unchanged dividend of €1.20 per dividend-bearing share, with the remaining amount adapted accordingly to be carried forward to new account.

In accordance with § 58 (4) sentence 2 AktG (German Stock Corporation Act) as amended on 1 January 2017, an entitlement to the dividend falls due on the third business day following the Annual Meeting, which is on 27 February 2017.

3. Resolution on the ratification of the actions of the members of the Board of Management for the 2015/2016 financial year

The Supervisory Board and the Board of Management propose that the actions of the members of the Board of Management serving in the 2015/2016 financial year be ratified for that period.

4. Resolution on the ratification of the actions of the members of the Supervisory Board for the 2015/2016 financial year

The Board of Management and the Supervisory Board propose that the actions of the members of the Supervisory Board serving in the 2015/2016 financial year be ratified for that period.

5. Appointment of auditors for financial year 2016/2017 and of auditors for a review of the half-yearly financial report

The Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, be appointed

a) as auditors for financial year 2016/2017 and

b) as auditors for a review of the condensed financial statements and of the interim management report at 31 March 2017, which are constituents of the half-yearly financial report in accordance with §37w WpHG (German Securities Trading Act).

The nomination is based on the recommendation of the Audit Committee.

6. Resolution on the revocation of Authorised Capital 2015 and the creation of new Authorised Capital 2017 with the option of excluding subscription rights and amendments to the Articles of Association to that effect

Shareholders at the Ordinary Annual Meeting on 24 March 2015 authorised the Board of Management to raise the Company's share capital, subject to the consent of the Supervisory Board, in the period until 23 March 2020 by up to €12,133,330.89 (Authorised Capital 2015). The Company made partial use of this Authorisation and in September 2016 raised the share capital of €48,533,334.20 by €4,853,330.23, or by approximately 10 percent, to €53,386,664.43 in exchange for cash contributions and under exclusion of shareholders' subscription rights. Authorised Capital 2015 is now only available in a residual amount of €7,280,000.66 and the authorisation to exclude shareholders' subscription rights, which was limited to 10 percent of the share capital, is nearly exhausted. To enable the Company to cover its capital requirement quickly and flexibly in the future by drawing on Authorised Capital, the existing Authorised Capital 2015 is to be revoked and new Authorised Capital 2017 is to be created in an amount of up to approximately 25 percent of the current share capital, which in substance largely corresponds to Authorised Capital 2015. In particular, the option of excluding subscription rights for capital increases from Authorised Capital 2017 shall again be limited to a total of 10 percent of the share capital, including shares that are to be issued or disposed of based on another Authorisation under exclusion of subscription rights.

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

a) Revocation of the existing Authorised Capital 2015

The Authorisation granted to the Board of Management at the Annual Meeting on 24 March 2015 under Agenda Item 8 to raise the Company's share capital, subject to the consent of the Supervisory Board, in the period until 23 March 2020 by up to €12,133,330.89 by one or several issues of new no par registered shares in exchange for contributions in cash or in kind (Authorised Capital 2015) to the extent that it has not yet been utilised shall be revoked, effective concurrently with the registration of new Authorised Capital as established in the following and the respective amendment to the Articles of Association in the Commercial Register.

b) Creation of new Authorised Capital 2017

The Board of Management shall be authorised, subject to the consent of the Supervisory Board, to raise the share capital in the period until 21 February 2022 by up to a total of €13,346,664.33 by one or several issues of new no par registered shares in exchange for contributions in cash or in kind (Authorised Capital 2017). The number of shares in that context must be increased proportionately to the share capital.

Shareholders shall principally be granted subscription rights. Statutory subscription rights can be granted to shareholders such that the shares may be underwritten by one or more credit institutions or companies described in § 186 (5) sentence 1 AktG (German Stock Corporation Act) appointed by the Board of Management with the obligation of offering them to shareholders (indirect subscription right).

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

– to except fractional amounts from shareholders' subscription rights;

– if the new shares are to be issued in exchange for cash contributions and the issue price of the new shares 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 a total of 10 percent of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised. In determining the maximum limit of 10 percent of the share capital, those shares shall be included that were issued or disposed of under exclusion of subscription rights in direct or analogous 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 option and/or conversion obligations arising from warrant-linked bonds and/or convertible bonds and/or profit-sharing rights shall also be included, insofar as these bonds or profit-sharing rights are issued during the term of this Authorisation under exclusion of shareholders' subscription rights in analogous application of § 186 (3) sentence 4 AktG (German Stock Corporation Act);

– if the capital increase is performed in exchange for contributions in kind within the context of mergers or for the purpose of acquisitions of companies, parts of companies, equity interests in companies or of other assets or of entitlements to acquisitions of other assets including claims on the Company;

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

and only insofar as the shares issued against contributions in cash or in kind under exclusion of shareholders' subscription rights during the term of this Authorisation, based on this Authorisation or another Authorised Capital, do not, in total, exceed 10 percent of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised. The following shall count towards the previously mentioned limit of 10 percent:

– treasury shares that are disposed of during the term of this Authorisation under exclusion of shareholders' subscription rights, as well as

– new shares that are to be issued arising from convertible bonds and/or warrant-linked bonds and/or profit-sharing rights issued during the term of this Authorisation under exclusion of shareholders’ subscription rights.

The Board of Management shall be authorised, subject to the consent of the Supervisory Board, to stipulate the rights attaching to shares, 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 in § 5 upon utilisation of Authorised Capital 2017 or upon expiry of the authorisation period for the utilisation of Authorised Capital 2017.

c) Amendment to the Articles of Association

§ 5 (3) of the Articles of Association shall be revoked and amended as follows:

"(3) The Board of Management is authorised, subject to the consent of the Supervisory Board, to raise the share capital until 21 February 2022 by up to a total of €13,346,664.33 (Authorised Capital 2017) through one or several issues of new no par registered shares in exchange for contributions in cash or in kind. The number of shares in that context must be increased proportionately to the share capital.

