

**2015 General Meeting
on July 16, 2015**

**Explanatory report of the Executive Board on the disclosures in accordance with
Section 289 (4) and (5) and Section 315 (4) HGB (German Commercial Code)**

I. Explanatory report in accordance with Section 289 (4) and Section 315 (4) HGB

We hereby explain the disclosures required pursuant to Section 289 (4) HGB in the management report of euromicron Aktiengesellschaft and the disclosures required pursuant to Section 315 (4) HGB in the group management report of euromicron Aktiengesellschaft

The capital stock of the company is EUR 18.347.554,88 and is divided into 7.176.398 no-par value registered shares.

No shareholder held more than ten percent of the voting rights in euromicron Aktiengesellschaft directly or indirectly at December 31, 2014.

The provisions in the company's Articles of Association on the appointment and removal of members of the Executive Board correspond to the statutory stipulations.

The provisions in the Articles of Association on amending the Articles of Association correspond in principle to the statutory stipulations, although resolutions to amend the Articles of Association by the General Meeting require a majority of at least three quarters of the capital stock represented in adoption of the resolution only if the law makes this mandatory.

The power of the Executive Board to issue or buy back shares, in particular the authorization granted to the Executive Board by the General Meeting on May 14, 2014, to increase the capital stock of the company up to May 13, 2019, with the consent of the Supervisory Board ("authorized capital") and the authorization to acquire treasury shares, which was adopted by the General Meeting on June 9, 2011, and is limited in time up to June 9, 2016, are stated in the management report and in the group management report.

Explanations on matters in accordance with Section 289 (4) and Section 315 (4) HGB, namely

- No. 2 (restrictions on voting rights or transfer of shares),
- No. 4 (naming of the holders of shares with special rights that confer controlling powers and description of the special rights),

- No. 5 (nature of the voting right control if employees hold a capital interest and do not directly exercise their control rights),
- No. 8 (material agreements by the company that are subject to the condition of a change in control as the result of a takeover bid and the resultant effects) and
- No. 9 (compensation agreements by the company that are concluded with members of the Executive Board or employees in the event of a takeover bid)

are not necessary because such disclosures did not have to be made in the management report and group management report.

The Executive Board believes that the existing instruments are not suitable for impeding a takeover.

II. Explanatory report in accordance with Section 289 (5) HGB

In addition, we hereby explain the description – included in the management report of euromicron Aktiengesellschaft in accordance with Section 289 (5) HGB – of the salient features of the internal control and risk management system in relation to the accounting process, as follows:

The management report first states that the measures in the internal accounting control and risk management system at euromicron Aktiengesellschaft and the euromicron Group ensure that business transactions are recorded fully, promptly and in compliance with statutory provisions, and it is also ensured that stocktakes are carried out properly and assets and liabilities are reported accurately in the annual/consolidated financial statements.

The management report explains that the causes of the mistakes in project valuations from the years 2012 and 2013 were analyzed extensively and addressed. The measures that had already been implemented and those additionally planned in 2015 (see section 4. Of the management report under "Risk report and salient features of the risk management system") ensure that the company has established internal control structures that prevent such mistakes occurring in subsequent years and enable it to take timely and adequate countermeasures if and when necessary.

The management report also explains that process-integrated and process-independent control measures form the main elements of the ICS at the euromicron Group. Apart from manual process controls – such as the "four eyes principle" –, automated IT process checks are also a key part of the process-integrated controls. This ensures that Financial Accounting is informed promptly of the status of all documents, which significantly reduces the risk of matters not being completely or correctly reported in accounting. The separation of functions and the four eyes principle are prescribed in work instructions or have been implemented in some cases in the systems used. Strict compliance with these measures also reduces the possibility of acts of criminal intent.

The management report specifies that regular training courses make sure that employees at Accounting are informed of changes to the law that may have an impact on preparation of the consolidated financial statements. In addition, the text of laws and commentaries on them are available to an adequate extent.

Finally, the management report explains that other control bodies, such as the Supervisory Board and independent auditor, are integrated in the Group's control environment with their process-independent auditing and monitoring activities. In particular, auditing of the consolidated financial statements and of the accounts presented by the Group companies included in the consolidated financial statements

by our independent auditor form another main process-independent monitoring step in relation to the consolidated accounting procedure. The suitability and effectiveness of the internal control system is also examined constantly by the work of the Internal Auditing department.

Frankfurt/Main, May 2015
euromicron Aktiengesellschaft
– The Executive Board –