

Invitation

ANNUAL SHAREHOLDERS'
MEETING 2010

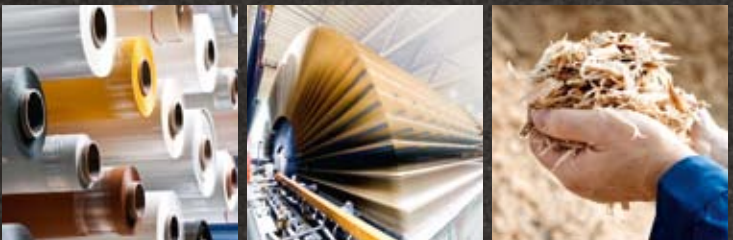
We hereby invite the Shareholders
of the Company to the

2010 Annual Shareholders' Meeting

to be held on Wednesday,
June 23, 2010, starting at 10:30 a.m.

at the Hilton Munich Park Hotel,
Am Tucherpark 7,
80538 Munich, Germany.

Convenience translation – the original German text is the only legally binding version.



German SIN: 676 474

ISIN: DE0006764749

Agenda

- 1. Presentation of the adopted company financial statements and the approved consolidated financial statements as at December 31, 2009, and the combined management report for the Pfeiderer Group and the Pfeiderer Aktiengesellschaft for fiscal year 2009, including the report on disclosures pursuant to Sections 289 (4) and 315 (4) of the German Commercial Code (HGB) and the Report of the Supervisory Board for fiscal year 2009**

The aforementioned documents, which must by law be made available to the Shareholders' Meeting, can be downloaded from our website www.pfeiderer.com in the "Investor Relations/ Annual Shareholders' Meeting" section. Copies of the documents will also be sent to shareholders on request.

At the meeting the Executive Board will elucidate the documents presented by it, and the Report of the Supervisory Board will be presented by its Chairman. The Supervisory Board has already approved the company financial statements and the consolidated financial statements prepared by the Executive Board. In accordance with statutory provisions, no resolution will therefore be put to the meeting on agenda item 1.

- 2. Ratification of the actions of the Executive Board for fiscal year 2009**

Owing to the ongoing investigation into the processing of the new construction project for an MDF factory in the USA, the Executive Board and the Supervisory Board propose that the resolution on ratification of the actions in fiscal year 2009 of Dr. Robert Hopperdietzel, who has resigned from the Executive Board on November 15, 2009, should be adjourned until the Annual Shareholders' Meeting that ratifies actions for fiscal year 2010.

The Executive Board and the Supervisory Board propose that the actions of the members of the Executive Board holding office in fiscal year 2009, with the exception of Dr. Robert Hopperdietzel, be ratified for this period.

3. Ratification of the actions of the Supervisory Board for fiscal year 2009

The Executive Board and the Supervisory Board propose that the actions of the Supervisory Board in fiscal year 2009 be ratified.

4. Election of the independent auditors for the company financial statements and the consolidated financial statements and for the auditors' review of the half-year report for fiscal year 2010

Upon recommendation of the Audit Committee, the Supervisory Board proposes that the Annual Shareholders' Meeting elect KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, Germany, as independent auditors for the company financial statements and consolidated financial statements and as independent auditors for the review of the abridged financial statements and interim management report contained in the half-year report for fiscal year 2010.

5. Election to the Supervisory Board

Ernst-Herbert Pfeleiderer, Chairman of the Supervisory Board, stands down as a member of the Supervisory Board with effect from the end of the Annual Shareholders' Meeting taking place on June 23, 2010. A new member is to be elected to the Supervisory Board by the Annual Shareholders' Meeting.

Pursuant to Sections 96 (1) and 101 (1) of the German Stock Corporation Act (AktG) in conjunction with Sections 1 (1), 5 (1), 7 (1) clause 1 no. 1, 7 (2) no. 1 of the German Codetermination Act (MitbestG) and Article 8 (1) of the Articles of Incorporation, the Supervisory Board consists of six members elected by the Annual Shareholders' Meeting and six members elected by the employees in accordance with the provisions of the Codetermination Act. The Annual Shareholders' Meeting is not bound by any nominations.

Upon recommendation of the Nominations Committee, the Supervisory Board proposes the election of:

Mr. Hans Theodor Pfeleiderer
Member of the Executive Board of P & V Holding AG
Vienna, Austria

as a shareholders' representative for the remaining term of office of departing member Ernst-Herbert Pfeiderer, i.e. for the period until the end of the Annual Shareholders' Meeting to which a resolution for the ratification of the actions of the Supervisory Board in fiscal year 2011 is put.

Hans Theodor Pfeiderer is a Director of PF Metal Traders LP, London, United Kingdom. He is not a member of any other supervisory boards or comparable monitoring boards of German or foreign companies.

Note pursuant to Section 5.4.3 of the German Corporate Governance Code: A proposal will be put to the meeting of the Supervisory Board held following the Annual Shareholders' Meeting on June 23, 2010, to elect Supervisory Board member Mr. Christopher von Hugo as its Chairman.

6. Resolution on changes to the Articles of Incorporation to conform to the German Act Implementing the Shareholders' Rights Directive (ARUG)

The German Act Implementing the Shareholders' Rights Directive (ARUG), which came into force on September 1, 2009, amended the provisions of the German Stock Corporation Act on the convening and conduct of the Annual Shareholders' Meeting. The Company's Articles of Incorporation need amendment to bring them into line with the altered statutory provisions.

The Executive Board and the Supervisory Board propose the following resolution:

- a) Article 18 (1) of the Articles of Incorporation is hereby amended as follows:

“(1) The Annual Shareholders' Meeting shall be convened at least 30 days before the date on which it is to be held, if a shorter notice period is not permitted by law. The day on which the Annual Shareholders' Meeting is held and the day on which it is convened do not count towards the notice period. This notice period is extended by the number of days in the registration period specified in Article 18 (3) of the Articles of Incorporation.”

b) Article 18 (3) of the Articles of Incorporation is hereby amended as follows:

“(3) Shareholders must register for the Annual Shareholders’ Meeting in writing in German or English to the address specified in the invitation at least six days prior to the day of the Annual Shareholders’ Meeting. The invitation may specify a shorter registration period in days. The day of the Annual Shareholders’ Meeting and the day on which registration is received do not count towards the registration period.

c) Article 18 (4) of the Articles of Incorporation is hereby rescinded.

d) Article 18 (5) of the Articles of Incorporation is hereby amended as follows and becomes Article 18 (4):

“The Chairman of the Annual Shareholders’ Meeting is authorized to permit all or part of it to be transmitted in sound and vision in a manner to be determined by him. The transmission may also take a form to which the public has unrestricted access.”

e) Article 21 (2) of the Articles of Incorporation is hereby amended as follows:

“(2) Voting rights may be exercised by a proxy. Proxy rights must be granted and revoked in writing. The Company must be provided with written evidence of the proxy right. Details are circulated with the invitation to the Annual Shareholders’ Meeting, which may permit a simplified procedure. The provisions of Section 135 AktG on the exercise of voting rights by banks and commercial agents are unaffected.”

7. Resolution on the creation of a new authorized capital and an amendment to the Articles of Incorporation

Following the exercise of authorized capital in February 2010, authorized capital now stands at 54,605,952 euros. New authorized capital equal to 50% of share capital is to be created to enable the Company to continue to be able to use this instrument to reinforce its equity capital when required in future years.

The Executive Board and the Supervisory Board propose the following resolution:

- a) Rescinding the existing authorization to increase the share capital and creating a new authorized capital

At the Annual Shareholders' Meeting held on June 19, 2007, the Executive Board was authorized to increase the Company's share capital with the approval of the Supervisory Board by a total of up to 54,605,952.00 euros in the period ending June 18, 2012, by issuing – in one or more tranches – a total of up to 21,330,450 ordinary registered no-par-value shares, each with a notional interest in the share capital of 2.56 euros, for cash and/or assets in kind (Authorized Capital). This authorization pursuant to Article 4 (2) of the Articles of Incorporation is hereby revoked.

The Executive Board is hereby authorized to increase the Company's share capital with the approval of the Supervisory Board by a total of up to 75,083,136.00 euros in the period ending June 22, 2015, by issuing – in one or more tranches – a total of up to 29,329,350 ordinary registered no-par-value shares, each with a notional interest in the share capital of 2.56 euros, for cash and/or non-cash contributions (Authorized Capital 2010).

Shareholders shall in principle be invited to subscribe the new ordinary no-par-value shares. Pursuant to Section 186 (5) clause 1 AktG the new shares may also be allocated to one or more banks or companies designated by the Executive Board which shall then be obliged to offer them to shareholders for subscription (indirect subscription rights).

With the approval of the Supervisory Board, however, the Executive Board is hereby authorized to exclude fractional amounts from the subscription rights and to exclude shareholders' subscription rights

- in a capital increase against cash contribution, if the issue price of the new shares is not significantly below the stock exchange price of the Company's shares of the same class within the meaning of Section 203 (1) and (2) and Section 186 (3) clause 4 AktG at the time when the issue price is determined, which should be as coterminous as possible with the placement of the

new no-par-value shares. This exclusion of subscription rights is restricted to a maximum of 10% of the Company's current share capital both on the date when this authorization comes into force and on the date on which it is exercised. The calculation of this limit shall include the share capital represented by shares that are to be issued to service convertible bonds and/or bonds with warrants, that during the term of this authorization in application of Section 186 (3) clause 4 AktG are issued with subscription rights excluded, or that are sold during the term of this authorization pursuant to Sections 71 (1) no. 8 and 186 (3) clause 4 AktG. It shall not be included if new authorizations to issue convertible bonds and/or bonds with warrants in application of Section 186 (3) clause 4 AktG or to sell treasury shares in accordance with Sections 71 (1) no. 8 and 186 (3) clause 4 AktG after the exercise of such authorizations that led to the inclusion have been granted by the Annual Shareholders' Meeting;

- in a capital increase against non-cash contributions for the acquisition of companies, parts of companies or interests in companies. This exclusion of subscription rights is restricted to a maximum of 20% of the Company's current share capital both on the date when this authorization comes into force and on the date on which it is exercised;
- insofar as it is necessary to grant holders of convertible bonds or bonds with warrants issued by the Company or by direct or indirect Group companies of the Company rights to subscribe the same number of new shares as they would have been entitled to after exercising the conversion right or warrant or after the obligation to convert had been met.

The Executive Board is hereby authorized to determine the further details of capital increases from Authorized Capital 2010, particularly the issue price, with the approval of the Supervisory Board.

The Supervisory Board is hereby authorized to amend the Articles of Incorporation to reflect the execution of the capital increase by the exercise of Authorized Capital 2010 and after the authorization period has expired.

b) Amendment to the Articles of Incorporation

Article 4 (2) of the Articles of Incorporation is hereby amended as follows:

“(2) The Executive Board is authorized to increase the Company’s share capital with the approval of the Supervisory Board by a total of up to 75,083,136.00 euros in the period ending June 22, 2015, by issuing – in one or more tranches – a total of up to 29,329,350 ordinary registered no-par-value shares, each with a notional interest in the share capital of 2.56 euros, against cash and/or non-cash contributions (Authorized Capital 2010).