Shareholders shall principally be granted subscription rights. Statutory subscription rights can be granted to shareholders such that the shares may be underwritten by one or more credit institutions or companies described in § 186 (5) sentence 1 AktG (German Stock Corporation Act) appointed by the Board of Management with the obligation of offering them to shareholders (indirect subscription right).

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

– to except fractional amounts from shareholders’ subscription rights;

– if the new shares are to be issued in exchange for cash contributions and the issue price of the new shares 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 must not exceed 10 percent of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised. In determining the maximum limit of 10 percent of the share capital, those shares shall be included that are issued or disposed of under exclusion of subscription rights in direct or analogous 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 option and/or conversion obligations arising from convertible bonds and/or warrant-linked bonds or profit-sharing rights shall also be included, insofar as these bonds or profit-sharing rights were issued during the term of this Authorisation under exclusion of shareholders' subscription rights in analogous application of § 186 (3) sentence 4 AktG (German Stock Corporation Act);

– if the capital increase is performed in exchange for contributions in kind within the context of mergers or for the purpose of acquisitions of companies, parts of companies, equity interests in companies or of other assets or of entitlements to acquisitions of other assets including claims on the Company;

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

and only insofar as the shares issued against contributions in cash or in kind under exclusion of shareholders' subscription rights during the term of this Authorisation, based on this Authorisation or another Authorised Capital, do not, in total, exceed 10 percent of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised. The following shall count towards the previously mentioned limit of 10 percent:

– treasury shares that are disposed of during the term of this Authorisation under exclusion of shareholders' subscription rights, as well as

– new shares that are to be issued arising from convertible bonds and/or warrant-linked bonds and/or profit-sharing rights issued during the term of this Authorisation under exclusion of shareholders' subscription rights.

The Board of Management is authorised, subject to the consent of the Supervisory Board, to stipulate the rights attaching to shares, the details of the capital increase as well as the terms of the share issuance, particularly the issue price.

The Supervisory Board is authorised to adapt the wording of the Articles of Association in § 5 upon utilisation of the Authorised Capital 2017 or upon expiry of the authorisation period for the utilisation of the Authorised Capital 2017."

7. Resolution on the revocation of the existing Authorisation to issue warrant-linked bonds and/or convertible bonds and the creation of new Authorisation to issue warrant-linked bonds and/or convertible bonds, with the option of excluding subscription rights as well as

on the revocation of the existing Conditional Capital 2015/I and creation of new Conditional Capital 2017/I and amendments to the Articles of Association to that effect

Shareholders at the Ordinary Annual Meeting on 24 March 2015 authorised the Board of Management to issue warrant-linked bonds and/or convertible bonds in the period until 23 March 2020 for a total nominal amount of up to €110,000,000.00 and to grant option and/or conversion rights or obligations on no par shares in the Company with a proportionate amount in the share capital of up to €12,133,330.89. The Authorisation has not been utilised. It contains an authorisation to exclude subscription rights that is limited to bonds with rights to shares representing a proportionate share of the share capital of no more than 10 percent. Those shares that the Company issued in September 2016 using Authorised Capital 2015 are to be included in this 10-percent cap. The Authorisation granted on 24 March 2015 on the issuance of warrant-linked and /or convertible bonds is therefore largely exhausted.

The Company considers it necessary to be able to resort to warrant-linked bonds and/or convertible bonds as a financing instrument with the option of excluding subscription rights. To give the Company the necessary flexibility through this form of funding in the future as well, the Authorisation granted on 24 March 2015 is to be revoked and new Authorisation to issue warrant-linked bonds and/or convertible bonds with the option of excluding subscription rights is to be granted. The existing Conditional Capital 2015/I is to be revoked and new Conditional Capital 2017/I created. The new Conditional Capital 2017/I shall again have a volume of about 25 percent of the current share capital; the option of excluding subscription rights upon issuance of bonds is to be limited, as previously, to a maximum limit of 10 percent of the current share capital, including such shares that are issued or disposed of based on another Authorisation under exclusion of subscription rights.

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

a) Revocation of the existing Authorisation to issue warrant-linked bonds and/or convertible bonds and to exclude subscription rights

The Authorisation granted at the Annual Meeting on 24 March 2015 under Agenda Item 9 on the issuance of warrant-linked bonds and/or convertible bonds and the exclusion of subscription rights shall be revoked.

b) 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 21 February 2022 with or without a maturity cap for a total nominal amount of up to €140,000,000.00 and to grant or impose upon holders or creditors of bonds option and/or conversion rights or option and/or conversion obligations to no par registered shares in the Company with a proportionate share in the share capital of up to €13,346,664.33 under the conditions specified for the warrant-linked bonds or convertible bonds (hereinafter jointly referred to as **“bond conditions”)**.

The bonds may be issued in exchange for cash. 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. For the total nominal amount limited by this Authorisation, issuances in foreign currencies shall be translated into euros by the nominal amount of the bonds on the day the decision is taken on their issuance.

The bonds may also be issued by affiliates domiciled in Germany or abroad 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 or impose upon the holders and/or creditors of such bonds option or conversion rights or option and/or conversion obligations to no par registered shares in the Company.

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

bb) Subscription rights and exclusion of subscription rights

Shareholders are principally entitled to subscription rights in bond issues. Shareholders’ statutory subscription rights may be accommodated in that bond issuances are also underwritten by one or more credit institutions or companies described in § 186 (5) sentence 1 AktG (German Stock Corporation Act), appointed by the Board of Management with the obligation of offering the bonds to shareholders (indirect subscription 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 subscription rights in accordance with the stipulations above.

