Report of the Management Board to the Annual General Meeting of Pfeiffer Vacuum Technology AG on May 21, 2015 in relation to Item 6 of the Agenda

Pertaining to Item 6 on the Agenda, the Management Board provides the following report on the reasons for the authorization to exclude the right of subscription of the shareholders pursuant to § 71 Sub-Para. 1 No. 8 Sent. 5 in conjunction with § 186 Sub-Para. 4 Sent. 2 German Stock Corporation Act:

§ 71 Sub-Para. 1 No. 8 German Stock Corporation Act offers stock corporations the option to acquire their treasury shares up to 10% of the share capital by authorization of the Annual General Meeting. Item 6 on the Agenda of the Annual General Meeting of Pfeiffer Vacuum Technology AG held on May 21, 2015 contains a proposal to issue such an authorization. This is intended to enable the Management Board to acquire treasury shares in the amount of up to 10% of the share capital of the Company in the best interests of the Company and its shareholders either on the stock market or by means of a public purchase offer to all shareholders. It shall also be possible for the acquisition to be performed by a controlled company or company in which the Company holds a majority interest, or by third parties acting on behalf of the Company or a controlled company or company in which the Company holds a majority interest. The valid period of the authorization to acquire treasury shares shall be pursuant to the statutory regulations which allow for a duration of up to five years.

a) If the acquisition is conducted by means of a public purchase offer, the principle of equal treatment as specified under § 53a German Stock Corporation Act is to be applied. If the number of shares offered at the fixed offer price exceeds the number of shares requested by the Company, the proposed authorization shall allow an acquisition pursuant to the proportion of shares offered (tender ratio). Only if the acquisition is effected pursuant to tender ratios instead of participation ratios can the acquisition process be handled in an economically feasible manner. It shall furthermore be possible to prefer acceptance of smaller numbers of shares of up to 50 shares per shareholder. On the one hand, this serves the purpose of preventing small economically unfavorable remaining shares, and any possible resulting disadvantage to small investors. On the other hand, it serves the purpose of simplifying the acquisition process. Finally, in all cases rounding up pursuant to commonly accepted bookkeeping principles shall be possible to avoid calculatory fractional shares. This also serves to simplify the technical handling aspects. In agreement with the Supervisory Board, the Management Board deems an exclusion of potential further pre-emptive tender rights of the shareholders factually justified and reasonable vis-à-vis the shareholders.

b) The treasury shares acquired by the Company can be resold on the stock market or by public offering to all shareholders. In this manner the equal treatment principle is observed in the resale of the shares. If the shares are sold via an offer to all shareholders, the Management Board shall be authorized to exclude the right of subscription of shareholders to fractional amounts of the treasury shares. The exclusion of the right of subscription for fractional amounts serves to achieve a technically feasible subscription ratio. The fractional shares excluded from shareholders' rights of subscription will be exploited in the best interests of the Company, either by sale on the stock exchange or in some other way. The possible dilution effect is small due to the limitation on fractional shares.

c) The Management Board shall furthermore have the option to transfer treasury shares to third parties if such transfer serves the purpose of effecting company mergers or the acquisition of companies, company shares or company divisions or other assets. Here too, the right of subscription of the shareholders shall be excluded. This is intended to afford the Company the ability to swiftly and successfully react to favorable offers or other opportunities for the acquisition of companies, company participations or company divisions on domestic and international markets. Particularly in connection with the acquisition of companies or company divisions it can make sense economically to acquire other assets, such as those that constitute an economic advantage to the company or a company division. An ideal implementation in the best interests of the Company will, in individual cases, consist of performing the merger or acquisition by the granting of shares in the acquiring company. Practical experience also shows that on international as well as domestic markets, the provision of shares in the acquiring company is often required as compensation in the course of mergers and for attractive acquisition objects. Indeed, § 5 Sub-Para. 5 of the Articles of Association already provides an opportunity to grant shares for this purpose. However, there should furthermore be an option to grant shares for the acquisition of companies, company divisions or company participations or other assets without having to perform an increase of share capital - particularly in light of the requirement to amend commercial register entries, the increased time needed and the higher administrative costs associated therewith. The proposed authorization is intended to afford the Company the necessary latitude to be able to quickly and flexibly exploit emerging opportunities for mergers and acquisitions. With the granting of a right of subscription, this would not be possible, and the associated advantages for the Company could not be realized.