Shareholders shall in principle be invited to subscribe the new ordinary no-par-value shares. Pursuant to Section 186 (5) clause 1 AktG the new shares may also be allocated to one or more banks or companies designated by the Executive Board which shall then be obliged to offer them to shareholders for subscription (indirect subscription rights).

With the approval of the Supervisory Board, however, the Executive Board is authorized to exclude fractional amounts from the subscription rights and to exclude shareholders’ subscription rights

- in a capital increase against cash contributions, if the issue price of the new shares is not significantly below the stock exchange price of the Company’s shares of the same class within the meaning of Section 203 (1) and (2) and Section 186 (3) clause 4 AktG at the time when the issue price is determined, which should be as coterminous as possible with the placement of the new no-par-value shares. This exclusion of subscription rights is restricted to a maximum of 10% of the Company’s current share capital both on the date when this authorization comes into force and on the date on which it is exercised. The calculation of this limit shall include the share capital represented by shares that are to be issued to service convertible bonds and/or bonds with warrants, that during the term of this authorization in application of Section 186 (3) clause 4 AktG are issued with sub-

scription rights excluded, or that are sold during the term of this authorization pursuant to Sections 71 (1) no. 8 and 186 (3) clause 4 AktG. It shall not be included if new authorizations to issue convertible bonds and/or bonds with warrants in application of Section 186 (3) clause 4 AktG or to sell treasury shares in accordance with Sections 71 (1) no. 8 and 186 (3) clause 4 AktG after the exercise of such authorizations that led to the inclusion have been granted by the Annual Shareholders' Meeting;

- in a capital increase against non-cash contributions for the acquisition of companies, parts of companies or interests in companies. This exclusion of subscription rights is restricted to a maximum of 20% of the Company's current share capital both on the date when this authorization comes into force and on the date on which it is exercised;
- insofar as it is necessary to grant holders of convertible bonds or bonds with warrants issued by the Company or by direct or indirect Group companies of the Company rights to subscribe the same number of new shares as they would have been entitled to after exercising the conversion right or warrant or after the obligation to convert had been met.

The Executive Board is authorized to determine the further details of capital increases from Authorized Capital 2010, particularly the issue price, with the approval of the Supervisory Board.

The Supervisory Board is authorized to amend the Articles of Incorporation to reflect the conduct of the capital increase by the exercise of Authorized Capital 2010 and after the authorization period has expired.

8. Resolution on a new authorization for the issue of convertible bonds and/or bonds with warrants, the creation of new conditional capital and an amendment to the Articles of Incorporation

The authorization granted by the Annual Shareholders' Meeting on June 23, 2009, to issue convertible bonds and/or bonds with warrants provides for the conversion or warrant price (issue price) of

the shares to be issued to be defined as a fixed percentage of the quoted price at the time of the issue of the convertible bonds and/or bonds with warrants. This provision, which significantly restricts the Company's latitude in the structuring of convertible bonds and/or bonds with warrants, was a precautionary measure in the light of the restrictive legal rulings handed down at the time by courts at various levels. Since then it has been made clear, both by the German Act Implementing the Shareholders' Rights Directive (ARUG), which came into force on September 1, 2009, and by rulings of the German Federal Supreme Court, that it is sufficient for the basis on which a minimum issue price is determined to be specified in the resolution granting authorization.

The existing authorization will accordingly be replaced by a new one affording the Company increased scope for action in line with the altered legal framework. Since the existing authorization has not been utilized, the existing Conditional Capital I of 54,605,926.40 euros as defined in Article 4 (3) of the Articles of Incorporation is to be replaced by a new conditional capital. On this occasion, the maximum number of Pfeleiderer shares to be issued in consequence of conversion rights or warrants is to be increased from 21,330,440 to 23,463,480, and the conditional capital increased accordingly to 60,066,508.80 euros.

The Executive Board and the Supervisory Board propose the following resolution:

- a) Revocation of the existing authorization to issue convertible bonds and/or bonds with warrants

The authorization granted to the Executive Board by the Annual Shareholders' Meeting of June 23, 2009, with the approval of the Supervisory Board, to issue bearer or registered convertible bonds and/or bonds with warrants (hereinafter also termed "bonds") with or without a limited term in a total nominal amount of up to 200,000,000.00 euros and to grant holders or creditors of bonds option or conversion rights for up to 21,330,440 registered no-par-value shares in the Company with a total notional interest in the share capital of up to 54,605,926.40 euros in accordance with the terms and conditions applicable to the convertible bonds or bonds with warrants, is hereby revoked.

b) New authorization to issue convertible bonds and/or bonds with warrants

The Executive Board is hereby authorized, with the approval of the Supervisory Board, to issue bearer or registered convertible bonds and/or bonds with warrants (hereinafter also termed “bonds”) with or without a limited term in a total nominal amount of up to 250,000,000.00 euros and to grant holders or creditors of bonds conversion or option rights for up to 23,463,480 registered no-par-value shares in the Company (hereinafter also termed “Pfleiderer shares”) with a total notional interest in the share capital of up to 60,066,508.80 euros in accordance with the terms and conditions applicable of the convertible bonds or bonds with warrants. The terms and conditions of the convertible bonds may include the obligation to exercise the conversions rights (hereinafter also termed the “conversion obligation”). The bonds are to be issued against cash contributions.

The authorization applies until June 22, 2015. The bonds may be issued on one or more occasions, all at once or in several tranches. The individual issues may be divided into partial bonds, each with equal rights and obligations.

The bonds may be denominated in euros or – limited to the equivalent countervalue – in a legal currency of a member state of the OECD. Such bonds may also be issued by a direct or indirect Group company of the Company; in this case the Executive Board is authorized, with the approval of the Supervisory Board, to provide the guarantees required for the bonds and to grant the holders conversion or option rights to Pfleiderer shares or to establish corresponding conversion obligations.

In the case of the issue of bonds with warrants, one or more warrants are attached to each partial bond, entitling the holder to subscribe to Pfleiderer shares in accordance with the terms and conditions of the bonds with warrants specified by the Executive Board. The notional interest in the share capital accounted for by the Pfleiderer shares to be subscribed to for each partial bond may not exceed the nominal amount of the partial bond.

When convertible bonds are issued, holders of the partial bonds are entitled to convert these into Pfeiderer shares in accordance with the terms and conditions for the convertible bonds as the Executive Board may stipulate. The terms and conditions for the convertible bonds may also provide for a conversion obligation. The conversion ratio is calculated by dividing the nominal amount of a partial bond by the conversion price fixed for one Pfeiderer share. The conversion ratio may also be calculated by dividing the issue price (if below the nominal amount) of a partial bond by the conversion price fixed for one Pfeiderer share. The conversion ratio and/or the conversion price may be defined as variable, with the conversion price varying within a defined range depending on the performance of the Pfeiderer share price during the term. The conversion ratio may be rounded up or down to the nearest whole number; in addition, a payment to be made in cash may be stipulated. Moreover, fractional amounts may be consolidated and/or compensated by cash payment. The notional interest in the share capital accounted for by the Pfeiderer shares to be issued upon conversion may on no account exceed the nominal amount of the partial bond.

The terms and conditions of bonds that grant and/or stipulate a conversion right, a conversion obligation and/or a warrant may stipulate that in the event of conversion or exercise of the warrant, instead of the issue of Pfeiderer shares from conditional capital, treasury shares held by the Company or new Pfeiderer shares from authorized capital may be granted. Furthermore, the terms and conditions may provide for the Company paying the party entitled to conversion or the exercise of warrants the equivalent amount in cash rather than granting Pfeiderer shares.

In the event of the issue of bonds granting a conversion right or a warrant or stipulating a conversion obligation, the conversion or warrant price shall be determined in accordance with the following principles:

- (1) In the case of the issue of bonds granting a conversion right but not stipulating a conversion obligation, and of bonds with warrants, the conversion or warrant price to be fixed for one Pfeiderer share – even if the conversion ratio and/or the con-

version price is variable – must equal at least 80% of the volume-weighted average price of Pfeiderer shares recorded in Xetra trading (or a successor to the Xetra system) on the Frankfurt Stock Exchange, viz.:

- on the ten stock exchange trading days before the day of the Executive Board resolution to issue the bond, or
- if shareholders are granted subscription rights to the bond and the subscription rights are traded on the Frankfurt Stock Exchange, during the days on which subscription rights to the bonds are traded on the Frankfurt Stock Exchange except for the last two days of the subscription rights trading.

(2) In the case of the issue of bonds stipulating a conversion obligation, the conversion price to be fixed for one Pfeiderer share – even if the conversion ratio and/or the conversion price is variable – must be either:

(a) at least 80% of the volume-weighted average price of Pfeiderer shares recorded in Xetra trading (or a successor to the Xetra system) on the Frankfurt Stock Exchange, viz.:

- on the ten stock exchange trading days before the day of the Executive Board resolution to issue the bond, or
- if shareholders are granted subscription rights to the bond and the subscription rights are traded on the Frankfurt Stock Exchange, during the days on which subscription rights to the bonds are traded on the Frankfurt Stock Exchange except for the last two days of the subscription rights trading,

or

(b) at least 80% of the volume-weighted average price of Pfeiderer shares recorded in Xetra trading (or a successor to the Xetra system) on the Frankfurt Stock Exchange on the ten stock exchange trading days before the day on which the bond is converted, except for the last two such days.

If, during the term of a bond, dilution of the economic value of the existing conversion rights or warrants occurs and no subscription rights are granted in compensation, or in the case of unusual measures or events at the Company, the conversion rights or warrants can be adjusted to protect their value – notwithstanding Section 9 (1) AktG – unless the adjustment is already mandatory by virtue of applicable law. On no account may the notional proportion of the share capital accounted for by the Pfeleiderer shares to be received per partial bond exceed the nominal amount of the partial bond.

Shareholders in principle have the right to subscribe to the bonds. Pursuant to Section 186 (5) clause 1 AktG the bonds may also be allocated to one or more banks or companies, designated by the Executive Board, which shall then be obliged to offer them to shareholders for subscription (indirect subscription rights).

The Executive Board is hereby authorized, however, with the approval of the Supervisory Board, to issue bonds with conversion rights and/or warrants or conversion obligations against cash contributions in application of Section 186 (3) clause 4 AktG with subscription rights excluded, provided that the issue price is not significantly lower than the theoretical market price of the bonds with conversion rights and/or warrants or conversion obligations calculated in accordance with recognized methods of financial mathematics. This authorization to exclude subscription rights applies only to the extent that the shares to be issued to service the conversion rights and warrants or upon fulfillment of the conversion obligation account for a notional interest in the share capital not exceeding 15,016,627.20 euros or, in total, 10% of the share capital at the time when the authorization is exercised. This maximum amount for the exclusion of subscription rights is to include the notional interest in the share capital of shares issued or sold during the term of this authorization in direct or corresponding application of Section 186 (3) clause 4 AktG. Such an inclusion does not apply if new authorizations to issue or sell shares in direct or corresponding application of Section 186 (3) clause 4 AktG are granted by the Annual Shareholders' Meeting after an exercise of authorizations that led to the inclusion.