The Board of Management shall, however, be authorised to exclude subscription rights, subject to the consent of the Supervisory Board, for the following purposes:

– to except fractional amounts from shareholders’ subscription 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 exclusion of shareholders’ subscription rights shall not, in total, exceed 10 percent of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised. In determining the maximum limit of 10 percent of the share capital, those shares shall be included that were issued or disposed of under exclusion of subscription rights in direct or analogous application of § 186 (3) sentence 4 AktG (German Stock Corporation Act) during the term of this Authorisation. Moreover, those shares that are issued to service option and/or conversion rights or option and/or conversion obligations arising from warrant-linked bonds and/or convertible bonds and/or profit-sharing rights shall also be included, insofar as these bonds or profit-sharing rights are issued during the term of this Authorisation on the basis of another Authorisation under exclusion of shareholders' subscription rights in analogous application of § 186 (3) sentence 4 AktG (German Stock Corporation Act);

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

and only insofar as the sum of the new shares to be issued by the Company during the term of this Authorisation, based on such bonds that are to be issued under exclusion of subscription rights as well as based on warrant-linked bonds or convertible bonds or profit-sharing rights that are issued under exclusion of subscription rights on the basis of another Authorisation, does not, in total, arithmetically exceed a proportion of the share capital of no more than 10 percent, neither at the time this Authorisation takes effect, nor – if lower – when it is exercised. The following shall count towards the previously mentioned limit of 10 percent:

– treasury shares that are disposed of during the term of this Authorisation under exclusion of subscription rights, as well as

– shares that are issued during the term of this Authorisation from Authorised Capital under exclusion of subscription rights.

cc) Option rights or obligations, conversion rights or obligations

In the event of a warrant-linked bond issue, one or more warrants shall be attached to each bond entitling the holder or creditor to subscribe to no par registered shares in the Company under the terms of a warrant-linked bond issue to be specified by the Board of Management. The bond conditions may provide for the fact that the option price may be fulfilled wholly or in part through a transfer of bonds and, if appropriate, an additional cash payment. The subscription ratio may be rounded up or down to whole numbers; moreover, an additional cash payment may be stipulated. Beyond that, fractional amounts may be taken together and/or settled in cash. 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. § 9 (1) in conjunction with § 199 (2) AktG (German Stock Corporation Act) shall be observed. The bond conditions may also provide for an option obligation at maturity (or at some other point in time) or for the Company's right to settle the amount due to holders or creditors of warrant-linked bonds at bullet maturity (this also extends to maturity at call), wholly or in part, in shares in the Company or in another quoted company, instead of in cash. In this case also, the proportionate amount in the share capital of the shares to be issued per bond must not exceed the nominal amount of the bond. §9 (1) in connection with § 199 (2) AktG (German Stock Corporation Act) must be observed.

In the event of a convertible bond issue, the holders or creditors of these bonds are granted an entitlement to convert their convertible bonds into no par registered 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 no par registered share in the Company. It may be specified that the conversion ratio is variable and/or that the conversion price may change within a fixed range depending on the price trend of the Company's shares during the term of the convertible bond or pursuant to dilution protection regulations. 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. § 9 (1) in conjunction with § 199 (2) AktG (German Stock Corporation Act) must be observed. The bond conditions may also provide for a conversion obligation at maturity (or at some other point in time) or for the Company's right to settle the amount due to holders or creditors of convertible bonds at bullet maturity (this also extends to maturity at call), wholly or in part, in shares in the Company or in another quoted company, instead of in cash. In this event as well, the proportionate amount in the share capital of the shares to be issued per bond must not exceed the nominal value of the bond. § 9 (1) in conjunction with § 199 (2) AktG (German Stock Corporation Act) must be observed.

Instead of delivering no par registered shares, the bond conditions can also provide for the right of the Company or the subsidiary issuing the bond to settle conversion or option rights (also in part) by a cash payment that is determined in compliance with dd) for the number of shares that would otherwise have to be delivered. The bond conditions may also provide for the right of the Company or the issuing subsidiary to service the bonds upon conversion or warrant exercise by delivering no par registered shares issued from Authorised Capital or by own registered shares in the Company that already exist or are to be repurchased or shares in another listed company, instead of new registered shares issued from Conditional Capital.

dd) Option and conversion price

The option or conversion price to be fixed for one share must – even in the event of a variable option or conversion price and subject to the following provisions for bonds with a conversion obligation, a substitution right or a tender right by the issuer of the bonds to deliver shares – amount to at least 80 percent of the volume-weighted average closing price in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange, namely

(i) – on the ten days of trading prior to the Board of Management's conclusive resolution on respective the bond issuance or

(ii) – insofar as the subscription rights for the bonds are traded, on the days the subscription rights are traded, except for the final two days in which the subscription rights are traded, or in the event that the Board of Management conclusively fixes the option or conversion price prior to the start of trading of subscription rights, in the period as in (i).

In the event of bonds with an option or conversion obligation, a substitution right or a tender right by the issuer of the bonds to deliver shares, the option or conversion price to be fixed must at least correspond either to the minimum price mentioned above or the volume-weighted average closing price for the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange over the ten days of trading prior or subsequent to the bullet maturity of the bonds, even if the latter-mentioned average price is less than the minimum price mentioned above.

In any event, the proportionate amount in the share capital of the shares to be issued per bond must not exceed the nominal value of the bond. § 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 a dilution protection 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 option or conversion obligations or by reducing the additional payment, if the Company increases the share capital during the option or conversion period with subscription rights for its shareholders or issues or guarantees further warrant-linked bonds or convertible bonds or profit-sharing rights and does not grant subscription rights to holders or creditors of option and/or conversion rights or option and/or conversion obligations to the extent to which they would be entitled upon exercising their option or conversion right or option or conversion obligation. Instead of a cash payment or reduction of the additional payment, the subscription or 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 or option or conversion obligations 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, to stipulate the further details involving the issuance and features of bonds or to agree the bond conditions with the respective management and supervisory bodies of the subsidiary executing the issuance, in particular the volume, timing, interest rate, type of return, issue price, term and denomination, dilution protection as well as the option and/or conversion price and the option and/or conversion exercise period.

c) Revocation of Conditional Capital 2015/I

The Conditional Capital 2015/I resolved by shareholders at the Annual Meeting on 24 March 2015 under Agenda Item 9 shall be revoked.

