

Additional document to agenda item 8 of the Annual General Meeting on 5 May 2021

**Resolution on the adjustment of the authorization resolved by the Annual General Meeting of 7 May 2020 under agenda item 6 to acquire treasury shares and their use, also with exclusion of shareholders' pre-emption rights**

Comparative Version to the Report of the Management Board 2020

## **Report of the Management Board to the General Meeting 2020 concerning Item 6 on the Agenda (Authorization to acquire and utilize treasury shares)**

Agenda Item 6 contains the proposed resolution to authorize the Company to acquire treasury shares, either by itself or by companies controlled or majority-owned by the Company or by third parties acting on the account of such companies or on the account of the Company in an amount of up to 10% of the registered share capital. The authorization is to remain valid until and including 6 May 2025, thus exploiting the legally permitted timeframe of five years in accordance with Section 71 para. 1 no. 8 AktG. The authorization granted by the Annual General Meeting on 6 May 2015 will expire on 5 May 2020. Until today this authorization has not been used.

### **1. Authorisation to acquire treasury shares**

Pursuant to Section 71 para. 1 no. 8 AktG, the shares may also be purchased in ways other than via a stock exchange. The proposed resolution provides that the shares may also be acquired by means of a public purchase offer addressed to all shareholders or a public invitation to all shareholders to submit offers for sale (together "public purchase offer"). Section 71 para. 1 no. 8 sent. 4 AktG states that the mode of acquisition via a stock exchange satisfies the requirements of the principle of equal treatment according to Section 53a AktG. Sufficient is the acquisition in any market segment at home and abroad in which an exchange price is established. A disadvantage for shareholders pursuant to the principle of equal treatment under stock corporation law is also excluded in case of a public purchase offer.

In the event of a public purchase offer, it might happen that the number of shares tendered exceeds the number of shares intended for acquisition by the Company. In this event, the allocation shall not be based on the ratio of the participation but in the ratio of the tendered shares. This serves to simplify the allocation process. In this context, a preferred consideration of offers up to a maximum of 100 shares shall be possible. The option serves to avoid fractions when determining the acceptance quotas and to avoid smaller residual quantities and, by doing so, to facilitate the technical processing. A factual disadvantage for minor shareholders may also be avoided this way. Finally, a rounding based on commercial principles to avoid fractions of shares shall be provided for. Insofar, the acquisition quota as well as the number of shares tendered for acquisition by the individual shareholders may be rounded to the

extent necessary to ensure that the acquisition of total shares is technically possible. The Management Board considers the exclusion of any inherent further tender rights of the shareholders as justified by facts and reasonable for the shareholders.

## **2. *Authorisation to utilize the acquired treasury shares***

The treasury shares acquired may be utilized for any lawful purposes, including the following:

- Section 71 para. 1 no. 8 sent. 4 AktG permits the sale of treasury shares via a stock exchange. Furthermore, the General Meeting is to authorize the Management Board to sell the treasury shares by way of an offer to all shareholders. In both aforementioned cases, the principle of equal treatment under stock corporation law is observed.
- Further, the Company shall be able to sell the treasury shares subject to the conditions of Section 186 para. 3 sent. 4 AktG under exclusion of subscription rights.

This way, the Company shall, in particular be able to place Company shares at short notice. The purpose of the proposed authorization is to secure a sustainable and appropriate equity base of the Company. The authorization enables the Company in suitable cases for example to sell treasury shares to institutional investors or to target new investor groups.

As a prerequisite, these shares must be sold against a cash consideration at a price that is, at the time of the sale, not substantially below the stock market price of the shares of the Company. The final sales price of the Company's treasury shares will be determined shortly before the sale. The Management Board will set any potential discount on the shares' stock exchange price as low as possible. The discount on the stock exchange price must in no event exceed 5% of the current stock market price at the time of the exercise of the authorization. The proportion of the registered share capital that is allocable to the shares to be sold must not exceed 10% of the registered share capital of the Company, neither at the time the authorization takes effect nor at the time when it is exercised. This limit shall include those shares that are issued during the term of the authorization until the time of its respective utilization from authorized capital under exclusion of subscription rights pursuant to Section 186 para. 3 sent. 4 AktG. Furthermore, this limit shall include shares required to be issued to meet conversion or option rights or conversion obligations from bonds (including participation rights) issued by the Company or a Group company during the term of the authorization until the time of its respective utilization under exclusion of subscription rights in analogous application of Section 186 para. 3 sent. 4 AktG. By limiting the number of shares that can be sold under this utilization authorization and the obligation to fix the sales price of the shares close to the stock exchange price, shareholders are adequately protected against a dilution of the value of their shares. At the same time, it is ensured that the consideration to be achieved by the Company is appropriate.