Furthermore, the Executive Board is hereby authorized, with the approval of the Supervisory Board, to exclude shareholders' rights to subscribe to bonds for fractional amounts occurring as a result of the subscription ratio and also, with the approval of the Supervisory Board, to exclude subscription rights to the extent necessary to be able to grant to holders of conversion rights or warrants and/or creditors of convertible bonds with conversion obligations a subscription right to the extent to which they would be entitled after exercising their conversion rights or warrants or after fulfilling their conversion obligations.

The Executive Board is hereby authorized, with the approval of the Supervisory Board and with due consideration of the principles laid down in this authorization, to determine the other conditions relating to the issue of the bonds and their terms and conditions itself or in agreement with the organs of the issuing direct or indirect Group companies. This applies in particular to the volume, timing, rate of interest, nature of interest, issue price, term, denomination, conversion or warrant price, dilution protection, conversion/warrant period, termination rights, establishment of a conversion obligation, stipulation of an additional cash payment, compensation for or combination of fractional amounts, cash payment instead of the delivery of Pflleiderer shares, and the delivery of existing Pflleiderer shares instead of the issue of new ones.

c) Revocation of existing Conditional Capital I

Conditional Capital I of 54,605,926.40 euros created by the Annual Shareholders' Meeting on June 23, 2009, and governed by Article 4 (3) of the Company's Articles of Incorporation is hereby revoked.

d) Creation of new Conditional Capital I

The share capital is hereby conditionally increased by up to 60,066,508.80 euros by the issue of up to 23,463,480 new registered no-par-value shares ("Conditional Capital I"). The conditional capital increase serves to grant registered no-par-value shares in the Company to the holders or creditors of convertible bonds and/or bonds with warrants to be issued by the Company or by direct or indirect Group companies against cash contributions on the basis

of the authorization approved by the Annual Shareholders' Meeting on June 23, 2010, under agenda item 8 granting conversion rights or warrants to registered no-par-value shares in the Company or stipulating a conversion obligation.

The conditional increase in capital is only to be carried out to the extent that conversion rights or warrants are exercised or that holders or creditors obliged to convert fulfill their obligation to convert and that no cash compensation is granted or treasury shares or new shares from a utilization of conditional capital are used. The new registered no-par-value shares will participate in profits from the start of the fiscal year in which they are created. The Executive Board is authorized to stipulate the further details of the execution of the conditional capital increase.

The Supervisory Board is hereby authorized to amend Article 4 of the Articles of Incorporation in accordance with the utilization of Conditional Capital I. This applies mutatis mutandis in the case of non-utilization of the authorization to issue convertible bonds and/or bonds with warrants after expiry of the authorization period, and in the case of non-utilization of Conditional Capital I after expiry of all conversion or warrant periods.

e) Amendment to the Articles of Incorporation

Article 4 (3) of the Articles of Incorporation is hereby amended as follows:

“(3) The share capital is conditionally increased by up to 60,066,508.80 euros by the issue of up to 23,463,480 new registered no-par-value shares (“Conditional Capital I”).
The conditional capital increase serves to grant registered no-par-value shares in the Company to the holders or creditors of convertible bonds and/or bonds with warrants to be issued by the Company or by direct or indirect Group companies against cash contributions on the basis of the authorization approved by the Annual Shareholders' Meeting on June 23, 2010, under agenda item 8 granting conversion rights or warrants to registered no-par-value shares in the Company or stipulating a conversion obligation.

The conditional capital increase is only to be exercised to the extent that warrants or conversion rights are utilized or that holders or creditors obliged to convert fulfill their obligation to convert and that no cash compensation is granted or treasury shares or new shares from a utilization of authorized capital are used. The new registered no-par-value shares will participate in profits from the start of the fiscal year in which they are created. The Executive Board is authorized to stipulate the further details of the execution of the conditional capital increase.

The Supervisory Board is authorized to amend Article 4 of the Articles of Incorporation in accordance with the respective utilization of Conditional Capital I. This applies *mutatis mutandis* in the case of non-utilization of the authorization to issue convertible and/or bonds with warrants after expiry of the authorization period and in the case of non-utilization of Conditional Capital I after expiry of all conversion or warrant periods.”

9. Resolution on the authorization to acquire own shares

By a resolution adopted by the Annual Shareholders' Meeting on June 23, 2009, the Company was authorized to acquire its own shares up to a maximum of 10% of its share capital until December 22, 2010. The authorization is to be renewed for a further period of two years until June 22, 2012.

The Executive Board and the Supervisory Board propose the following resolution:

- a) Pursuant to Section 71 (1) no. 8 AktG, the Company is hereby authorized to purchase its own shares up to a notional 10% of the Company's present share capital until June 22, 2012.

The authorization to acquire own shares granted by the Annual Shareholders' Meeting of the Company on June 23, 2009, will be revoked when this new authorization comes into effect.

The shares may be purchased through the stock exchange or by means of a public offer to buy or a public invitation to make offers to sell, addressed to all shareholders.

- (1) In the case of acquisition through the stock exchange, the amount paid by the Company per share (excluding incidental acquisition costs) may not be more than 10% higher or 10% lower than the daily-volume-weighted average of the closing prices of the Company's shares in the Xetra trading system (or a successor system to Xetra) on the last three trading days prior to the purchase of the shares.
- (2) In the case of a public purchase offer, the Company may stipulate a purchase price or a range of purchase prices per share of the Company. If a range of purchase prices is stipulated, the final purchase price is determined on the basis of the acceptances submitted. The offer may specify an acceptance period, conditions, as well as the possibility of adjusting the purchase price or the range of purchase prices during the acceptance period if significant share price movements occur after the publication of the public offer and during the acceptance period.

The purchase price or the range of purchase prices offered per share of the Company (excluding incidental acquisition costs) may not be more than 10% higher or 10% lower than the daily-volume-weighted average of the closing prices of the Company's shares in the Xetra trading system (or a successor system to Xetra) on the last five trading days prior to the day of publication of the purchase offer. In the case of an adjustment to the offer, the relevant date is the day when the adjustment was announced instead of the day when the purchase offer was published.

If the number of shares offered for purchase exceeds the total number of shares that the Company intends to acquire, the shareholders' right to offer shares for purchase may be excluded to the extent that only the applicable proportion of the shares offered is purchased. Furthermore, priority may be given to shareholders offering small quantities of up to 50 shares of the Company for purchase.

- (3) In the case of a public invitation to make offers to sell, the Company may stipulate a range of purchase prices per share of the Company within which offers may be made. The invitation may

specify an offer period, conditions, as well as the possibility of adjusting the range of purchase prices during the offer period, if significant share price movements occur during the offer period after the publication of the invitation.

On acceptance the final purchase price is determined on the basis of the offers to sell that have been received. The purchase price per share of the Company (excluding incidental acquisition costs) may not be more than 10% higher or 10% lower than the daily-volume-weighted average of the closing prices of the shares of the Company in the Xetra trading system (or a successor system to Xetra) on the last five trading days prior to the day upon which the offers to sell are accepted by the Company.

If the number of shares of the Company offered to purchase exceeds the total number that the Company intends to acquire, the shareholders' right to offer may be excluded to the extent that only the applicable proportion of the shares offered is purchased. Furthermore, priority may be given to shareholders offering small quantities of up to 50 shares of the Company for purchase.

- b) The Executive Board is hereby authorized to use shares of the Company that have been acquired on the basis of this or an earlier authorization for all legally permissible purposes, in particular for the following:
- (1) The Executive Board is hereby authorized, with the approval of the Supervisory Board, to dispose of treasury shares other than through the stock exchange or by an offer to all shareholders, thereby excluding shareholders' subscription rights, provided that the treasury shares are sold, or introduced on foreign stock exchanges where they were not previously listed, at a price not significantly below the price quoted on the stock exchange for the Company's shares of the same class at the time of disposal. The applicable share price is the average of the daily-volume-weighted closing prices of the shares in the Xetra trading system (or a successor system to Xetra) on the last three trading days prior to the sale of the shares.

This exclusion of subscription rights is restricted to a maximum of 10% of the Company's current share capital both on the date when this authorization comes into force and on the date on which the authorization is exercised. The calculation of this limit shall include the share capital represented by shares issued to service convertible bonds and/or bonds with warrants during the term of this authorization in corresponding application of Section 186 (3) clause 4 AktG with subscription rights excluded, or that are issued during the term of this authorization in direct or corresponding application of Section 186 (3) clause 4 AktG with subscription rights excluded. Such an inclusion does not apply if new authorizations to issue shares or convertible bonds or bonds with warrants in direct or corresponding application of Section 186 (3) clause 4 AktG are granted by the Annual Shareholders' Meeting after an exercise of authorizations that led to the inclusion.

- (2) Furthermore, the Executive Board is hereby authorized, with the approval of the Supervisory Board, to dispose of treasury shares to third parties other than through the stock exchange or by an offer to all shareholders, thereby excluding shareholders' subscription rights, in connection with the purchase of companies, parts of companies or interests in companies.
- (3) Furthermore, the Executive Board is hereby authorized to use treasury shares to service subscription rights that were issued or will be issued in accordance with the Pfeiderer stock option plan as resolved by the Annual Shareholders' Meeting of July 10, 2001, under agenda item 5 or in accordance with the Pfeiderer stock option plan as resolved by the Annual Shareholders' Meeting of June 13, 2006, under agenda item 8. For the sale of shares of the Company to members of the Executive Board of the Company, the above authorization applies to the Supervisory Board.
- (4) Furthermore, the Executive Board is hereby authorized to sell treasury shares of the Company, thereby excluding shareholders' subscription rights, to participants in Pfeiderer stock option programs in accordance with the Pfeiderer Stock Option Plan

as resolved by the Annual Shareholders' Meeting of June 13, 2006, under agenda item 8 to the extent that these participants are obliged under the terms and conditions of the program to make a personal investment in Company shares as a precondition for the granting of subscription rights. The selling price must not be significantly below the stock exchange price. For the sale of shares of the Company to members of the Executive Board of the Company, the above authorization applies to the Supervisory Board.