d) Creation of new Conditional Capital 2017/I

The share capital shall be conditionally raised by up to €13,346,664.33 through the issuance of up to 3,760,998 new no par registered shares (Conditional Capital 2017/I). The number of shares shall be increased proportionate to the share capital. The conditional capital increase shall serve to grant new no par registered shares to holders or creditors of warrant-linked bonds and/or convertible bonds (hereinafter jointly referred to as **"bonds"**) with option and/or conversion rights or option and/or conversion obligations issued pursuant to the Authorisation resolved by shareholders at the Annual Meeting on 22 February 2017 under Agenda Item 7 in the period until 21 February 2022 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 option or conversion exercise price to be fixed in each case pursuant to the authorisation in b) above. The conditional capital increase shall only be executed insofar as the holders or creditors of bonds exercise option or conversion rights or fulfil option or conversion obligations or to the extent that the Company or the issuing subsidiary exercises its right of choice, wholly or in part, to service the entitlements by delivering shares in the Company instead of a cash settlement and insofar as a cash settlement is not afforded or treasury shares or shares from Authorised Capital or the shares of another listed company are not used 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 option or 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 bonds has not been exercised by the time the Authorisation period expires as well as in the event that the Conditional Capital 2017/I has not been used up to the dates the exercise of option or conversion rights or the fulfilment of option or conversion obligations expire.

e) Amendments to the Articles of Association

§ 5 (4) of the Articles of Association shall be revoked and amended as follows:

"(4) The share capital is conditionally raised by up to €13,346,664.33 through the issuance of up to 3,760,998 new no par registered shares (Conditional Capital 2017/I). The number of shares must be increased proportionate to the share capital. The conditional capital increase serves to grant new no par registered shares to holders or creditors of warrant-linked bonds and/or convertible bonds (hereinafter jointly referred to as **"bonds"**) with option or conversion rights or option or conversion obligations issued pursuant to the Authorisation resolved by shareholders at the Annual Meeting on 22 February 2017 under Agenda Item 7 in the period until 21 February 2022 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 option or conversion exercise price to be fixed in each case pursuant to the Authorisation resolved at the Annual Meeting on 22 February 2017 under Agenda Item 7 b). The conditional capital increase shall only be executed insofar as the holders or creditors of bonds exercise option and/or conversion rights or fulfil option or conversion obligations or, to the extent that the Company or the issuing subsidiary exercises its right of choice, wholly or in part, to service the entitlements by delivering shares in the Company instead of a cash settlement and insofar as a cash settlement is not afforded or treasury shares or shares from Authorised Capital or the shares of another listed company are not used to service the entitlements. The new shares are 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 option or conversion obligations. The Board of Management is authorised, with the consent of the Supervisory Board, to stipulate the additional details in executing a conditional capital increase.

The Supervisory Board is 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 bonds has not been exercised by the time the Authorisation period expires as well as in the event that the Conditional Capital 2017/I has not been used up to the dates the exercise of options or conversion rights or the fulfilment of option or conversion obligations expire."

II. Reports

1. Report by the Board of Management consistent with §§ 203 (2) sentence 2, 186 (4) sentence 2 AktG (German Stock Corporation Act) on Agenda Item 6 concerning the reasons for the exclusion of shareholders' subscription rights for capital increases from Authorised Capital 2017

Shareholders at the Ordinary Annual Meeting on 24 March 2015 authorised the Board of Management to raise the Company's share capital, subject to the consent of the Supervisory Board, in the period until 23 March 2020 by up to €12,133,330.89 (Authorised Capital 2015).

The Company made partial use of this Authorisation and in September 2016 raised the share capital of €48,533,334.20 by €4,853,330.23, or by approximately 10 percent, to €53,386,664.43 in exchange for cash contributions and under exclusion of shareholders' subscription rights. The capital increase became effective with the registration of its execution in the Commercial Register on 12 September 2016. The Board of Management issued a written report on the partial utilisation of Authorised Capital under exclusion of shareholders' subscription rights, which is accessible on the Company's website starting with the convocation of the Annual Meeting at *https://www.dbag.de/am-2017*.

Authorised Capital 2015 is now only available in a residual amount of €7,280,000.66 and the authorisation to exclude shareholders' subscription rights, which was limited to 10 percent of the share capital, is nearly exhausted.

To enable the Company to cover its capital requirement quickly and flexibly in the future by drawing on Authorised Capital, the existing Authorised Capital 2015 is to be revoked and new Authorised Capital 2017 is to be created, taking into account the increased share capital and with the option of excluding subscriptions rights, which in substance largely corresponds to Authorised Capital 2015.

Under Item 6 of the Agenda, the Board of Management and the Supervisory have submitted a resolution for adoption at the Annual Meeting to create new Authorised Capital 2017 of up to €13,346,664.33. This corresponds to approximately 25 percent of the current share capital of the Company. To that end, the option of excluding subscription rights for capital increases from

Authorised Capital 2017 shall again be limited to a total of 10 percent of the share capital, including shares that are to be issued or disposed of based on another Authorisation under exclusion of subscription rights.

For reasons of flexibility, Authorised Capital 2017 is to be used for capital increases in exchange for both contributions in cash and in kind. In the event of capital increases from Authorised Capital 2017, shareholders shall principally be granted subscription rights. Statutory subscription rights can be granted to shareholders such that the shares may be underwritten by one or more credit institutions or companies described in § 186 (5) sentence 1 AktG (German Stock Corporation Act) appointed by the Board of Management 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' subscription 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 percent of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised. In determining the maximum limit of 10 percent of the share capital, those shares shall be included that are issued or disposed of under exclusion of subscription rights in direct or analogous 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 option or conversion obligations arising from warrant-linked bonds and/or convertible bonds or profit-sharing rights shall also be included, insofar as these bonds or profit-sharing rights are issued during the term of this Authorisation under exclusion of shareholders' subscription rights in analogous application of § 186 (3) sentence 4 AktG (German Stock Corporation Act);

- if the capital increase is executed in exchange for contributions in kind, particularly within the context of mergers or for the purpose of acquisitions of companies, parts of companies, equity interests in companies or other assets or of entitlements to acquisitions of other assets including claims on the Company;

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

and only insofar as the shares issued against contributions in cash or in kind under exclusion of shareholders' subscription rights during the term of this Authorisation or of another Authorised Capital do not, in total, exceed 10 percent of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised. The following shall count towards the previously mentioned limit of 10 percent:

- treasury shares that are disposed of during the term of this Authorisation under exclusion of subscription rights, as well as
- new shares that are to be issued arising from convertible bonds and/or warrant-linked bonds and/or profit-sharing notes issued during the term of this Authorisation under exclusion of subscription rights.

