

DMG MORI

AKTIENGESELLSCHAFT

DMG MORI AKTIENGESELLSCHAFT BIELEFELD

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Explanatory report of the Executive Board of DMG MORI
AKTIENGESELLSCHAFT on the disclosures required in
accordance with Section 289 (4), Section 315 (4) of the
German Commercial Code (Handelsgesetzbuch – HGB).

ANNUAL GENERAL MEETING 2016

Explanatory report of the Executive Board of DMG MORI AKTIENGESELLSCHAFT on the disclosures required in accordance with Section 289 (4), Section 315 (4) of the German Commercial Code (Handelsgesetzbuch – HGB).

In the following, the disclosures, which pursuant to Section 289 (4), Section 315 (4) HGB were given in the management report or group management report of DMG MORI AKTIENGESELLSCHAFT, are explained.

Disclosures required by Section 289 (4), Section 375 (4) HGB and Explanatory Report

DMG MORI AKTIENGESELLSCHAFT is a stock corporation under German law with registered office in Bielefeld and has issued shares with voting rights, which are listed on a regulated market within the meaning of Section 2 (7) of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz — WpÜG).

As to Section 289 (4) no. 1, Section 315 (4) no. 1 HGB

The share capital of DMG MORI AKTIENGESELLSCHAFT amounts to € 204,926,784.40 as of 31 December 2015. It is divided into 78,817,994 no-par value shares with a theoretical no-par value of € 2.60 per share.

The same rights and obligations are associated with all the shares. Each share grants one voting right at the annual general meeting of shareholders and is decisive in determining the shareholder's share in the company's profit. This excludes treasury shares held by the company, for which the company is not entitled to any rights arising out of the same. The rights and obligations of the shareholders arise in each case out of the regulations of the German Stock Corporation Act (Aktiengesetz – AktG), in particular out of Sections 12, 53a et seqq., 118 et seqq. and 186 AktG.

As to Section 289 (4) no. 3, Section 315 (4) no. 3 HGB

DMG MORI COMPANY LIMITED, Nagoya (Japan) held 60.67% of the voting rights in DMG MORI AKTIENGESELLSCHAFT as of 31 December 2015. (Source: Consolidated Financial Statements for Fiscal Year 2015 of DMG MORI COMPANY LIMITED published on February 10, 2016)

Furthermore, Paul Singer / Elliott Asset Management and affiliated entities held 15.16% of the voting rights at the time of their last notification of voting rights pursuant to the notifications of voting rights submitted to DMG MORI AKTIENGESELLSCHAFT until 31 December 2015.

DMG MORI AKTIENGESELLSCHAFT is not aware of any other direct or indirect equity investments in DMG MORI AKTIENGESELLSCHAFT in excess of ten percent of the voting rights and in existence as at 31 December 2015 or at the time this Explanation is made.

As to Section 289 (4) no. 6, Section 315 (4) no. 6 HGB

DMG MORI AKTIENGESELLSCHAFT is managed by the Executive Board and represented by the same with respect to third parties. The appointment and revocation of appointment of members of the Executive Board is regulated in Sections 84 and 85 of the AktG as well as in Section 31 of the German Co-Determination Act (Mitbestimmungsgesetz – MitbestG). In accordance with these acts, members of the Executive Board are appointed by the Supervisory Board for a maximum term of five years. A subsequent appointment or extension of the period of office is permissible in each case for a maximum of five years. According to Section 31 (2) MitbestG a majority of a minimum of two-thirds of the members of the Supervisory Board is necessary for the appointment of members of the Executive Board. Should such majority not be achieved, the appointment may take place pursuant to Section 31 (3) MitbestG in a second vote with a simple majority vote. Should the necessary majority not be achieved in this instance, a third vote shall take place in which likewise a simple majority vote shall be determining. However, in this case, the chairman of the Supervisory Board shall be entitled to two votes pursuant to Section 31 (4) MitbestG. Pursuant to Article 7 (1) of the Articles of Association of DMG MORI AKTIENGESELLSCHAFT (“Articles of Association”), the Executive Board comprises several members. Moreover, Article 7 (2) of the Articles of Association provides that the Supervisory Board appoints the members of the Executive Board, determines their number and assigns their duties. Furthermore, the Supervisory Board may appoint a member as the chairman.