- (5) Furthermore, the Executive Board is hereby authorized to use treasury shares, thereby excluding shareholders' subscription rights, to fulfill subscription or conversion rights arising from the exercise of conversion rights or warrants or from the fulfillment of conversion obligations which were granted or imposed in the context of the issue of convertible bonds and/or bonds with warrants of the Company or its Group companies.
 - (6) Furthermore, the Executive Board is hereby authorized to cancel treasury shares, with the approval of the Supervisory Board, without any further resolution of the Annual Shareholders' Meeting. Cancellation results in a reduction of the share capital. The Supervisory Board is hereby authorized to amend the wording of the Articles of Incorporation to reflect the extent of the cancellation. Notwithstanding this, the Executive Board is entitled to determine that the share capital remains unchanged on the cancellation and, instead, the proportionate share of the remaining shares in the share capital is increased. In this case, the Executive Board is hereby authorized to alter the number of shares stated in the Articles of Incorporation.
- c) The foregoing authorizations to acquire own shares, cancel treasury shares, resell or use them in another manner may also be exercised in partial amounts each time, either once or several times, individually or jointly.
 - d) Pursuant to Section 71 (1) no. 8 and Section 186 (3) and (4) AktG, shareholders' statutory subscription rights to treasury shares are excluded to the extent that such shares are used in accordance with the aforementioned authorizations given under b) (1) to (5) hereof.

- e) The shares acquired on the basis of this authorization, together with other shares in the Company that the Company has previously acquired and still owns or that are assigned to the Company pursuant to Sections 71d and 71e AktG, may at no time account for more than 10% of the Company's share capital.

10. Resolution on the approval of a control and profit transfer agreement with Pfeiderer erste Holding GmbH

On April 15, 2010, Pfeiderer Aktiengesellschaft concluded a control and profit transfer agreement with Pfeiderer erste Holding GmbH with its registered office in Neumarkt, Germany. The Shareholders' Meeting of Pfeiderer erste Holding GmbH has already approved the control and profit transfer agreement.

The aforementioned control and profit transfer agreement does not take effect until it has been approved by the Annual Shareholders' Meeting of Pfeiderer Aktiengesellschaft and its existence entered in the Pfeiderer erste Holding GmbH commercial register.

The wording of the control and profit transfer agreement between Pfeiderer Aktiengesellschaft and Pfeiderer erste Holding GmbH is as follows:

“Control and Profit Transfer Agreement

between

Pfeiderer Aktiengesellschaft with its registered office in Neumarkt, Germany, hereinafter referred to as the “Parent Company”

and

Pfeiderer erste Holding GmbH with its registered office in Neumarkt, Germany, hereinafter referred to as the “Subsidiary”

Clause 1 Management of the Subsidiary

- (1) The Subsidiary relinquishes the management of its company to the Parent Company.
- (2) The Parent Company is hereby authorized to give instructions at its own discretion – to the extent legally permissible – to

the managers of the Subsidiary with regard to its management. The managers of the Subsidiary are obliged to follow such instructions. The Parent Company will exercise its right to give instructions to the Subsidiary only through its Executive Board. Such instructions must be in written form.

- (3) The Parent Company may at any time have access to the accounts, correspondence and other business documentation of the Subsidiary and may request information on the legal, commercial and organizational affairs of the Subsidiary. The Subsidiary is obliged to report to the Parent Company regularly on all important business matters.

Clause 2 Profit and loss transfer

- (1) The Subsidiary is obliged to transfer its entire profit to the Parent Company. Subject to the formation or reversal of reserves in accordance with paragraph 2, profit is defined as the maximum transferable profit within the meaning of prevailing Section 301 AktG, which is applied accordingly.
- (2) With the approval of the Parent Company, the Subsidiary may allocate amounts from its annual net profit for the year to other revenue reserves to the extent permissible by commercial law and economically justified according to reasonable commercial judgment. Other revenue reserves formed during the term of this Agreement pursuant to Section 272 (3) of the German Commercial Code (HGB) are to be released if required by the Parent Company and transferred as profit to the extent not required to offset a net loss for the year. Other revenue reserves pursuant to Section 272 (3) HGB and any profit carried forward before the beginning of this Agreement may be neither transferred nor used to offset a net loss for the year. The foregoing sentence 3 applies to capital reserves within the meaning of Section 272 (2) no. 4 HGB that were formed before or during the period of validity of this Agreement. The transfer of income from the reversal of capital reserves or revenue reserves set up prior to this Agreement is thus excluded on the basis of this Agreement.

- (3) The Parent Company is obliged to offset any other net loss for the year arising at the Subsidiary during the period of the Agreement to the extent that it is not offset by a transfer of amounts from the other revenue reserves pursuant to Section 272 (3) HGB that were added to the other revenue reserves during the period of this Agreement. In other respects, prevailing Section 302 AktG is applicable.
- (4) Rights to the transfer of profits and the assumption of a net loss for the year arise and become due at the end of each fiscal year of the Subsidiary and are subject to interest as of that date at the prevailing market interest rate (3-month EONIA + 150 basis points).
- (5) The statement of account for the profits to be transferred and the losses to be assumed is to be issued before the annual financial statements of the Subsidiary are adopted. This statement of account is to be included in the annual financial statements of the Subsidiary.

Clause 3 Contract term, termination

- (1) The conclusion of this Agreement is subject to the approval of the Annual Shareholders' Meeting of the Parent Company. It takes effect when entered in the commercial register for the registered office of the Subsidiary. With regard to the obligation to transfer profits it begins retroactively as at January 1, 2010. The Agreement has a fixed term (minimum contractual period) extending until December 31, 2015, or – if this date is later – until the date when the minimum period for recognition as a single tax entity for German corporation and trade tax purposes as established by this Agreement has elapsed. Provided that neither of the parties to this Agreement gives the other six months' notice of termination before the end of the minimum term of the Agreement pursuant to sentence 3 above, the Agreement is extended for an indeterminate period and may be terminated by either party with a notice period of six months before the end of the Subsidiary's fiscal year.

- (2) The right to premature termination for major cause is unaffected hereby. Examples of major cause include the merger, demerger or liquidation of one of the two parties to the Agreement as well as the sale of shares or a majority interest in the Subsidiary or the use of the Subsidiary as a contribution in kind, regardless of whether this occurs at the end of or during the Subsidiary's fiscal year. Major cause is also deemed to include the important reasons specified in Section 60 (6) of the German Corporate Income Tax Regulations (KStR) 2004 or in other relevant regulations applicable at the date of termination of this Agreement.
- (3) Any notice of termination must be given in writing.

Clause 4 Final provisions

- (1) The costs of the notarization of the resolution by the Shareholders' Meeting of the Subsidiary approving this Agreement and of entering it in the commercial register shall be borne by the Subsidiary.
- (2) Any amendments or additions to the Agreement are only effective if made in written form, unless a more stringent form is prescribed by statute.
- (3) The provisions of this Agreement are to be interpreted so that the single tax entity for German corporation and trade tax purposes desired by both parties becomes fully effective. Should individual provisions of this Agreement prove to be legally ineffective, the validity of its remaining content shall not be affected. The parties to the Agreement are obliged to replace any terms and conditions that cease to be effective so that the desired financial and legal effect, in particular the establishment of a single tax entity for German corporation and trade tax purposes, is achieved as nearly as possible. The same applies, *mutatis mutandis*, to the rectification of contractual omissions."

At the time of concluding the control and profit transfer agreement, Pfleiderer Aktiengesellschaft was the sole shareholder of Pfleiderer erste Holding GmbH and will also be the sole shareholder on the date of the Annual Shareholders' Meeting. For this reason, Pfleiderer Aktiengesellschaft has to make neither compensation payments nor

settlement payments to outside shareholders. In addition, no examination of the control and profit transfer agreement by independent agreement auditors is necessary.

Pfleiderer erste Holding GmbH changed its name from Pfeleiderer Dämmstofftechnik Verwaltungs-GmbH by resolution of the Shareholders' Meeting on March 23, 2010.

The Executive Board and the Supervisory Board propose the following resolution:

The control and profit transfer agreement of April 15, 2010, between Pfeleiderer Aktiengesellschaft and Pfeleiderer erste Holding GmbH is approved.

The following documents are available for inspection by shareholders at the offices of Pfeleiderer Aktiengesellschaft, 92318 Neumarkt, Germany, Ingolstädter Str. 51, and they will also be available at the Annual Shareholders' Meeting. They are also accessible on the Company's website at www.pfleiderer.com under "Investor Relations/ Annual Shareholders' Meeting":

- The control and profit transfer agreement of April 15, 2010, between Pfeleiderer Aktiengesellschaft and Pfeleiderer erste Holding GmbH;
- The annual financial statements of Pfeleiderer Aktiengesellschaft as at December 31, 2007, 2008 and 2009;
- The consolidated financial statements of Pfeleiderer Aktiengesellschaft as at December 31, 2007, 2008 and 2009;
- The combined Management Reports of the Pfeleiderer Group and Pfeleiderer Aktiengesellschaft for fiscal years 2007, 2008 and 2009;
- The annual financial statements of Pfeleiderer erste Holding GmbH (formerly Pfeleiderer Dämmstofftechnik Verwaltungs-GmbH) as at December 31, 2007, 2008 and 2009;
- The joint report of the Executive Board of Pfeleiderer Aktiengesellschaft and the directors of Pfeleiderer erste Holding GmbH on the control and profit transfer agreement.

On request, copies of these documents will be supplied to shareholders without delay and free of charge.

In fiscal years 2007, 2008 and 2009, Pfeleiderer erste Holding GmbH was a small stock corporation within the meaning of Section 267 (1) HGB, and thus, in accordance with Section 264 (1) clause 4 HGB no management reports were prepared for those years.

Reports to the Annual Shareholders' Meeting

Report of the Executive Board to the Annual Shareholders' Meeting on agenda item 7: exclusion of subscription rights pursuant to Sections 203 (2) and 186 (4) clause 2 AktG (creation of a new authorized capital)

A proposal will be put to the Annual Shareholders' Meeting of Pfeleiderer Aktiengesellschaft on June 23, 2010, under agenda item 7 to create a new authorized capital (Authorized Capital 2010) of up to 75,083,136.00 euros. This authorized capital is intended for utilization in connection with capital increases against cash and contributions in kind and will replace the previous authorized capital partially exercised by the Executive Board in February 2010, of which 54,605,952.00 euros remains.

The new authorized capital shall enable the Company to act quickly and flexibly in the interests of its shareholders when increasing the share capital. As decisions on meeting a capital requirement generally need to be taken on short term, it is important for the Company not to be dependent on the cycle of Annual Shareholders' Meetings or the extended period required to convene an Extraordinary Shareholders' Meeting. Authorized capital is the mechanism by which the legislator has taken account of this requirement. The most frequent reasons for the utilization of authorized capital are to strengthen a company's capital base and to finance corporate acquisitions.

Shareholders in principle enjoy subscription rights to the new shares when Authorized Capital 2010 is exercised. Pursuant to Section 186 (5) clause 1 AktG, these subscription rights may also take the form of

allocation of the new shares to one or more banks or companies, designated by the Executive Board, which shall then be obliged to offer them to shareholders for subscription (indirect subscription rights).

