

Disclosures in accordance with Sections 289 (4) and 315 (4) of the German Commercial Code (HGB)

Composition of subscribed capital

As of December 31, 2009, the subscribed capital of Pfeleiderer AG amounted to 136,514,816.00 euros. At the balance sheet date, the share capital was composed of 53,326,100 no-par value registered shares. Due to a capital increase against cash contributions, the subscribed share capital has amounted to 150,166,272.00 euros since February 5, 2010, and is composed of 58,658,700.00 no-par value shares.

All shares confer their holders the same rights and obligations, with the exception of treasury shares held by Pfeleiderer AG, which do not confer any rights on the Company. As of December 31, 2009, Pfeleiderer AG held a total of 2,643,458 treasury shares. The Company sold all of those treasury shares on the stock exchange on January 19, 2010.

Restrictions affecting the voting rights or the transfer of shares

The granting of stock options pursuant to the Company's stock option programs is conditional upon the beneficiaries making a personal investment in shares of Pfeleiderer AG which are then subject to a lockup period. If a beneficiary sells locked shares prematurely before expiry of the three-year lockup period after stock options are granted, the stock options become void without replacement. At December 31, 2009, 176,562 shares of Pfeleiderer AG were locked due to personal investments by stock option beneficiaries.

The Executive Board of Pfeleiderer AG is not aware of any other restrictions affecting the voting rights or the transfer of shares.

Interests in the share capital exceeding 10% of the voting rights

The Company's Executive Board is aware of the following interests in the share capital which exceed 10% of the voting rights:

In accordance with Section 21 Subsection 1 of the German Securities Trading Act (WpHG), Patrick Aurel Pfeleiderer, Wiesbaden, PAP Beteiligungs-GmbH, Neumarkt, PAP Vermögensverwaltung GmbH & Co. KG, Neumarkt, EHP Beteiligungs-GmbH, Neumarkt, EHP Vermögensverwaltung GmbH & Co. KG, Neumarkt, Christian Alexander Pfeleiderer, Frankfurt am Main, CAP Beteiligungs-GmbH, Neumarkt, CAP Vermögensverwaltung GmbH & Co. KG, Neumarkt, Hans Theodor Pfeleiderer, Bad Großpertholz (Austria), HTP Beteiligungs-GmbH, Neumarkt, and HTP Unternehmensverwaltung GmbH & Co. KG, Neumarkt, informed the Company in writing on April 26 and 27, 2006 that their voting rights in the Company exceeded the 5% and 10% thresholds on April 20, 2006, and at that time each amounted 10.58%. Ernst-Herbert Pfeleiderer, Neumarkt, informed the Company in writing on April 27, 2006, in accordance with Section 21 Paragraph 1 of the German Securities Trading Act (WpHG), that his voting rights in the Company exceeded the 5% and 10% thresholds on April 20, 2006, and amounted to 10.96%. The aforementioned persons and companies also informed the Company that their voting rights are fully or partially assigned to them in accordance with Section 22 Paragraph 2, Section 22 Subsection 1 Paragraph 1 No. 1 and Section 22 Paragraph 1 Sentence 1 No. 2 of the German Securities Trading Act (WpHG).

In accordance with Section 21 Paragraph 1 of the German Securities Trading Act (WpHG), Wood Engineering Holding B.V., Amsterdam (Netherlands), informed the Company on February 10, 2010, that its voting rights in the Company fell below the threshold of 25% on February 5, 2010, and at that time amounted to 23.30% (13,688,154 voting rights). In addition, Wood Coöperatief U.A., Amsterdam (Netherlands), Wood Engineering, L.P., Grand Cayman (Cayman Islands), Wood Engineering GP Ltd., Grand Cayman (Cayman Islands), One Equity Partners II, L.P., New York (USA), OEP Holding Corporation, New York (USA), Bank One Investment Corporation, Chicago (USA), JPMorgan Capital Corporation, Chicago (USA), Banc One Financial LLC, Chicago (USA) and JPMorgan Chase & Co., New York (USA) each informed the Company on February 10, 2010, in accordance with Section 21 Paragraph 1 of the WpHG that their voting rights in the Company fell below the threshold of 25% on February 5, 2010, and at that time each amounted to 23.30% (13,688,154 voting rights). The aforementioned companies also notified the Company that the voting rights are assigned to them in accordance with Section 22 Paragraph 1 Sentence 1 No. 1 of the WpHG.

Shares conferring special control rights

The Company has not issued any shares conferring special control rights.

System of the control of voting rights if employees are shareholders and do not exercise their control rights directly

Employees who participate in the Company's stock option program and have made a personal investment in shares of Pfeleiderer AG can exercise the control rights conferred by these shares directly in accordance with the Articles of Incorporation and applicable law. Shares issued by the Company to employees as part of the stock option program are transferred directly. Employees can also exercise the control rights conveyed by these shares directly in accordance with the Articles of Incorporation and applicable law.

Statutory provisions and provisions of the Articles of Incorporation governing the appointment and dismissal of members of the Executive Board and amendments to the Articles of Incorporation

Sections 84 and 85 of the German Stock Corporation Act (AktG) and Section 31 of the German Co-determination Act (MitbestG) govern the appointment and dismissal of members of the Executive Board. In accordance with Article 6 Paragraph 1 of the Company's Articles of Incorporation, the Executive Board must have at least two members. In all other respects, the Supervisory Board determines the number of Executive Board members in accordance with Article 6 Paragraph 2 of the Company's Articles of Incorporation.