Pursuant to Section 179 (1) AktG, amendments to the Articles of Association require a resolution passed by the general meeting of shareholders which, insofar as the Articles of Association do not provide for any other majority, pursuant to Section 179 (2) AktG requires a majority of three-quarters of the share capital represented during the vote. Insofar as this involves an amendment to the object of the company, the Articles of Association may only provide for a larger majority. The Articles of Association of DMG MORI AKTIENGESELLSCHAFT make use in Article 15 (4) of the possibility of differing from this pursuant to Section 179 (2) AktG and provide that in principle resolutions are passed with a simple majority vote and, insofar as a capital majority is required, can be passed with a simple capital majority unless statutory provisions prescribe otherwise. In accordance with Article 10 (8) of the Articles of Association, the Supervisory Board is authorised to make amendments to the Articles of Association that only affect the wording. Any amendments to the Articles of Association will become effective in accordance with Section 181 (3) AktG upon registration in the Commercial Register.

The most recent amendment to the Articles of Association was of its Article 1 (1) (name of the company) and § 12 (compensation of the supervisory board), on the basis of a resolution of amendment adopted by the most recent general annual meeting of DMG MORI AKTIENGESELLSCHAFT on 8 May 2015.

As to Section 289 (4) no. 7, Section 315 (4) no. 7 HGB

Pursuant to Article 5 (3) of the Articles of Association, the Executive Board is as of 31 December 2015 authorised to increase the share capital in the period until 15 May 2019 with the consent of the Supervisory Board by up to a nominal amount of € 102,463,392.20 by issuing up to 39,408,997 new bearer shares through a single or several issues of new shares in return for cash and / or contributions in kind (authorised capital). The Executive Board is authorised to issue shares to company employees and to

companies affiliated with the company and in this respect to exclude subscription rights of shareholders with the consent of the Supervisory Board in respect to a partial amount of € 5,000,000.00. Moreover, the Executive Board is authorised with the consent of the Supervisory Board to exclude subscription rights for capital increases in return for contributions in kind. In the event of cash capital increases, the subscription right may be excluded (i) if the issue price for the new shares as finally determined by the Executive Board is not significantly below the stock exchange price within the meaning of Sections 203 (1) (2), 186 (3) sent. 4 AktG and the total proportionate amount of the share capital allocable to the new shares in respect of which the pre-emptive right is excluded does not exceed 10 % of the share capital (crediting other shares issued under exclusion of shareholders' preemptive rights against such limitation) either at the time when the authorization takes effect or at the time when it is exercised, and (ii) to use any residual amounts. The total number of shares that may be issued on the basis of this authorisation under exclusion of shareholders' preemptive rights (with the exemption of the issue of shares to employees and the use of residual amounts) may not exceed 20 % of the share capital either at the time the authorisation enters into force or at the time it is exercised. In accordance with the authorisation certain other shares that may be issued under exclusion of shareholders' preemptive rights shall also be credited against such limitation.

The Executive Board has not used the mentioned authorisations during the reporting year.

As to Section 289 (4) No. 8, Section 315 (4) no. 8 HGB

The essential financing agreements of DMG MORI AKTIENGESELLSCHAFT in 2015 are subject to the condition of a change of control (meaning the acquisition of 30 % or more of the voting rights) in consequence of the tender offer in the definition of Section 315 (4) no. 8 of the German Commercial Code (HGB).

The relevant financing agreements of DMG MORI AKTIENGESELLSCHAFT concluded in early 2016 are subject to the condition of a change of control (meaning the acquisition either of (i) 30 % or more of the voting rights in DMG MORI AKTIENGESELLSCHAFT, if the participation interests of DMG MORI COMPANY LIMITED in DMG MORI AKTIENGESELLSCHAFT is or falls below 50 %, or (ii) 50 % or more of the voting rights in DMG MORI AKTIENGESELLSCHAFT (except by DMG MORI COMPANY LIMITED) or (iii) 50 % or more of the voting rights in DMG MORI COMPANY LIMITED). Thus, a change of control is precluded for as long as DMG MORI COMPANY LIMITED holds more than 50 % of the voting rights in DMG MORI AKTIENGESELLSCHAFT. Furthermore, also an increase of the voting rights share of DMG MORI COMPANY LIMITED held in DMG MORI AKTIENGESELLSCHAFT to 75 % or more does not lead to a change of control.

The change of control conditions comply with the agreements common in the market. They do not entail an automatic termination of the aforementioned agreements, but merely provide our contractual partners the possibility to cancel them in the event of a change of control.

Bielefeld, March 2016

DMG MORI AKTIENGESELLSCHAFT



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