With the approval of the Supervisory Board, however, the Executive Board is authorized to exclude shareholders' subscription rights on the following conditions:

- a) The authorization to the Executive Board to exclude fractional amounts from shareholders' subscription rights, with the approval of the Supervisory Board, serves to facilitate a practicable subscription ratio and hence the conduct of capital increases with subscription rights. The value of such fractional amounts is generally low, whereas the cost of the issue would be substantially higher if they were not excluded. The new shares resulting from the exclusion of free fractional amounts from shareholders' subscription rights are utilized to the maximum benefit of the Company.
- b) With capital increases against cash, the Executive Board is to be authorized to exclude shareholders' statutory subscription rights, with the approval of the Supervisory Board, pursuant to Section 186 (3) clause 4 AktG. This simplified exclusion of subscription rights makes it possible in the interests of the Company to place new shares on the capital markets in Germany and abroad, in that shares can be selectively issued in favorable short-term market situations at near-market and as high as possible prices. The discount to the quoted price when authorized capital is utilized will if possible be less than 3%, and it will in any case be less than 5%. The proceeds of a placement with shareholders' subscription rights excluded are generally significantly higher than those of an issue to which subscription rights apply. One prominent reason for this is that a placement with no statutory subscription period can take place as soon as the issue price has been fixed, so that for the issue price no price change risk has to be taken into consideration for the subscription period.

Capital increases on the basis of this authorization to exclude subscription rights may neither exceed a maximum of 10% of the current share capital, i.e. 15,016,627.20 euros nor 10% of the share capital at the time when the authorization is exercised. This means that

subscription rights may also be excluded on the basis of this authorization even if several capital increases are conducted during its term, provided that these do not total more than 10% of the share capital.

A further restriction exists in that shares issued before the issue of new shares from authorized capital on the basis of other authorizations to exclude subscription rights in direct or corresponding application of Section 186 (3) clause 4 AktG also count towards the upper limit. Conversion rights and warrants as well as conversion obligations linked to shares of the Company accordingly count towards the limit if they are attached to convertible bonds or bonds with warrants issued during the period of this authorization in corresponding application of Section 186 (3) clause 4 AktG with the exclusion of subscription rights against cash. Treasury shares are also included if they are sold during the period of this authorization on the basis of an authorization pursuant to Section 71 (1) no. 8 AktG in conjunction with Section 186 (3) clause 4 AktG with subscription rights excluded. This ensures that no shares are issued from authorized capital with subscription rights excluded pursuant to Section 203 (1) and (2) and Section 186 (3) clause 4 AktG if this would lead to the exclusion of subscription rights in respect of more than 10% of the share capital without material grounds.

Such treasury shares are not included if, after an issue of convertible bonds and/or bonds with warrants in application of Section 186 (3) clause 4 AktG, the Annual Shareholders' Meeting resolves to approve a new authorization to issue convertible bonds and/or bonds with warrants in application of Section 186 (3) clause 4 AktG. Nor are they included if, after a disposal of treasury shares pursuant to Section 71 (1) no. 8 and Section 186 (3) clause 4 AktG, the Annual Shareholders' Meeting resolves to approve a new authorization to dispose of treasury shares pursuant to Section 71 (1) no. 8 and Section 186 (3) clause 4 AktG. As in these cases the Annual Shareholders' Meeting has issued a new authorization for the simplified exclusion of subscription rights, so the reason for the inclusion of the shares no longer applies. The simplified exclusion of subscription rights for authorized capital shall be authorized again insofar as

convertible bonds and/or bonds with warrants are again issued or treasury shares again sold under simplified exclusion of subscription rights. In the case of a renewed exercise of an authorization to exclude subscription rights in direct or corresponding application of Section 186 (3) clause 4 AktG, the shares must again be included.

These guidelines comply with legal requirements to protect shareholders from a dilution of their investment. Furthermore, since the issue price is close to the quoted price, shareholders who wish to protect their holdings from dilution can buy shares in the market on approximately similar terms.

- c) The authorization to increase share capital with the approval of the Supervisory Board, with subscription rights excluded, for the acquisition of companies, parts of companies or interests in companies is designed to enable the Executive Board in appropriate cases to acquire companies, parts of companies or interests in companies not only by paying a purchase price in cash, but also by transferring shares of the Company. Depending on the magnitude of such acquisition and the expectations of the respective vendor, it may be expedient or necessary to make payment in shares of the Company. This preserves the Company's liquid resources, while at the same time reducing the funding required to raise the purchase price. The exclusion of subscription rights is an essential precondition for this.

The proposed authorization to exclude subscription rights is designed to strengthen the Company's position in the competition for attractive acquisition opportunities, enabling it – with the approval of the Supervisory Board – to act quickly and flexibly, paying for companies, parts of companies or interests in companies with shares of the Company created by exercising authorized capital.

As the value of companies, parts of companies or interests in companies to be acquired in the future – and hence also their purchase prices – are at present unknown, no issue price can be fixed at this stage. The valuation of the Company's shares will be based on their stock exchange price at the time. The value of the companies, parts of companies or interests in companies to be acquired will be determined by recognized valuation yardsticks.

Capital increases on the basis of this authorization to exclude subscription rights may neither exceed a maximum of 20% of the current share capital, i.e. 30,033,254.40 euros, nor 20% of the share capital at the time when the authorization is exercised. This means that subscription rights may be excluded on the basis of this authorization even if several capital increases are conducted during its term, provided that these do not total more than 20% of the share capital. The authorization to exclude subscription rights needs to be of this magnitude to enable the Company to pay for even a major acquisition wholly or at least to a significant extent in shares of the Company.

- d) Furthermore the Executive Board shall be able to exclude subscription rights, with the approval of the Supervisory Board, insofar as it is necessary to grant holders of convertible bonds or bonds with warrants issued by the Company or by direct or indirect Group companies of the Company rights to subscribe to the same number of new shares as they would be entitled to after exercising the conversion right or warrant or after their conversion obligation had been met.

As a rule such bonds are issued with dilution protection to make them easier to place. As well as the possibility of a reduction in the conversion or warrant price, this dilution protection provides that holders may be granted the same subscription rights to new shares in subsequent capital increases as shareholders. This puts them in the same position as if they were already shareholders. Subscription rights for holders/creditors of already existing convertible rights or warrants or convertible bonds with conversion obligations offer the possibility of preventing the conversion or warrant price from having to be reduced in the event that the authorized capital is exercised. This ensures a higher issue price for the shares issued when warrants are exercised or conversions conducted. Shareholders' subscription rights to these shares must be excluded in order to protect bondholders from dilution. This makes the bonds easier to place, thus serving the interests of shareholders in optimizing the Company's financial structure.

Overall, the interests of the shareholders are therefore not unreasonably impaired by the authorization to exclude subscription rights.

There are currently no specific plans to exercise Authorized Capital 2010. Contingent resolutions like this with the possibility to exclude subscription rights are standard practice, both nationally and internationally. The Executive Board will carefully consider in each case whether exercising Authorized Capital 2010 is in the interests of the Company and its shareholders. In case the proposed authorization is exercised, the Executive Board will report to the next Annual Shareholders' Meeting.

Report of the Executive Board to the Annual Shareholders' Meeting on agenda item 8: exclusion of subscription rights pursuant to Sections 221 (4) clause 2 and 186 (4) clause 2 AktG (authorization to issue convertible bonds and/or bonds with warrants)

Adequate capitalization is an essential basis for the development of the Pfeleiderer Group. By issuing convertible bonds and/or bonds with warrants (hereinafter also termed "bonds"), Pfeleiderer Aktiengesellschaft can make use of attractive funding opportunities, depending on the market situation, giving it access to capital at favorable rates of interest.

The authorization granted by the Annual Shareholders' Meeting of June 23, 2009, to issue convertible bonds and/or bonds with warrants and the existing Conditional Capital I for this, which has not been utilized by the Company, are to be replaced by a new authorization and a new conditional capital, increasing the maximum number of Pfeleiderer shares to be granted as a result of the conversion rights or warrants from 21,330,440 to 23,463,480 no-par-value shares and the conditional capital accordingly from currently 54,605,926.40 euros to 60,066,508.80 euros. Furthermore, instead of the conversion or warrant price being fixed by the Annual Shareholders' Meeting, the Executive Board is to be granted discretion, to be exercised with the approval of the Supervisory Board when the bond is issued, to fix the conversion or warrant price on the basis of a minimum amount, enabling it to respond flexibly to market circumstances.

In order to give the Company greater scope to issue bonds, we propose to the Annual Shareholders' Meeting under agenda item 8 that the Executive Board again be authorized to issue bonds, that the previous authorization to do so be cancelled, and that a corresponding new Conditional Capital I be approved. At the same time the existing Conditional Capital I is to be revoked and shall be replaced by the new Conditional Capital I.

The proposed resolution allows bonds to be issued in a total nominal amount of up to 250,000,000.00 euros with conversion rights and/or warrants or conversion obligations for shares of Pfleiderer Aktiengesellschaft. For this purpose, up to 23,463,480 new Pfleiderer shares with a notional interest in the share capital of up to 60,066,508.80 euros shall be available from the new Conditional Capital I. The full utilization of this authorization and the corresponding exercise of the conversion rights and warrants would have the effect of increasing the present share capital by up to 40%. The authorization is valid until June 22, 2015.

The issue of bonds as described above gives the Company, in addition to the classical methods of raising loan and equity capital, the opportunity to make use of attractive funding alternatives on the capital market, depending on the market situation. In particular, the authorization to issue convertible bonds with conversion obligations offers the possibility of strengthening the Company's financial resources by issuing so-called hybrid funding instruments, thus securing the preconditions for future business development.

The issue of bonds makes it possible to raise loan capital which, depending on the terms and conditions of the bonds, can be categorized for both rating and accounting purposes as equity capital or as being similar to equity capital. The premiums achieved for the convertible bonds and/or bonds with warrants and the categorization as equity capital are beneficial to the Company's capital base. The additionally planned possibility to allow for conversion obligations in addition to conversion rights and/or warrants and for the issue of bonds with and without limited terms extends the scope for the design of these funding instruments.

The authorization also allows bonds to be placed by the Company itself or its direct or indirect Group companies. Depending on the market situation, bonds may be issued not only in euros, but also in other legal currencies of OECD countries. Furthermore, instead of fulfilling conver-

sion rights and/or warrants or conversion obligations with shares from conditional capital, it also shall be possible to deliver treasury shares of Pfeleiderer Aktiengesellschaft, new shares from authorized capital, or to pay in cash.

In the case of the issue of bonds with warrants, one or more warrants are attached to each partial bond, entitling the bearer to subscribe to Pfeleiderer shares in accordance with the terms and conditions for the bonds with warrants specified by the Executive Board.

