



## **Annual General Meeting on 20 June 2017**

### **Report of the Management Board on item 6 of the Agenda**

**Report by the Management Board on item 6 of the agenda on the exclusion of subscription and tender rights in connection with the acquisition and utilization of treasury shares pursuant to Section 71(1) no. 8 AktG in conjunction with Section 186(3) and (4) sentence 2 AktG**

#### ***Overview***

Under item 6 of the agenda, a proposal is made to the General Meeting, that the Management Board shall be authorized pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (hereinafter "AktG"), to acquire treasury shares until 19 June 2022 in a volume of up to 10 % of the share capital existing as of the date of the resolution or – if this value is lower – as of the date when this authorization is exercised, in each case with the approval of the Supervisory Board.

#### ***Acquisition of treasury shares and exclusion of tender rights***

The acquisition of treasury shares may be carried out through the stock exchange or through a public purchase offer, including requests for submission of offers, by the Company itself or by companies affiliated with the Company pursuant to Sections 15 et seq. AktG ("Affiliates") or by third parties acting for the accounts of the Company or its Affiliates.

If the number of the Wirecard Shares tendered or offered for purchase exceeds the total volume which the Company intends to acquire, the right to tender by the shareholders may be excluded to the extent that, instead of in proportion to their quota participations, the repurchase shall be in proportion to the Wirecard Shares tendered or offered by each shareholder in order to facilitate the allocation process. Similarly, this purpose of facilitation also serves the options of a preferential consideration of small lots of up to 100 tendered shares per shareholder and a rounding in accordance with commercial principles.

#### ***Utilization of the acquired treasury shares under the exclusion of subscription rights***

Pursuant to the proposed authorization, the treasury shares acquired by the Company may again be resold through the stock exchange or through a public purchase offer to all shareholders. These possibilities ensure that the shareholders' right to equal treatment is guaranteed also in case of the sale of the shares.

Furthermore, the treasury shares acquired by the Company under this authorization may also be used for specific further purposes as described in detail below and in these cases shareholders' subscription rights may also be excluded.

#### ***Retirement of acquired shares (lit. c) no. (1))***

The treasury shares may be retired without requiring an additional resolution of the General Meeting. At the discretion of the responsible body, the retirement may be carried out with or without reduction

of the share capital, in the latter case the proportionate amount per share in the share capital is increased. In the latter case, the Management Board is authorized to adjust the number of the no-par value shares specified in the Articles of Association. The Management Board and the Supervisory Board shall make use of the authorization to retire treasury shares only if they, after careful examination of all relevant circumstances, consider the retirement of the treasury shares being in the interest of the Company and thus in the interest of the shareholders.

*Resale of the acquired treasury shares inter alia against contributions in kind (lit. c) no. (2))*

The Management Board shall, with the approval of the Supervisory Board, have the option to use the treasury shares as a consideration, in particular in connection with business combinations or the acquisition (including indirect acquisition) of companies, businesses, parts of businesses, participations or other assets, or claims for the acquisition of assets, including receivables, against the Company or its Affiliates. The international competition and the increasing globalization of the economy increasingly demand this form of consideration. The proposed authorization is designed to give the Company the necessary flexibility to exploit opportunities to acquire such assets also using treasury shares quickly, flexibly and with little detriment to liquidity. The proposed exclusion of shareholders' subscription right takes account of this objective. The decision whether and to what extent shares held in treasury or shares issued under an authorized capital are to be used as an acquisition currency is made by the Management Board, focusing solely on the interests of the Company and therefore on the shareholders. In doing so, the Management Board will take the stock market price of the Wirecard Shares into account. However, no schematic link to a stock market price is foreseen in this context, in particular so that fluctuations in the stock market price do not jeopardize the results reached at negotiations. Currently, there are no concrete plans to make use of this authorization.

*Resale of the acquired treasury shares at a price close to the market price (lit. c) no. (3))*

Furthermore, the acquired treasury shares may, with the approval of the Supervisory Board, be sold against cash payment to third parties, e.g. to new investors at home and abroad, in a way other than through the stock exchange or through an offer to all shareholders. Such a sale requires that the selling price does not fall substantially short (excluding transaction costs) of the stock market price of shares of the same class of Wirecard at the time of the sale. The option to sell repurchased treasury shares against cash payment with the subscription right being excluded according to Section 186(3), sentence 4 AktG serves the interests of the Company to obtain the best possible price for the shares and also allows for selling the shares to new investors at home and abroad. By excluding shareholders' subscription rights, it is possible to place the shares close to the stock market price, i.e. the discount normally associated with rights issues is eliminated. Compared with selling the shares on the stock market over a lengthy period of time, this approach results in an immediate inflow of funds and avoids the uncertainties of future stock market developments in relation to the total selling price that is obtained. It enables the Company to quickly, flexibly and cost-effectively exploit opportunities that arise in the context of prevailing stock market conditions. The total number of treasury shares sold during the term of this authorization with the subscription right being excluded according to Section 186(3), sentence 4, AktG must not exceed an arithmetical portion of 10 % of the share capital existing as of the date of the resolution or – if this value is lower – existing as of the date when this authorization is exercised. Shares issued or sold during the term of the authorization pursuant or according to Section 186(3), sentence 4 AktG, e.g. in case of a utilization of the authorized capital as well as shares to be issued on the basis of convertible or warrant bonds, where these bonds are issued during the term of this authorization with the subscription right being excluded according to Section 186(3), sentence 4 AktG shall be credited to the limit of 10 % of the share

capital. By basing the selling price on the stock market price, the desirability of dilution protection is given due consideration. Generally, shareholders have the opportunity to maintain their percentage ownership by purchasing further shares on the stock exchange, while the Company is provided with additional room for maneuver to take advantage of favorable stock market situations in the interest of all shareholders. The assets and voting rights of the shareholders are thus adequately safeguarded. When determining the final selling price, Management shall keep any possible markdown on the quoted stock market price as low as possible, taking into account the respective current market conditions. There are currently no concrete plans to make use of this authorization.

*Exclusion of fractional amounts in offers for sale to all shareholders (subparagraph d))*

In case of a sale of the treasury shares through a public purchase offer to all shareholders, the Management Board shall be authorized to exclude the shareholders' subscription right for fractional amounts with the approval of the Supervisory Board. The exclusion of the subscription right for fractional amounts is necessary to make a sale of acquired treasury shares by means of an offer for sale to all shareholders technically feasible. The shares excluded from the shareholders' subscription as free fractions shall be utilized in the best interest of the Company either by way of a sale through the stock exchange or in another way.

The total amount of the shares issued and sold, with the subscription right being excluded pursuant to lit. c), nos. (2) through (3) of this authorization, may not exceed 20 % of the share capital existing as of the date such authorization becomes effective, or, if this value is lower, as of the date when this authorization is exercised. Shares issued or sold against contribution in cash and/or in kind during the term of this authorization until their utilization on the basis of other authorizations, with the subscription right being excluded, or shares to be issued under bonds with conversion or option rights or conversion or option obligations during the term of this authorization until their utilization on the basis of another authorization, with the subscription right being excluded, shall be credited to the limit of 20 %. Thereby the overall volume of treasury shares used under exclusion of the subscription right will be limited.

***Information about any utilization of the authorization***

The Management Board will in each case inform the following ordinary general meeting about any utilization of this authorization.

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