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 subscription rights with the consent of the Supervisory Board:

(1) Exclusion of 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 exclusion 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 exclusion 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 exclusion of subscription rights do not exceed 10 percent of the share capital

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 percent 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 exclusion 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 per cent of the stock market price.

Moreover, the extent of the cash capital increase under exclusion of subscription rights in accordance with § 186 (3) sentence 4 AktG (German Stock Corporation Act) is limited to 10 percent 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 percent, those shares will be included that were issued based on another Authorised Capital or disposed of as treasury shares under exclusion of subscription rights in direct or analogous 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 option and/or conversion obligations arising from convertible and/or warrant-linked bonds and/or profit-sharing rights will also be included, insofar as these bonds or profit-sharing rights were issued during the term of this Authorisation under exclusion of shareholders' subscription rights in analogous 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 interest in the Company on virtually equal terms.

(3) Exclusion of shareholders' subscription rights for capital increases in exchange for contributions in kind

The proposed resolution also provides for Authorisation to exclude shareholders' subscription rights if the capital increase is effected in exchange for contributions in kind, particularly within the context of mergers or for the purpose of acquisitions of companies, parts of companies, equity interests in companies or other assets or of entitlements to acquisitions of other assets including claims on the Company. 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, for instance 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 contributions in kind. 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 contributions in kind 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 with option or conversion rights or option or conversion obligations to the extent to which they would be entitled upon exercising their option or conversion rights or upon fulfilment of option or 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 (hereinafter jointly referred to as "**bonds**") issued by the Company or its subsidiaries utilising the Authorised Capital 2017 to the extent to which they would be entitled upon exercising their option or conversion rights or upon fulfilment of option or conversion obligations arising from these bonds. To facilitate the placement of bonds in the capital market, the bond conditions 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 protect against dilution would be to reduce the option or conversion price, insofar as this is admissible under the 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 the fulfilment of option or conversion obligations. It would also be conceivable to issue bonds not protected against dilution. However, this would be much less attractive for the market.

(5) Utilisation of the Authorisation and limitation of the exclusion of subscription rights to 10 percent of the share capital in total

The Board of Management is only authorised, in accordance with (1) to (4) above, to exclude shareholders' subscription rights using the Authorised Capital 2017 to the extent that the proportionate amount in the share capital attributable to shares issued under exclusion of shareholders' subscription rights during the term of this Authorisation on the basis of this Authorisation or another Authorised Capital does not exceed 10 percent of the share capital in total, neither at the time this Authorisation takes effect, nor when it is exercised. This 10 percent limit shall include treasury shares that are disposed of during the term of this Authorisation under exclusion of subscription rights, as well as new shares that are to be issued arising from convertible bonds and/or warrant-linked bonds and/or profit-sharing rights during the term of this Authorisation under exclusion of subscription rights. This limits the combined total of a share issuance under exclusion of subscription rights. Shareholders are additionally protected in this way from a dilution of their interests.

We should like to point out that, in addition to the new Authorised Capital 2017 as proposed in Agenda Item 6 and the new Conditional Capital 2017/I as proposed in Agenda Item 7, the Company will have no further Authorised or Conditional Capital at its disposal at the time of the Annual Meeting on 22 February 2017. Based on a resolution passed at the Annual Meeting on 25 February 2016, an Authorisation exists on the purchase of treasury shares for a total of up to 10 percent of the current share capital, which is valid until 24 February 2021. Treasury shares purchased on the basis of that Authorisation may be disposed of to an equal extent under exclusion of shareholders’ subscription rights. Treasury shares disposed of under exclusion of subscription rights would count towards the capital limit for exclusion of subscription rights attached to Authorised Capital 2017, if this takes place during the period of the Authorised Capital.

The Board of Management and the Supervisory Board will carefully examine on a case-by-case basis whether to make use of the Authorisation 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 best interest of the Company and, thus, of 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 in each case.

2. Report by the Board of Management pursuant to §§ 221 (4), 186 (4) sentence 2 AktG (German Stock Corporation Act) on Agenda Item 7 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 7 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 an/or convertible bonds (hereinafter jointly referred to as **“bonds”**) for a total nominal amount of up to €140,000,000.00 and to create the appurtenant Conditional Capital of up to €13,346,664.33 through issuances of up to 3,760,998 new no par registered shares. If this Authorisation is utilised in full, bonds could be issued that would grant subscription rights (or obligations) on up to approximately 25 percent of the current share capital. The Authorisation to issue bonds is to replace the former Authorisation to issue warrant-linked bonds and/or convertible bonds and the new Conditional Capital is to replace the former Conditional Capital 2015/I pursuant to § 5 (4) of the Articles of Association which, for lack of utilisation, is no longer needed.

In addition to the classical ways of raising borrowings and equity, the Authorisation requested to issue bonds in exchange for cash 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 option or conversion obligations in addition to granting option 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 domiciled nationally or internationally 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.

With the exception of those cases which provide for an option or conversion obligation, a substitution right or a tender right by the issuer of the bonds to deliver shares, the option or conversion price for the subscription of shares upon exercise of option and/or conversion rights must correspond to at least 80 percent of the stock market price of no par registered shares in the Company at the time of the issuance of bonds with option or conversion rights attached. The possibility of a premium (which may increase depending on the term of the bond) creates the prerequisites for the bond conditions to account for capital market conditions prevailing at the time of the issuance. In the event of an option or conversion obligation, a substitution right or a tender right by the issuer of the bonds to deliver shares, the option or conversion price for the new shares must, as detailed in the bond conditions, at least correspond either to the minimum price mentioned above or the volume-weighted average closing price for the Company’s shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange over the ten days of trading prior or subsequent to the bullet maturity of the bonds, even if the latter-mentioned average price is less than the minimum price mentioned above.