In the case of the issue of convertible bonds, the holders of the partial bonds are entitled and/or obliged to convert them into Pfeleiderer shares in accordance with the convertible bond terms and conditions specified by the Executive Board. The conversion ratio is calculated by dividing the nominal amount of a partial bond by the conversion price fixed for one Pfeleiderer share. The conversion ratio may also be calculated by dividing the issue price (if below the nominal amount) of a partial bond by the respective conversion price fixed for one Pfeleiderer share.

The notional interest in the share capital accounted for by the shares to be subscribed to for each partial bond may not exceed the nominal amount of the partial bond.

The proposed resolution contains guidelines for fixing the conversion or warrant price, i.e. the issue price of the new shares in case the conversion rights or warrants are exercised or the conversion obligation is met. Here a distinction is to be drawn between cases in which the bond terms and conditions impose a conversion obligation and those in which they do not.

In the case of issuing convertible bonds granting conversion rights but not imposing a conversion obligation, and in the case of issuing bonds with warrants, the conversion or warrant price must not be less than the minimum price of 80% of the quoted price of Pfeleiderer shares at the time of the bond issue. The exact procedure for calculating the minimum price is thus prescribed. The calculation is based on the volume-weighted average price of Pfeleiderer shares in Xetra trading on the Frankfurt Stock Exchange. If shareholders are granted subscription rights to the bond and these rights are traded on the Frankfurt Stock Exchange, the calculation is based on the days on which subscription rights to the bonds are traded on the Frankfurt Stock Exchange except for the last two trad-

ing days. In all other cases the calculation is based on the ten trading days preceding the day of the Executive Board's resolution to issue the bond. Basing the calculation on volume-weighted average prices shall limit the effect of short-term share price fluctuations.

In the case of issuing convertible bonds imposing a conversion obligation there are two possible scopes for design. The conversion price may either be determined on the basis of the foregoing provision applying to convertible bonds with no conversion obligation, i.e. the minimum price is determined by the market price of Pfleiderer shares at the time of issue, or the bond terms and conditions may provide that the conversion price depends on the market price of Pfleiderer shares at the time of conversion of the bond. In this case the conversion price may not be less than 80% of the market price of Pfleiderer shares at the time of conversion. Thus, once again, the exact procedure for calculating the minimum price is prescribed. In this case the calculation is based on the volume-weighted average price of Pfleiderer shares in Xetra trading on the Frankfurt Stock Exchange on the ten trading days preceding the conversion of the bond, except for the last two trading days.

To the extent that adjustment is not already regulated by binding law, the conversion rights and/or warrants may be adjusted to protect their value notwithstanding Section 9 (1) AktG if a dilution of the economic value of the existing conversion rights or warrants takes place (e.g. due to a capital increase) during the term of the bond and no subscription rights are granted as compensation, or if unusual measures or events take place at the Company.

Shareholders must in principle be granted subscription rights. To simplify processing, use should be made of the facility to issue bonds to banks or other companies pursuant to Section 186 (5) clause 1 AktG with the obligation to offer them for subscription to shareholders according to their subscription right (indirect subscription rights). In some cases, however, the Executive Board shall be authorized to exclude subscription rights with the approval of the Supervisory Board.

For the exclusion of subscription rights upon the issue of convertible bonds and/or bonds with warrants, the provision of Section 186 (3) clause 4 AktG applies, mutatis mutandis, pursuant to Section 221 (4)

clause 2 AktG. The Executive Board shall therefore be authorized, with the consent of the Supervisory Board, to exclude subscription rights in corresponding application of Section 186 (3) clause 4 AktG to the extent that the shares to be issued upon exercise of the issued conversion rights and/or warrants and the fulfillment of the conversion obligations together do not exceed a notional interest in the share capital of 15,016,627.20 euros, i.e. 10% of current share capital, and together do not exceed 10% of the share capital at the time when the authorization is exercised. This maximum limit for the simplified exclusion of subscription rights is reduced by the proportionate amount of the share capital accounted for by those shares that have been issued or sold during the period of this authorization with the exclusion of subscription rights in direct or corresponding application of Section 186 (3) clause 4 AktG. By virtue of this reductions, this authorization also ensures that no bonds are issued if this would mean that since the resolution in connection with capital increases or certain placements of treasury shares in direct or corresponding application of Section 186 (3) clause 4 AktG the shareholders' rights to subscribe to new shares or treasury shares of the Company would be excluded for more than 10% of currently outstanding shares or outstanding at the time when the authorization is exercised.

This aforementioned reduction does not apply if, after an issue of new shares in application of Section 186 (3) clause 4 AktG, the Annual Shareholders' Meeting approves a new authorization to issue new shares in application of Section 186 (3) clause 4 AktG. Nor does it apply if, after a disposal of treasury shares pursuant to Section 71 (1) no. 8 and Section 186 (3) clause 4 AktG, the Annual Shareholders' Meeting resolves to approve a new authorization to dispose of treasury shares pursuant to Section 71 (1) no. 8 and Section 186 (3) clause 4 AktG. In these cases the Annual Shareholders' Meeting has issued a new authorization for the simplified exclusion of subscription rights, so that the reason for the reduction no longer applies. If new shares are again to be issued or treasury shares again sold with subscription rights excluded by the simplified process, the authorization for the simplified exclusion of subscription rights shall also again apply to the issue of convertible bonds and bonds with warrants. In the event of a renewed exercise of an authorization to exclude subscription rights in direct or corresponding application of Section 186 (3) clause 4 AktG, the reduction shall again apply.

In the case of subscription rights being excluded, the bond's issue price may not be set significantly below its market value in corresponding application of Section 186 (3) clause 4 AktG. This recognizes the need to protect shareholders from a dilution of their investment. In order to ensure that this requirement is fulfilled for the issue of bonds, the theoretical market value of the bond with conversion rights or warrants or conversion obligations is calculated according to recognized methods of financial mathematics. The issue price to be stipulated may not be significantly lower than this market price. When setting the price the Executive Board will take account of the current situation on the capital market and keep the discount to the stock exchange price to a minimum. This ensures that shareholders are protected from dilution of their investments, and the shareholders do not suffer any material economic disadvantage from the exclusion of subscription rights because the value of a subscription right would practically approach zero. Moreover, shareholders can maintain their proportionate share of the Company's share capital on almost identical terms by acquiring the required shares on the stock exchange.

The foregoing possibilities of excluding subscription rights enable the Company to utilize favorable capital market situations at short notice, and to make flexible and prompt use of low levels of interest rates or a favorable demand situation for a bond issue. The decisive factor here is that unlike a bond issue with subscription rights, the issue price can be fixed immediately before the placement, enabling the increased price change risk involved in a subscription period to be avoided and the issue proceeds to be maximized in the interests of all shareholders. Furthermore, there are additional advantages due to the absence of the lead time connected with subscription rights in terms of both the cost of raising funds and the placement risks. A placement without subscription rights means that both the safety discount that would otherwise be required and the placement risk are reduced, which correspondingly cuts the costs of raising funds to the benefit of the Company and its shareholders.

With the consent of the Supervisory Board, the Executive Board is furthermore authorized to exclude fractional amounts from the subscription rights. Such fractional amounts may result from the amount of the respec-

tive issue volume and the necessity to create a practicable subscription ratio. In these cases, such an exclusion of subscription rights – standard practice in the market – facilitates the processing of the issue and of the subscription rights. The fractional amounts excluded from shareholders' subscription rights are utilized to the maximum benefit of the Company, either by being sold on the stock exchange or otherwise.

The Executive Board shall also be in a position, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in order to grant subscription rights to holders of conversion rights and/or warrants or convertible bonds with conversion obligations to the extent they would be entitled to after exercising conversion rights and/or warrants or after fulfilling their conversion obligations. The warrant and conversion terms and conditions generally include clauses serving to protect the holders of warrants or conversion rights from dilution. This allows these funding instruments to be placed in the market on better terms. A subscription right for holders of existing warrants or conversion rights offers the possibility of preventing the warrant or conversion price from having to be reduced for the holders of existing warrants or conversion rights in the event that the authorization is exercised. This ensures a higher issue price for the Pfeleiderer shares to be issued when warrants are exercised or conversions conducted. As this makes the issue easier to place, the exclusion of subscription rights serves the interests of shareholders in optimizing the Company's financial structure.

The foregoing authorizations to exclude shareholders' subscription rights are thus in the interests of Pfeleiderer Aktiengesellschaft and its shareholders.

The Conditional Capital I proposed for approval under agenda item 8 serves to grant registered no-par-value shares of Pfeleiderer Aktiengesellschaft to the holders and/or creditors of bonds to be issued by the Company or by direct or indirect Group companies on the basis of the authorization to be resolved by the Annual Shareholders' Meeting of June 23, 2010, under agenda item 9 and granting conversion rights or warrants linked to new Pfeleiderer shares or stipulating a conversion obligation. The issue price of the new shares is equal to the conversion or warrant price. Alternatively, cash compensation may be granted or treasury shares or new shares from conditional capital may be utilized to the extent permitted by law.

The Executive Board will carefully consider in each case whether utilizing the authorization is in the interests of the Company and its shareholders. In the case the proposed authorization is utilized, the Executive Board will report to the next Annual Shareholders' Meeting.

Report of the Executive Board to the Annual Shareholders' Meeting on agenda item 9: exclusion of subscription rights pursuant to Sections 71 (1) no. 8 and 186 (4) clause 2 AktG (authorization to acquire own shares)

According to the resolution proposed under agenda item 9 of the Annual Shareholders' Meeting on June 23, 2010, Pfeleiderer Aktiengesellschaft shall again be authorized to purchase own shares up to a maximum of 10% of the current share capital, pursuant to Section 71 (1) no. 8 AktG. In accordance with the then prevailing provisions of Section 71 (1) no. 8 AktG, the existing authorization granted by the Annual Shareholders' Meeting on June 23, 2009, was limited to 18 months and expires on December 22, 2010. The German Act Implementing the Shareholders' Rights Directive (ARUG) that came into force on September 1, 2009, increased the maximum duration of authorizations to acquire own shares to five years. The Company's authorization shall now be renewed for the period ending on June 22, 2012, i.e. for two years. There are currently no specific plans to utilize this authorization.

The new authorization will continue to enable Pfeleiderer Aktiengesellschaft to make use of the instrument of acquiring own shares, realizing the associated advantages in the interests of Pfeleiderer Aktiengesellschaft and its shareholders, in particular with regard to servicing the Pfeleiderer Aktiengesellschaft stock option plans. This authorization exists within the legal limits of Sections 71 (2), 71d and 71e AktG. This means that the new authorization does in particular not apply if and to the extent to which existing or earlier authorizations to acquire own shares have been utilized up to the permissible limit and shares acquired in this manner have neither been sold nor cancelled.

When acquiring its own shares, the Company is obliged to comply with the principle of equal treatment as prescribed by the German Corporation Act. Own shares may only be purchased through the stock exchange or by means of a public purchase offer or a public invitation, addressed

to all shareholders, to make offers to sell. This gives all shareholders an equal opportunity to sell shares to the Company insofar as the Company utilizes the authorization to purchase own shares.