Statutory provisions concerning amendments to the Articles of Incorporation are included in Sections 133 and 179 of the German Stock Corporation Act (AktG). In accordance with Article 16 of the company's Articles of Incorporation, the Supervisory Board is authorized to amend the Articles of Incorporation if they affect only the wording. Unless required otherwise by law, Article 21 Paragraph 3 of the Articles of Incorporation stipulates that resolutions of the Annual Shareholders' Meeting require a simple majority of the votes cast or a simple majority of the share capital represented at the time of the resolution.



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[http://www.pfleiderer.com/en/
investor-relations/statutes-247.html](http://www.pfleiderer.com/en/investor-relations/statutes-247.html)

Powers of the Executive Board to issue or repurchase shares**Authorized Capital**

In accordance with Article 4 Paragraph 2 of the Company's Articles of Incorporation, the Executive Board was authorized as of December 31, 2009, with the consent of the Supervisory Board, to increase the Company's share capital on one or more occasions in the period up to June 18, 2012, by up to 68,257,408.00 euros by issuing up to 26,663,050 no-par value shares against cash and/or noncash contributions (authorized capital). Due to a capital increase against cash contributions carried out on February 5, 2010, with utilization of the authorized capital, the Executive Board is currently authorized, with the consent of the Supervisory Board, to increase the Company's share capital on one or more occasions in the period up to June 18, 2012, by up to 54,605,952.00 euros by issuing up to 21,330,450 no-par value shares against cash and/or non-cash contributions (authorized Capital).

The shareholders must generally be granted subscription rights to the new no-par value shares. However, the Executive Board is authorized, with the consent of the Supervisory Board, to preclude shareholders' statutory subscription rights in certain cases. Additional details are provided by Article 4 Paragraph 2 of the Company's Articles of Incorporation.

Conditional Capital

By resolution of the Annual Shareholders' Meeting of June 23, 2009, the Executive Board was authorized, with the consent of the Supervisory Board, until June 22, 2014, to issue bonds with warrants and/or convertible bonds ("bonds"), with or without limited terms, in a total volume of up to 200,000,000.00 euros against cash contributions and to grant the bondholders warrant and conversion rights to up to 21,330,440 shares in Pfeleiderer AG with a notional interest in the share capital of up to 54,605,926.40 euros. The bond conditions can also include the obligation to exercise conversion rights. These bonds are issued subject to shareholders' statutory subscription rights. However, the Executive Board is authorized, with the consent of the Supervisory Board, to preclude shareholders' statutory subscription rights in certain cases. To date, the Executive Board has not made use of this authorization. For this purpose, the share capital has been conditionally increased by up to 54,605,926.40 euros by the issue of up to 21,330,440 new shares (Conditional Capital I). Further details are governed by the resolution granting authorization of June 23, 2009, and by Article 4 Paragraph 3 of the Company's Articles of Incorporation.

In addition, the Company's share capital has additionally been conditionally increased by up to 1,989,836.80 euros (conditional capital). The conditional capital increase through the issue of up to 777,280 new no-par value shares of the Company will only be implemented to the extent that stock options were granted under the authorization applicable until June 30, 2006, and under the Pfeleiderer Stock Option Plan 2001, that the holders of those stock options exercise their rights to subscribe for shares of the Company, and that Company does not settle the stock options by issuing treasury shares or by way of cash compensation. Further details are governed by the resolution granting authorization of July 10, 2001, and by Article 4 Paragraph 4 of the Company's Articles of Incorporation.

In addition, the Company's share capital has been conditionally increased by up to 11,661,644.80 euros (conditional capital). The conditional capital increase of up to 4,555,330 new no-par value shares will only be implemented to the extent that stock options were granted under the authorization applicable until May 31, 2011, and under the Pfeleiderer Stock Option Plan 2006, that the holders of those stock options exercise their rights to subscribe for shares of the Company, and that the Company does not settle the stock options by issuing treasury shares or by way of cash compensation. Further details are governed by the resolution granting authorization of June 13, 2006, and by Article 4 Paragraph 5 of the Company's Articles of Incorporation.

Purchase of own shares

On June 23, 2009, the Annual Shareholders' Meeting authorized the Company in accordance with Section 71 Paragraph 1 No. 8 of the German Stock Corporation Act (AktG) to buy the Company's own shares in the period until December 22, 2010, with a notional interest in the current share capital of up to 10%. The shares may be bought through the stock exchange or by way of a public offer to buy shares or a public invitation to make offers to sell shares addressed to all shareholders. The Executive Board was authorized, with the consent of the Supervisory Board, to sell such acquired treasury shares in certain cases with the preclusion of shareholders' subscription rights in a way other than through the stock exchange or on the basis of an offer to all shareholders. Further details are governed by the resolution granting authorization of June 23, 2009. The Company did not make use of the authorization to acquire its own shares in 2009.

Material agreements of the Company which are subject to a change of control resulting from a takeover bid

In the case of a change of control, the banks financing the Pfeleiderer Group can make the loans granted to the Group immediately repayable.

In the case of a change of control, the hybrid bond issued in 2007 must be either repurchased by the issuer or continue to be serviced with additional interest.

An agreement exists with the Chairman of the Executive Board granting him an extraordinary right to terminate his contract of service in the case of a change of control. The agreement does not provide for any additional severance compensation beyond the contractual remuneration.

Compensation arrangements agreed by the Company with the members of the Executive Board or employees for the case of a takeover bid

Apart from the agreement with the Chairman of the Executive Board of the Company described in the previous paragraph, there are no arrangements with members of the Executive Board or employees that become effective in the case of a takeover bid.