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 also provides for one or more credit institutions or companies described in § 186 (5) sentence 1 AktG (German Stock Corporation Act) 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’ subscription rights for the following purposes:

– to except fractional amounts from shareholders’ subscription 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 exclusion of shareholders' subscription rights shall not, in total, exceed 10 percent of the share capital, neither at the time this Authorisation takes effect, nor when it is exercised. In determining the maximum limit of 10 percent of the share capital, those shares shall be included that were issued or disposed of under exclusion of subscription rights in direct or corresponding application of § 186 (3) sentence 4 AktG (German Stock Corporation Act) during the term of this Authorisation. Moreover, those shares that are issued to service option and/or conversion rights or option and/or conversion obligations arising from warrant-linked bonds and/or convertible bonds or profit-sharing rights shall also be included, insofar as these bonds or profit-sharing rights are issued during the term of this Authorisation on the basis of another Authorisation under exclusion of shareholders' subscription rights in application of § 186 (3) sentence 4 AktG (German Stock Corporation Act);

– insofar as is required in order to grant subscription rights for bonds to holders or creditors of warrant-linked bonds and/or convertible bonds with option or conversion rights or option or conversion obligations issued by the Company or subsidiaries in which the Company directly or indirectly holds a majority to the extent to which such holders or creditors would be entitled upon exercise of their option or conversion rights or upon fulfilment of option or conversion obligations;

and only insofar as the sum of the new shares to be issued by the Company during the term of this Authorisation, based on such bonds that are to be issued under exclusion of subscription rights as well as based on warrant-linked bonds or convertible bonds or profit-sharing rights that are issued under exclusion of subscription rights on the basis of another Authorisation, does not, in total, arithmetically exceed a proportion of the share capital of no more than 10 percent, neither at the time this Authorisation takes effect, nor – if lower – when it is exercised. The following shall count towards the previously mentioned limit of 10 percent:

– treasury shares that are disposed of during the term of this Authorisation under exclusion of subscription rights, as well as

– shares that are issued during the term of this Authorisation from Authorised Capital under exclusion of subscription rights.

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 shall be excluded for fractional amounts. This authorisation permits utilising the requested authorisation in round amounts and to create a practicable subscription ratio. Without the exclusion 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 exclusion 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 subscription rights if the issue price does not significantly fall short of the theoretical market value and the shares issued in this way under exclusion of subscription rights do not exceed 10 percent of the share capital

Shareholders' subscription 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. This would not be possible if shareholders' statutory subscription 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 subscription rights were maintained, the placement of bonds among third parties may be endangered or tied to additional charges due to the uncertainty governing the extent of exercise of these rights. Finally, the minimum subscription period of two weeks that must be observed if shareholders' statutory subscription rights are maintained impedes responding to favourable and unfavourable market conditions, which may result in a procurement of capital which is not optimal.

In employing the exclusion of subscription 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 subscription 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 subscription rights in this context is limited in volume: The number of shares issued to service bonds in this way under exclusion of shareholders' subscription rights during the term of this Authorisation (be it on the basis of this Authorisation or of another Authorisation) must not, in total, exceed 10 percent 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 percent of the share capital, those shares will be included that were issued under exclusion of subscription rights in direct or analogous application of § 186 (3) sentence 4 AktG (German Stock Corporation Act) during the term of this Authorisation or as purchased treasury shares that were disposed of in analogous application of § 186 (3) sentence 4 AktG (German Stock Corporation Act). Taking these shares together ensures that no bonds are issued if this would result in excluding shareholders' subscription rights for more than 10 percent of the share capital in direct or analogous 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 option and/or conversion rights or option and/or conversion obligations to the extent they would be entitled to upon exercise of their option and/or conversion rights or upon fulfilment of option and/or conversion obligations

Furthermore, subscription rights may be excluded insofar as is required to grant subscription rights to holders or creditors of warrant-linked bonds and/or convertible bonds issued by the Company or its subsidiaries upon utilising the Authorisation to the extent they would be entitled upon exercise of their option and/or conversion rights or upon fulfilment of option and/or conversion obligations. To facilitate the placement of bonds in the capital market, the bond conditions 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 option or conversion price, insofar as this is admissible under the bond conditions. 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 or the fulfilment of option 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.

(4) Utilisation of the Authorisation and limitation of the exclusion of subscription rights to 10 percent of the share capital in total

On the basis of this Authorisation, bonds may only be issued under exclusion of subscription rights in accordance with (1) to (3) above if the sum of the new shares that is to be issued by the Company during the term of this Authorisation, as a result of such bonds issued under exclusion of subscription rights and as a result of warrant-linked bonds or convertible bonds issued under exclusion of subscription rights on the basis of another Authorisation, does not, in total, arithmetically exceed a proportion of the share capital of no more than 10 percent, neither at the time this Authorisation takes effect, nor – if lower – when it is exercised. The following shall count towards the previously mentioned limit of 10 percent:

– treasury shares that are disposed of during the term of this Authorisation under exclusion of subscription rights, as well as

– shares that are issued during the term of this Authorisation from Authorised Capital under exclusion of subscription rights.

According to the Authorisation defined above, the possibility of excluding subscription rights is greatly limited. The additional quantitative limitation, which exceeds the statutory limitations, curtails a possible impairment for shareholders.

Even after exercise of option and conversion rights, shareholders wishing to maintain their proportionate interest in the Company' share capital can do so at any time through on-market purchases. On the other hand the Authorisation to exclude subscription rights enables the Company to set close-to-the-market terms, achieve a solidly based certitude regarding a placement among third parties and quickly take advantage of favourable market conditions.