If in the case of a public purchase offer or a public invitation to make offers to sell, the number of shares tendered or offered exceeds the total number of shares that the Company intends to acquire, then in order to simplify the acquisition procedure the shareholders' rights to tender shares for purchase may be excluded to the extent that only the applicable proportion of the shares tendered or offered are purchased or accepted. Giving priority to shareholders offering small quantities of up to 50 shares for purchase also helps to simplify the procedure.

On the basis of the proposed authorization, shares acquired by the Company may be cancelled without a renewed resolution of the Annual Shareholders' Meeting. This has the effect of reducing the share capital of Pfeleiderer Aktiengesellschaft or increasing the proportion of the share capital represented by the remaining shares. Furthermore, treasury shares may be resold through a public offer to all shareholders or in the market. The permitted methods of selling treasury shares ensure that shareholders are treated equally when treasury shares are reissued.

The resolution proposes authorizing the Executive Board to utilize treasury shares excluding shareholders' subscription rights.

- a) Pursuant to Section 71 (1) no. 8, clause 5 AktG the proposed authorization under b) (1) enables the Executive Board, with the approval of the Supervisory Board, to sell treasury shares other than through the stock exchange or by means of an offer to all shareholders. A precondition is that the Pfeleiderer treasury shares, pursuant to Section 186 (3) clause 4 AktG, are sold at a price that is not materially below the market price at the time of sale. The proposed resolution defines the relevant stock exchange price to be the trading-volume-weighted average closing prices in Xetra trading on the last three trading days prior to the sale of the Pfeleiderer shares. Basing the selling price on the market price recognizes the need to protect shareholders from dilution, and to adequately safeguard their property and voting rights. When setting the final selling price, the Executive Board will make efforts to keep any discount to the stock exchange price as low as possible, taking the current market

environment into consideration. Shareholders who wish to protect their holdings from dilution in principle have the opportunity to buy Pfeiderer shares via the stock exchange.

The possibility of selling shares other than via the stock exchange or by an offer to all shareholders is in the interests of the Company and its shareholders. Enabling, through the authorization, treasury shares acquired to be resold while excluding shareholders' subscription rights pursuant to Section 186 (3) clause 4 AktG is in the interests of Pfeiderer Aktiengesellschaft to sell, in suitable circumstances, for example, Pfeiderer shares to institutional investors or to list them on foreign stock exchanges. The potential listing of the Company's shares on foreign stock exchanges where they were not formerly traded has the effect of broadening the shareholder base outside Germany. The possibility of excluding shareholders' subscription rights enables Pfeiderer Aktiengesellschaft to react quickly, flexibly and at low cost to favorable stock exchange scenarios without having to pursue the expensive and time-consuming process of conducting a rights issue.

The authorization is limited to a maximum of 10% of the Company's share capital. These limits comply with legal requirements to protect shareholders from a dilution of their investment. Taking into account shares issued in accordance with Section 186 (3) clause 4 AktG under other authorizations with shareholders' subscription rights excluded before treasury shares are sold ensures that no treasury shares can be sold with shareholders' subscription rights excluded pursuant to Sections 71 (1) no. 8 and 186 (3) clause 4 AktG if this would result in shareholders' subscription rights being excluded in respect of more than 10% of the share capital without material grounds.

The aforementioned reduction does not apply if, after an issue of new shares in application of Section 186 (3) clause 4 AktG, the Annual Shareholders' Meeting approves a new authorization to issue new shares in application of Section 186 (3) clause 4 AktG. Nor does it apply if, after an issue of convertible bonds or bonds with warrants in accordance with Section 186 (3) clause 4 AktG, the Annual Shareholders' Meeting approves a new authorization to issue con-

vertible bonds or bonds with warrants in accordance with Section 186 (3) clause 4 AktG. In these cases the Annual Shareholders' Meeting has issued a new authorization for the simplified exclusion of subscription rights, so that the reason for the inclusion of the shares no longer applies. If new shares or convertible bonds and/or bonds with warrants are again to be issued with subscription rights excluded by the simplified process, the authorization for the simplified exclusion of subscription rights shall also again apply to the sale of treasury shares. In the event of a renewed exercise of an authorization to exclude subscription rights in direct or corresponding application of Section 186 (3) clause 4 AktG, the reduction shall apply again.

- b) On account of the authorization proposed under b) (2), Pfeleiderer treasury shares acquired can also be used, with the approval of the Supervisory Board, as payment when acquiring companies, parts of companies or interests in companies. This enables Pfeleiderer Aktiengesellschaft in suitable cases to acquire companies, parts of companies or interests in companies not only by paying a purchase price in cash, but also by assigning treasury shares. Depending on the magnitude of such an acquisition and the expectations of the vendor, it may be expedient or necessary to make payment in shares. This preserves the Company's liquid resources, while at the same time reducing the funding required to raise the purchase price. The exclusion of subscription rights is an essential precondition for this.

The proposed authorization is designed to strengthen the Company's position in the competition for attractive acquisition opportunities, enabling it – with the approval of the Supervisory Board – to act quickly and flexibly, paying for companies, parts of companies or interests in companies with treasury shares. In any individual case, the decision as to whether treasury shares or shares from authorized capital are to be used is made by the Executive Board, whereby it is guided solely by the interests of shareholders and of the Company.

As the value of companies, parts of companies or interests in companies to be acquired in the future – and hence also their purchase prices – are at present unknown, no selling price can be fixed at

this stage. The valuation of the Company's shares will be based on their stock exchange price at the time. The value of the companies, parts of companies or interests in companies to be acquired will be determined by recognized valuation yardsticks.

- c) Furthermore, under b) (3) and (4) of the resolution, the Executive Board, and in the case of shares being issued to members of the Executive Board, the Supervisory Board, shall be authorized to use Pfleiderer Aktiengesellschaft treasury shares to service subscription rights which have been or will be issued under the Pfleiderer Stock Option Plan 2001 as approved by the Annual Shareholders' Meeting on July 10, 2001, under agenda item 5, or under the Pfleiderer Stock Option Plan 2006 for senior management as approved by the Annual Shareholders' Meeting on June 13, 2006, under agenda item 8 and in addition to sell Pfleiderer Aktiengesellschaft treasury shares to participants in stock option programs insofar as participants are obliged to invest in Pfleiderer shares in order to be eligible to be granted stock options. The selling price may not be materially below the stock exchange price. This authorization to reissue shares definitively specifies the categories of persons to whom they may be sold. This necessarily excludes shareholders' statutory subscription rights.

The Pfleiderer Stock Option Plan 2001 for senior management was explained at the Annual Shareholders' Meeting of 2001, and subsequently adopted. The Pfleiderer Stock Option Plan 2006, approved by the Annual Shareholders' Meeting on June 13, 2006, under agenda item 8, was explained in a report prepared by the Executive Board. The possibility of granting Pfleiderer Aktiengesellschaft treasury shares to those entitled to subscribe them in order to fulfill the subscription rights arising from the issue of stock options is a suitable instrument for counteracting dilution of the capital investment and voting rights which would occur when servicing subscription rights by creating new shares issued from conditional capital. If the Executive Board chooses to utilize this authorization, there is no need to utilize conditional capital under Article 4 (4) and (5) of the Articles of Incorporation. Whether and to what extent the authorization to issue treasury shares to service subscription rights is utilized, or whether and to what extent they are, instead, serviced

by issuing new shares from conditional capital, is decided by the Executive Board or, in the case of subscription rights pertaining to a member of the Executive Board, by the Supervisory Board, where by both Boards are guided by the interests of shareholders and of Pfeleiderer Aktiengesellschaft.

- d) Furthermore, under b) (5), the Executive Board shall be authorized to use treasury shares to service subscription and exchange rights arising from the exercise of conversion rights or warrants or the fulfillment of conversion obligations by holders of convertible bonds and/or bonds with warrants issued by Pfeleiderer Aktiengesellschaft or its Group companies on the basis of authorizations to issue convertible bonds and/or bonds with warrants. If the Company chooses to make use of this possibility, there is no need to utilize conditional capital under Article 4 (3) of the Articles of Incorporation. Shareholders' interests are thus unaffected by this additional possibility.

Overall, the interests of the shareholders are therefore not unreasonably impaired by the authorization to exclude subscription rights.

The Executive Board will notify the following Annual Shareholders' Meeting of any utilization of the authorization.

Notices and Information for Shareholders

Attendance at the Annual Shareholders' Meeting and exercise of voting rights

Registration

Pursuant to Article 18 of the Articles of Incorporation, shareholders listed in the Company's share register who give notice at the address stated below of their intention to attend the Annual Shareholders' Meeting by no later than midnight (CEST) on Wednesday, June 16, 2010, are entitled to attend the Annual Shareholders' Meeting and to exercise their voting rights.

Pursuant to Article 18 of the Articles of Incorporation, no entries are made in the share register during the period between 00:00 a.m. on June 20, 2010, and the close of the Annual Shareholders' Meeting. Accordingly, only shareholdings entered in the share register by midnight (CEST) on June 19, 2010, entitle holders to attend and exercise their voting rights. Disposals and acquisitions of shares not entered in the share register by that time do not affect entitlements to attend the Annual Shareholders' Meeting and exercise voting rights.

Shareholders entered in the share register may register in writing in German or English language with Pfeleiderer Aktiengesellschaft

by letter addressed to

Pfeleiderer Aktiengesellschaft
"Hauptversammlung 2010"
c/o Haubrok Corporate Events GmbH
Landshuter Allee 10
80637 Munich
Germany

or by fax to +49 (0)89 210 27 288

or by e-mail addressed to meldedaten@haubrok-ce.de

or electronically by entering their details on the Company's website www.pfeleiderer.com under "Investor Relations/Annual Shareholders' Meeting"

Shareholders obtain online access by entering their full names, shareholder numbers and individual internet codes, which may be found in the documents accompanying the Invitations to the Annual Shareholders' Meeting.

Invitations to the Annual Shareholders' Meeting on June 23, 2010, including the agenda as well as the documents required for registration and the appointment of proxies, will be sent by the Company to shareholders entered in the Company's share register by 00.00 a.m. on June 9, 2010, at the latest.

Further information on the registration process can be found on the forms for registration and on for granting power of attorney sent to shareholders with their invitation to the Annual Shareholders' Meeting. Further

information on registering for the Annual Shareholders' Meeting may also be downloaded from the Company's website at www.pfleiderer.com, under "Investor Relations/Annual Shareholders' Meeting".

Following registration, shareholders or their proxies are sent admission tickets to the Annual Shareholders' Meeting.

Procedure for attendance at the Annual Shareholders' Meeting and the exercise of voting rights by proxies

Shareholders entered in the share register may exercise their vote at the Annual Shareholders' Meeting also by proxy issuing an appropriate power of attorney, for example to a financial institution or a shareholders' association. In this case, proxies must be registered in good time, either by themselves or by the shareholder.

