

**Report to the Annual General Meeting on agenda item 10**

in accordance with §§ 203 (2) sentence 2, 186 (4) sentence 2 AktG

The Company last approved in the General Meeting on 30 September 2021, authorized capital that expires on 26 September 2024. In agenda item 10, the General Partner, the Shareholder Committee and the Supervisory Board ask the shareholders of the Company to approve new authorized capital for a period until 25 April 2029. In this regard, pursuant to §§ 203 (2) sentence 2, 186 (4) sentence 2 AktG, the General Partner submits a written report that is published as follows:

The Authorized Capital 2024/I is to replace the Authorized Capital 2021/I, which lasts until 26 September 2024. The Authorized Capital 2024/I is to be available both for cash capital increases and capital increases in kind and may also be utilized in partial amounts as well as on several occasions. The total amount of € 44 million must not be exceeded. The authorization is to be issued until expiration of 25 April 2029.

By means of the new Authorized Capital 2024/I, as currently, the Company is to be provided with an effective means to react promptly to current market developments, in particular a favorable stock market situation or acquisition opportunity. The proposed authorization constitutes a flexible instrument for improving the capital position of the Company on short notice without having to wait for the next Annual General Meeting.

In the event of such measures, the shareholders are generally to be granted subscription rights. Subscription rights may also be granted so that the new shares are subscribed by a credit institution with the obligation to offer the shares to the shareholders by way of "indirect subscription rights" (*mittelbares Bezugsrecht*). However, the proposed resolution stipulates that subscription rights may be excluded in order to issue shares in return for contributions in kind, subject to the requirements of § 186 (3) sentence 4 AktG as well as in order to eliminate fractional shares.

In detail, an exclusion of subscription rights is to be possible in the following cases:

- a) The General Partners are to be authorized to exclude subscription rights with the approval of the Supervisory Board and the Shareholder Committee if capital is increased against contributions in kind. This authorization is to allow the Company the possibility to use Company shares in connection with the acquisition of assets as consideration. This can be significant in particular if a business, parts of a business or a participation is acquired. Experience has shown that granting shares as consideration can be expedient or even required in order to meet seller expectations or to protect the Company's liquidity. Purchasers that can offer shares as consideration often have a competitive advantage when acquiring attractive assets. This advantage, which also indirectly benefits the Company's shareholders, can justify that the proportions of the current shareholders' shareholdings and their shares of the voting rights be diluted by an exclusion of subscription rights.

However, both the authorization to issue shares in return for contributions in kind and an attendant exclusion of subscription rights are to be used only if the acquisition of the relevant asset is in the best interests of the Company and if acquiring the relevant asset by any other means, in particular through purchase, is legally or in fact inconceivable or conceivable only at unfavorable conditions. In such cases, the Company will invariably examine whether there is an equally suited way to acquire the asset, the impact of which interferes much less with the position of the shareholders. Thus, if contributions in kind are acquired, as a rule, it must be examined whether in lieu of an exclusion of subscription rights at least the outside shareholders can also be granted parallel subscription rights in return for cash consideration, for example. The shareholders' interests will also be taken into account in that the Company will carefully examine whether the value of the contribution in kind is reasonably comparable to the value of the shares.

- b) In addition, it is to be possible to exclude subscription rights for capital increases of up to 10% of the nominal capital with the approval of the Supervisory Board and the Shareholder Committee if the requirements for an exclusion of subscription rights pursuant to § 186 (3) sentence 4 AktG are fulfilled. The Company will thereby be enabled to flexibly cover a future need for financing on short notice by taking advantage of any favorable capital

market conditions to the benefit of the Company and its shareholders. In this case, the exclusion of subscription rights will enable shares to be placed at a price close to the stock exchange price. By comparison, the issuance of shares when also granting subscription rights is less attractive in some circumstances since the issue price must be set very early on in order to comply with the subscription period. This can lead to considerable price discounts becoming necessary, in particular if the markets show high volatility. A capital increase without the shareholders' subscription rights can therefore be in the best interests of the Company and the shareholders.

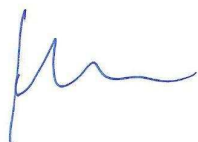
In such an instance, the interests of the shareholders are safeguarded in that the new shares must not be issued considerably below the stock exchange price, whereby the value of the subscription right practically approaches zero. With the volume limit, the Company also remains below the 20% maximum limit of § 186 (3) sentence 4 AktG, which limits the dilution of existing shareholders. The inclusion-in-the-calculation clause stipulated in the authorization furthermore ensures that the shareholders' interest in precluding any further proportional decrease of their respective shareholdings is safeguarded by limiting the volume at 10% of the nominal capital existing at the time of the issuance. At the same time, the General Partners are allowed the possibility to choose the most appropriate financing instrument in the given situation that is in the best interests of the Company and the shareholders.

- c) Furthermore, the proposed authorization provides for the exclusion of subscription rights for fractional shares. This can become necessary if a feasible subscription ratio cannot be achieved otherwise. Due to the limitation to fractional shares, in principle, the possible dilutive effect is very minimal. The Company will endeavor to dispose of free fractional shares on the best possible terms in the interests of the shareholders.

There are currently no specific plans to utilize the new Authorized Capital 2024/I. A report will be given to the shareholders on every utilization of the Authorized Capital 2024/I in the General Meeting that follows such utilization.

**Lippstadt, March 2024**

**For Hella Geschäftsführungsgesellschaft mbH:**



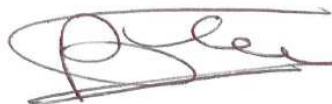
**Bernard Schäferbarthold**  
Chief Executive Officer



**Yves Andres**  
Managing Director



**Stefanie Rheker**  
Managing Director



**Philippe Vienney**  
Managing Director



**Stefan van Dalen**  
Managing Director



**Jörg Weisgerber**  
Managing Director