- Furthermore, it shall be possible to offer treasury shares to third parties against other than cash considerations (considerations in kind). Such possibility may become relevant in particular in the context of company mergers and the direct or indirect acquisition of companies, parts of companies or interests in companies. It is essential that the Company, to improve its competitive position, is capable of merging with other companies and of acquiring companies, parts of companies or interests in companies. In practice, it is not uncommon in such cases for acquiring entities to be required to offer treasury shares as part of the purchase price for the acquisition object. In addition, it may make sense for the Company in other cases to grant treasury shares to a contractual partner as a liquidity-preserving and attractive consideration for the acquisition of tangible or intangible assets. This applies, for example, to the acquisition of intellectual property rights or licenses thereto but also in connection with the remuneration of consulting and other services. Treasury shares as consideration in acquisitions can also be advantageous when optimizing the financing structure. When determining the valuation ratios, the Management Board will ensure that the interests of the shareholders are adequately protected. In this context, the Management Board will take into account the stock market price of the shares of the Company.
- Where warrant or convertible bonds (including participation rights) have been issued, it may also be reasonable to fulfil the rights or obligations arising from such warrant or convertible bonds (including participation rights) to subscribe to shares in the Company not by way of a capital increase but wholly or partially using treasury shares. An authorization of use to this effect serves this purpose. In addition, the bond terms and conditions often grant the holders of the corresponding bonds a subscription right to shares of the bond issuer or an affiliated company to the extent to which the holders would be entitled to such shares as shareholders of the respective company after exercising option or conversion rights or fulfilling conversion obligations from such bonds. By granting a corresponding utilization authorization, the Company is to be enabled to meet such subscription rights with treasury shares.
- Finally, the authorization also allows treasury shares to be redeemed. The redemption may be affected either by reducing the share capital of the Company or, in accordance with Section 237 para. 3 no. 3 AktG and without such reduction of the share capital, by redeeming the shares in full and simultaneously increasing the proportionate amount of the share capital attributable to the remaining shares (so-called amortisation). The rights of the shareholders are not impaired in either of these cases.

In all of the cases described above (except the redemption) the subscription rights of the shareholders to the treasury shares must be excluded in order for them to be utilized as described. Having considered all circumstances, the Management Board considers the exclusion of the subscription rights in the described cases to be justified and adequate for the above reasons.

The Management Board will examine in each individual case whether treasury shares should be used for the measures stated. In its decision, the Management Board will take the interests of shareholders and the Company into account and carefully consider whether or not to exercise the authorization. Only then, the measure will be taken and the subscription rights will be excluded.

The aforementioned possibilities of utilizing treasury shares also pertain to shares acquired pursuant to Section 71 para. 1 no. 8 AktG on the basis of authorizations granted by previous General Meetings. This also applies to shares purchased by companies controlled or majority-owned by the Company or third parties acting for these companies or for the Company or pursuant to Section 71d sent. 5 AktG.

The Management Board will report on any exercise of the repurchase authorization and its details at the subsequent General Meeting in accordance with Section 71 para. 3 AktG.

Herzogenaurach, 7 May 2020

PUMA SE,

Management Board

**Report of the Management Board regarding agenda item 8 pursuant to Article 5 SE-VO, § 71 (1) no. 8 sentence 5 in conjunction with § 186 (4) sentence 2 AktG (sale of treasury shares)**

Under agenda item 8, the Supervisory Board is to be authorized to issue treasury shares acquired pursuant to § 71 (1) no. 8 AktG to members of the Management Board of the Company, excluding shareholders' pre-emption rights (§ 71 (1) no. 8 sentence 5 in conjunction with § 186 (3) and (4) AktG).

The proposed resolution is intended to supplement the authorization to acquire and use treasury shares (the "Authorization 2020") resolved by the Annual General Meeting on 7 May 2020 under agenda item 6. The full text of the Authorization 2020 as amended by the above proposed resolution, including a comparison version showing the additions to the version resolved by the Annual General Meeting on 7 May 2020 under agenda item 6, is available electronically on the Company's website at: <https://about.puma.com/en/investor-relations/annual-general-meeting>. There also available is the resolution proposed by the Management Board to the Annual General Meeting of 7 May 2020 pursuant to § 71 (1) no. 8 sentence 5 in conjunction with § 186 (4) sentence 2 AktG (including a consolidated version which also contains this supplementary report).

The authorization of the Supervisory Board to be created under agenda item 8 covers the use of treasury shares which were or will be acquired on the basis of Authorization 2020 or earlier authorization resolutions pursuant to § 71 (1) no. 8 AktG. At the time of this convening of the Annual General Meeting on 5 May 2021, the Company holds 1,240,781 treasury shares (corresponds to approx. 0.82% of the share capital).

The proposed resolution under agenda item 8 creates the possibility of using shares acquired by the Company as a compensation component for members of the Management Board. The authorization of the Supervisory Board includes the possibility of offering, granting and transferring treasury shares to members of the Management Board of the Company as part of compensation arrangements. This makes it possible to grant shares in the Company to members of the Management Board as variable compensation components instead of a cash payment. Issuing shares to members of the Management Board, as is also possible under the Company's new Performance Share Plan ("LTI 2021") as part of the final payment in accordance with the decision of the Supervisory Board, promotes identification with the Company and also offers a further opportunity to align the compensation of members of the Management Board with sustainable corporate development. The Supervisory Board shall determine the further details within the scope of its statutory powers. This use of acquired shares requires a corresponding exclusion of shareholders' pre-emption rights.