If a shareholder gives power of attorney to more than one persons, the Company may reject one or several of these.

The power of attorney must be given in written form (Section 126b BGB) if neither a financial institution, a shareholders' association or another equivalent person pursuant to Section 135 (8) AktG, a financial services institution or a company active pursuant to Section 53 (1) clause 1 or Section 53b (1) clause 1 or (7) of the German Banking Act (KWG) has been given power of attorney. The same applies to the evidence of the power of attorney to be supplied to the Company and to any revocation of the authorization.

The appointment of a proxy may be declared to the proxy or to the Company. The proxy may provide the Company with evidence of its authorization by producing it at admission control on the day of the Annual Shareholders' Meeting. Evidence of a power of attorney may also be sent to Pfleiderer Aktiengesellschaft in writing by post to the address given above, by fax to the fax number, or by e-mail to the e-mail address indicated. The same communication channels may also be utilized to declare a proxy appointment to the Company or to revoke it.

The registration and the power of attorney form sent to shareholders with their invitations to the Annual Shareholders' Meeting may be used both for granting power of attorney and to certify the authorization. A form to be used for granting power of attorney can also be downloaded

from the Company's website at www.pfleiderer.com under "Investor Relations/Annual Shareholders' Meeting", or be requested free of charge from the postal address, fax number or e-mail address given above.

Financial institutions, shareholders' associations and other equivalent persons pursuant to Section 135 (8) AktG that offer shareholders the commercial service of exercising their voting rights at the Annual Shareholders' Meeting, or financial services institutions or companies active pursuant to Section 53 (1) clause 1 or Section 53b (1) clause 1 or (7) KWG, must produce verifiable evidence of their authorization, which is otherwise subject to the statutory provisions of Section 135 AktG. The institutions and persons stated may make their authorization as proxies subject to additional requirements.

Financial institutions as well as equivalent institutions and persons pursuant to Section 135 (8), Section 135 (10) and Section 125 (5) AktG may only exercise voting rights for shares that do not belong to them but as the owners of which they are entered in the share register if they possess the shareholder's authorization to do so.

This year, we are again offering our shareholders to grant power of attorney in advance of the Annual Shareholders' Meeting to a proxy nominated by the Company. In this respect, please note that the proxies nominated by the Company may only exercise voting rights on the agenda items in relation to which shareholders have instructed them to do so, and that they cannot accept instructions on procedural motions neither during the Annual Shareholders' Meeting nor in advance of it. Powers of attorney and instructions may be communicated in writing by post to the address given above, by fax to the fax number indicated or by e-mail to the e-mail address mentioned above, or electronically via the above mentioned website concerning the Annual Shareholders' Meeting. They must be received by midnight (CEST) on Tuesday, June 22, 2010. Shareholders will receive with their invitations to the Annual Shareholders' Meeting the form for granting power of attorney and place instructions.

Further information on proxy voting can be found on the forms for registration and for granting power of attorney sent to shareholders with their invitation to the Annual Shareholders' Meeting. Further information

on proxy authorization can also be downloaded from the Company's website at www.pfleiderer.com, under "Investor Relations/Annual Shareholders' Meeting".

Total numbers of shares and voting rights

At the time of calling of this Annual Shareholders' Meeting, the total number of no-par-value shares of the Company was 58,658,700, carrying 58,658,700 votes.

Rights of shareholders

Calls for additional agenda items pursuant to Section 122 (2) AktG

Shareholders whose shares amount in aggregate to no less than one-twentieth of the Company's share capital (equivalent to 2,932,935 shares) or the proportionate amount of 500,000.00 euros (equivalent to 195,313 shares) may pursuant to Section 122 (2) AktG call for items to be placed on the agenda of the Annual Shareholders' Meeting and to be announced. Every new item must be accompanied by the grounds or a proposal for a resolution. Calls for additional agenda items must be submitted in writing to the Executive Board of Pfeleiderer Aktiengesellschaft and have to be received by the Company no later than midnight (CEST) on Sunday, May 23, 2010.

Calls for additional agenda items should be sent to the following address:

Executive Board of Pfeleiderer Aktiengesellschaft
"Hauptversammlung 2010"
Ingolstädter Strasse 51
92318 Neumarkt
Germany

The applicants are required to document that they were shareholders in the Company at least three months before the day on which their motion was received by the Company.

Requests for additional agenda items that require to be disclosed are – to the extent to which they are not disclosed already with the convocation – published immediately upon receipt in the German Electronic Federal

Gazette (elektronischer Bundesanzeiger) and submitted to those media for publication as can be assumed to disseminate the information throughout the European Union. In addition, they are also made accessible without delay on the Company's website at www.pfleiderer.com under "Investor Relations/Annual Shareholders' Meeting". Furthermore, they are sent to shareholders who request the notice of convening the Annual Shareholders' Meeting or who are entered in the Company's share register no later than 00:00 a.m. on June 9, 2010.

Counter motions and nominations pursuant to Sections 126 (1) and 127 AktG

Section 126 (1) AktG provides that shareholders in the Company may send counter motions in opposition to the proposals put by the Executive Board and/or the Supervisory Board under certain items of the agenda to the Company, while Section 127 AktG provides that they can make nominations for the election of Supervisory Board members and for the auditors.

Counter motions pursuant to Section 126 (1) AktG must be accompanied by supporting arguments. Nominations pursuant to Section 127 AktG need not be given reasons. The Executive Board does not need to publicize nominations for the Supervisory Board and for the auditors if those nominations do not indicate their names, professions and places of residence. The Executive Board also does not need to publicize nominations for the Supervisory Board if these are not accompanied by information on the candidates' membership of other statutory supervisory boards.

Counter motions and nominations are to be sent to the following address:

Pfleiderer Aktiengesellschaft
"Hauptversammlung 2010"
Ingolstädter Strasse 51
92318 Neumarkt
Germany

Fax: +49 (0) 9181 28-606

E-mail: Hauptversammlung@pfleiderer.com

Counter motions and nominations from shareholders in the Company, including the shareholder's name, supporting arguments and any opinion expressed by the management, are made available on the Company's website at www.pfleiderer.com under "Investor Relations/Annual Shareholders' Meeting" only when received by the Company no later than by midnight (CEST) on Tuesday, June 8, 2010.

Right to information pursuant to Section 131 (1) AktG

Section 131 (1) AktG provides that shareholders in the Company may at the Annual Shareholders' Meeting request from the Executive Board information on matters concerning the Company, legal and business relationship between the Company and its affiliated companies as well as the situation of the Group and of companies included in the consolidated financial statements, to the extent that it serves to help make an appropriate assessment of the agenda item.

The Executive Board may decline to answer individual questions on the grounds specified in Section 131 (3) AktG, for example because to provide the information would be likely, on a reasonable commercial judgment, to put the Company or an affiliated company at a not considerable disadvantage.

If a shareholder has been provided with information other than at the Annual Shareholders' Meeting by virtue of his being a shareholder, such information must also be supplied to any other shareholder on request at the Annual Shareholders' Meeting even if it is not necessary for making an appropriate assessment of the agenda item.

Shareholders may exercise their right to information at the Annual Shareholders' Meeting. The Chairperson of the Annual Shareholders' Meeting may appropriately limit the shareholders' right to put questions and to speak in respect of the time frame. He may particularly schedule the overall duration of the Meeting, of the time allocated to individual topics as well as of the individual shareholders' right to put questions and to speak.

Further information

Further information on the aforementioned shareholders' rights pursuant to Sections 122 (2), 126 (1), 127 and 131 (1) AktG may be downloaded from the Company's website at www.pfleiderer.com under "Investor Relations/Annual Shareholders' Meeting".

Information on the Company's website

Information on the Annual Shareholders' Meeting pursuant to Section 124a AktG, particularly on the documentation required to be made available to the Annual Shareholders' Meeting, can be downloaded from the Company's website at www.pfleiderer.com under "Investor Relations/Annual Shareholders' Meeting".

Transmission of the speech of the Chief Executive Officer

The speech of the Chief Executive Officer can be followed live on the Company's website at www.pfleiderer.com under "Investor Relations/Annual Shareholders' Meeting" and will be available there afterwards as a recording.

Neumarkt, May 2010
Pfleiderer Aktiengesellschaft
The Executive Board

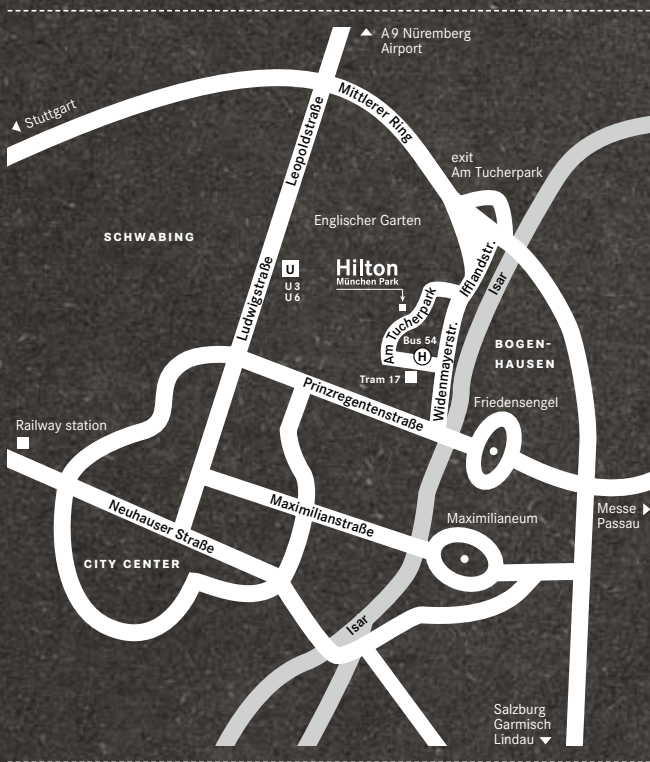
Financial Calendar 2010

August 19, 2010

Publication of the Six-Month-Report 2010

November 11, 2010

Publication of the Nine-Month-Report 2010



VENUE OF THE ANNUAL SHAREHOLDERS' MEETING 2010

Hilton Munich Park Hotel, Am Tucherpark 7, 80538 Munich, Germany


Due to the limited parking space at the hotel, you are recommended to use the park-and-ride stations in conjunction with public transport.

TRAVELING BY PUBLIC TRANSPORT

Park your car at one of the park-and-ride stations of the S-Bahn/U-Bahn network in the inner-city area of the Munich public transport system (MVV). Then take public transport to the "Münchner Freiheit" or "Ostbahnhof" stops. From there, take the bus number 54 to the bus stop "Am Tucherpark" (directly in front of the Hilton Munich Park Hotel).

TRAVELING BY CAR

Coming from the highway (autobahn) network, take the "Mittlerer Ring" in the direction of the northeast of Munich, then take the exit "Am Tucherpark"; thereafter turn right at the next traffic lights.



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