We should like to point out that, in addition to the new Authorised Capital 2017 as proposed in Agenda Item 6 and the new Conditional Capital 2017/I as proposed in Agenda Item 7, the Company will have no further Authorised or Conditional Capital at its disposal at the time of the Annual Meeting on 22 February 2017. Based on a resolution passed at the Annual Meeting on 25 February 2016, an Authorisation exists on the purchase of treasury shares for a total of up to 10 percent of the current share capital, which is valid until 24 February 2021. Treasury shares purchased based on this Authorisation may be disposed of to an equal extent under exclusion of shareholders' subscription rights. Treasury shares disposed of under exclusion of subscription rights would count towards the capital limit for exclusion of subscription rights upon issuance of bonds on the basis of the Authorisation in Agenda Item 7, if this takes place during the period of the Authorisation to issue bonds.

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 best interest of the Company and, thus, of 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 in each case.

III. Additional information on the convocation of the Annual Meeting

Requirements for participation in the Annual Meeting and exercise of voting rights

Shareholders who are listed in the share register and have registered in due time for the Annual Meeting are entitled to participate in the Annual Meeting and exercise their voting rights.

Registration for the Annual Meeting must be made in text form in either English or German and 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 counted), which is

Wednesday, 15 February 2017, 24:00 hours (midnight) CET,

at the following address:

Deutsche Beteiligungs AG
c/o Computershare Operations Center
80249 Munich
Germany
Fax: +49 89 30903-74675
Email: anmeldestelle@computershare.de

or by electronic means using the password-protected shareholders portal at the Company's website at

https://www.dbag.de/am-2017

Shareholders wishing to register for the meeting using the shareholders portal require personal log-in credentials, which can be found in the documents that have been forwarded together with the invitation to the Annual Meeting by post. Shareholders who have registered to receive the invitation to the Annual Meeting by electronic means will not receive the log-in credential by regular post.

Pursuant to § 67 (2) sentence 1 of the German Stock Corporation Act (AktG), only those who are listed in the share register are considered shareholders of the Company. For that reason, the eligibility to participate in the Annual Meeting as well as the number of voting rights attributable to an eligible shareholder is based exclusively on the share register as at the day of the Annual Meeting. Please note that for organisational reasons no changes in entries will be made in the share register ("registration stop") in the period from midnight (24:00 hours) of 15 February 2017 (technical record date) to the end of the day of the Annual Meeting. The status of the share register on the day of the Annual Meeting therefore corresponds to the status on 15 February 2017, midnight (24:00 hours). The registration stop does not prevent shareholders to dispose of their shareholdings. Share buyers whose change of registration requests reach the Company after 15 February 2017 may only exercise the rights to participate and vote attaching to these shares if they have obtained a power of attorney from the shareholder still listed in the share register or an authorisation to exercise such rights. All buyers of shares in the Company who are not yet listed in the share register are therefore requested to submit change of registration requests as quickly as possible.

Procedure for 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 rights at the Annual Meeting. This also requires being listed in the share register and having registered for the Annual Meeting in due time, as specified above.

The appointment of a proxy holder other than a credit institution, a shareholders' association, or one of the other persons with an equivalent status pursuant to § 135 AktG (German Stock Corporation Act), the revocation thereof, and proof of the proxy authorisation vis-à-vis the Company must be in text form, which is the form legally stipulated for listed companies. A notification of the proxy appointment may be issued either to the proxy holder or to the Company. If the notification is issued to the proxy holder, proof of the proxy holder's authorisation can be presented to the Company on the day of the Annual Meeting at the registration desk, or sent to the Company.

Notifications of a proxy appointment, the revocation thereof and proof of proxy authorisation may be submitted by post, fax or e-mail at the following address:

Deutsche Beteiligungs AG
c/o Computershare Operations Center
80249 Munich
Germany
Fax: +49 89 30903-74675
Email: anmeldestelle@computershare.de

The password-protected shareholders portal at the Company's Internet site at *https://www.dbag.de/am-2017* may also be used for this purpose.

If the notification of a proxy appointment is issued to the Company, separate proof of proxy authorisation is not required.

A form that may be used for the appointment of a proxy will be sent to shareholders along with the invitation to the Annual Meeting and can also be found on the admission ticket. Moreover, the form can be downloaded at *https://www.dbag.de/am-2017*. If a shareholder appoints more than one proxy, the Company is entitled to reject one or more of them.

Credit institutions, shareholders' associations, or other persons or organisations with an equivalent status pursuant to § 135 (8) and (10) in conjunction with § 125 (5) AktG may have different rules for the procedures in appointing proxies, revoking such appointments and providing proof of authorisation; shareholders are therefore requested to enquire about the form and the procedures called for by the person or organisation they wish to appoint.

Procedure for voting via a proxy designated by the Company

The Company offers shareholders a special service of appointing a proxy designated by the Company prior to the Annual Meeting to exercise their voting rights. Shareholders wishing to appoint the proxies designated by the Company must be listed in the share register and have registered for the Annual Meeting in due time, in conformity with the procedures stated above. The proxies designated by the Company are exclusively bound by shareholders' instructions in exercising the latter's voting rights. Without shareholders' instructions, the proxies designated by the Company are not authorised to exercise voting rights. A form for the appointment of, and instructions for, the proxy designated by the Company will be forwarded along with the invitation to the Annual Meeting and can also be found on the admission ticket. Moreover, the form can be downloaded at *https://www.dbag.de/am-2017* or electronically by way of the password-protected shareholders portal. Appointments of, and instructions for, proxies 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 completed appointment and instruction forms, irrespective of their registration for the Annual Meeting in due time as specified above, by no later than **Tuesday, 21 February 2017, 6:00 p.m. (to be received)** by post, fax or e-mail to the following address:

Deutsche Beteiligungs AG
c/o Computershare Operations Center
80249 Munich
Germany
Fax: +49 89 30903-74675
Email: anmeldestelle@computershare.de

or electronically by using the password-protected shareholders portal at the Company's Internet site at *https://www.dbag.de/am-2017*.

Appointing a proxy designated by the Company does not exclude personally participating in the Annual Meeting. If, despite the appointment of a proxy designated by the Company, a shareholder wishes to participate in the Annual Meeting and exercise his or her voting rights personally or through a different proxy, their personal participation, or that of their appointed proxy, will be deemed a revocation of the appointment of the proxy designated by the Company. The forms that are available for the appointment of proxies provide for revocations to that effect.

Additionally, shareholders who are listed in the share register and have registered in due time for the Annual Meeting in accordance with the requirements stated above and attend the Annual Meeting can 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 shareholders along with the invitation to the Annual Meeting. This information is also accessible on the Company's website at *https://www.dbag.de/am-2017*.

Procedure for postal voting

Shareholders may also opt to exercise their voting rights by postal vote within the scope described below without personally attending the Annual Meeting. In this event, shareholders must also be listed in the share register and have registered in due time for the Annual Meeting as set out above. Votes cast by postal ballot that cannot be related to a proper registration are invalid. Postal voting is limited to voting on the resolutions proposed by the Board of Management and the Supervisory Board, as announced in the notice of convocation of the Annual Meeting (including a possible adaptation, as announced therein, of the proposed resolution on the appropriation of the retained profit to reflect the number of shares carrying dividend rights at the time the resolution is adopted) and on any draft proposals submitted by shareholders that were put on the agenda and published pursuant to § 122 (2) AktG (German Stock Corporation Act).

Postal voting must be performed in writing or by electronic communication and must reach the Company, irrespective of the registration for the Annual Meeting in due time as specified above, by **Tuesday, 21 February 2017, 6:00 p.m.** at the latest.

Shareholders wishing to vote by postal ballot are requested to use either the form for postal voting which they received with the invitation to the Annual Meeting, the form on the admission ticket or the form which can be downloaded from the Company's website at *https://www.dbag.de/am-2017*; it must be completed in full and sent by post, fax or e-mail to the following address:

Deutsche Beteiligungs AG
c/o Computershare Operations Center
80249 Munich
Germany
Fax: +49 89 30903-74675
Email: anmeldestelle@computershare.de

or cast their votes by post ballot by way of the password-protected Company's website at *https://www.dbag.de/am-2017.* In any event, the date of receipt stated above is decisive. Votes cast by postal ballot can be revoked or changed in the same manner, up to the aforementioned date.

Further details on postal voting are contained in the form that will be sent along with the invitation to the Annual Meeting by post. That information is also accessible on the Company's website at *https://www.dbag.de/am-2017*.

Postal voting does not exclude personally attending the Annual Meeting. If, despite having cast a postal vote, shareholders wish to participate in the Annual Meeting either personally or through a proxy and exercise their voting rights, their personal participation, or that of their appointed proxy, will be deemed a revocation of their postal vote. The forms that are to be used for postal voting provide for declarations to that effect.

Credit institutions, shareholders' associations, or other persons or organisations with an equivalent status pursuant to § 135 (8) and (10) in conjunction with § 125 (5) AktG appointed as proxies may also make use of postal voting.

Shareholders' rights

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

Pursuant to § 122 (2) AktG, shareholders, individually or collectively, holding a minimum of one-twentieth of the share capital or the proportionate amount of €500,000.00 may submit a motion to put items on the Agenda and have them published. Each new item must be substantiated or have a draft resolution attached. The motion must be forwarded in writing to the Board of Management 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 counted), which is no later than

Sunday, 22 January 2017, 24:00 hours (midnight).

We request that such motions be forwarded to the following address:

Deutsche Beteiligungs AG
The Board of Management
Börsenstrasse 1
60313 Frankfurt am Main
Germany

Countermotions and nominations by shareholders pursuant §§ 126 (1), 127 AktG (German Stock Corporation Act)

Shareholders may submit to the Company countermotions to draft resolutions proposed by the Board of Management and/or the Supervisory Board regarding specific items on the Agenda and make nominations for the appointment of auditors. Pursuant to § 126 (1) AktG, the Company will publish countermotions, including the name of the shareholder, the substantiation, as well as any commentary by management on the Company's website at *https://www.dbag.de/am-2017* provided that the countermotions, with a substantiation attached, are received at least 14 days 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, 7 February 2017, 24:00 hours (midnight)

at the address below:

Deutsche Beteiligungs AG
Börsenstrasse 1
60313 Frankfurt am Main
Germany
Fax: +49 69 95787-199 or -391
Email: hauptversammlung@dbag.de

Countermotions addressed otherwise will not be considered. The procedures stated above apply accordingly to nominations for appointment of the auditors based on § 127 AktG. Nominations by shareholders, however, do not need to be substantiated.

The Company may refrain from publishing a countermotion under the conditions stated in § 126 (2) AktG 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 for a countermotion (or a nomination, if reasons are stated) is longer than 5,000 characters in total, it need not be published. Furthermore, the Company is entitled to refrain from publishing nominations by shareholders, except in the instances stated in § 126 (2) AktG, if the name, exercised profession and place of residence of the nominee are not stated.

It should be noted that countermotions and nominations, even if they have been submitted to the Company in advance and in due time, will only be considered at the Annual Meeting if they are brought forward verbally there. This does not affect the right of every shareholder to put forward countermotions to Agenda items or nominations during the Annual Meeting itself, without having previously submitted these to the Company.

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

Based on § 131 (1) AktG, every shareholder may put questions to the Board of Management during the Annual Meeting on issues relating to the Company, insofar as the requested 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, as well as to the position of the Group and the consolidated companies, since the consolidated financial statements and the management 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, for example, if the requested information, based on sound business judgement, might be detrimental to the Company or one of its associated companies. According to § 16 (3) of the Articles of Association, the Chairman presiding over 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 or enquirers.

Further details and information at the Company’s website

Shareholders can access information concerning the Annual Meeting pursuant to § 124a AktG (German Stock Corporation Act) on the Company’s website at *https://www.dbag.de/am-2017*. Further details on shareholders’ rights according to § 122 (2), 126 (1), § 127, § 131 (1) AktG can also be found at the Company’s website stated above.

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 €53,386,664.43 and is denominated in 15,043,994 no par value shares, all carrying the same voting and dividend rights and each entitled to one vote. The total number of shares and voting rights at the date of the convocation of the Annual Meeting is therefore 15,043,994.

Frankfurt am Main, January 2017

Deutsche Beteiligungs AG
The Board of Management