When corresponding ventures become imminent, the Management Board will carefully evaluate if it should make use of the authorization to grant treasury shares. When determining the evaluation criteria, the Management Board shall ensure that the interests of the shareholders are duly considered. A general orientation for the Board in the evaluation of the value of the shares granted in compensation shall be the stock market price of the Company's shares. A schematic coupling with the stock exchange rates is not intended, however, particularly in order to prevent negotiation results from being put into question by fluctuating stock exchange prices.

d) Said authorization will furthermore create the option to use treasury shares under exclusion of the right of subscription to satisfy option or conversion rights that arise from option or conversion rights being exercised, or for the satisfaction of obligations to exercise options or conversion for the owners of option bonds or convertible bonds, profit participation rights or participating bonds or any combination of these instruments that are issued by Company or its group affiliates. Insofar as the Company makes use of this option, it shall not be necessary for this purpose to use the conditional capital created to grant new shares. The interests of the shareholders are therefore not affected by this additional option.

e) Said authorization shall furthermore create an option to transfer shares as employee shares to employees of the Company and to employees or officers of its subsidiary affiliates. The issuance of employee shares is in the best interests of the Company and its shareholders, as they promote employee identification with the Company and the willingness to assume responsibility. The Company has indeed created approved capital for the issuance of employee shares in § 5 Sub-Para. 5 of the Articles of Association. The use of treasury shares instead of a capital increase can, however, make sense economically; the authorization is intended to provide the required discretion.

f) Finally, it is also intended to allow the cash sale of the acquired shares outside of the stock market under exclusion of the right of subscription. A prerequisite for this is that the shares are sold for a cash price that does not fall substantially below the share price on the stock market at the time of the sale. Said authorization makes use of the option for simplified exclusion of the right of subscription specified under § 7 Sub-Para. 1 No. 8 German Stock Corporation Act with the corresponding application of § 186 Sub-Para. 3 Sent. 4 German Stock Corporation Act. It is in the best interests of the Company to achieve the best possible price in the sale of its treasury shares. The Company will thus be enabled to swiftly and flexibly as well as cost-efficiently respond to opportunities arising from respective market conditions. The sales profits achievable with market-oriented pricing will usually lead to a substantially higher cash inflow per sold share than in share placement with a right of subscription, where it is common that substantial discounts on the stock exchange price are granted. By forgoing the time and cost-intensive handling of the right of subscription, the equity capital requirement can be covered by short-notice market opportunities in a timely manner. The fiduciary and voting interests of the shareholders are thereby duly preserved.

The principle of protecting shareholders from dilution is observed by the fact that shares may only be sold at a price that does not fall substantially below the relevant market share price. The final price determination of the selling price for the treasury shares occurs shortly before the actual sale. The Management Board will set potential discounts from the market price as low as possible under the prevailing market conditions at the time of the placement.

The authorization to exclude the right of subscription pursuant to § 186 Sub-Para. 3 Sent. 4 German Stock Corporation Act when selling treasury shares, together with potential other authorizations to issue or sell shares or bonds with option or conversion rights or option or conversion obligations with exclusion of the right of subscription pursuant to, or in corresponding application of, § 186 Sub-Para. 3 Sent. 4 German Stock Corporation Act, is limited to a total of 10% of the share capital of the Company.

With this limitation, and the fact that the sales price must be oriented to the market price, the fiduciary and voting interests of the shareholders are duly preserved. Shareholders are in principle able to maintain their stake at essentially the same conditions by purchasing Pfeiffer Vacuum shares on the stock market.

g) The proposed resolution furthermore contains the authorization of the Company to redeem its treasury shares without an additional Annual General Meeting resolution. This resolution allows the Company the react to emerging capital market situations appropriately and flexibly. The proposed authorization stipulates that the Management Board can withdraw the shares with a capital reduction, or without reduction pursuant to § 237 Sub-Para. 3 No. 3 German Stock Corporation Act. Withdrawal of shares without capital reduction increases the proportional share of the remaining shares in the share capital of the Company. The Management Board will insofar be authorized to amend the Articles of Association to reflect the changed number of shares or the share capital respectively. The rights of the shareholders are not affected by either of the two aforementioned cases.

h) Finally, it is stipulated that treasury shares can be used to perform a so-called scrip dividend. In this regard, the Management Board is to be authorized to exclude the right of subscription of the shareholders in order to effect the scrip-dividend under optimal conditions. In a scrip dividend using treasury shares, shareholders are offered to surrender to the Company their entitlement to a payout pursuant to the profit appropriation resolution of the Annual General Meeting and to receive treasury shares as compensation.

The performance of a scrip dividend using treasury shares can be executed as offer to all shareholders in compliance with their right of subscription and in compliance with the equal treatment principle (§ 53a German Stock Corporation Act). In this process, only full shares are offered to the shareholders; regarding the proportion of the dividend entitlement that does not match the price of one full share (or exceeds it), shareholders are referred to a cash dividend and will not be able to receive shares; the offer of fractional shares is not intended and neither is trade with subscription rights or fractions thereof. This seems justified and appropriate, as the shareholders receive a proportional cash dividend instead of shares.

In individual cases and depending on the capital market situation, it may be preferable to arrange the scrip dividend using treasury shares in a manner where, on one hand, the Management Board offers all dividend-entitled shareholders compensation in treasury shares for surrendering their dividend entitlement to the company in compliance with the general principle of equal treatment (§ 53 German Stock Corporation Law), but, on the other hand, formally excludes the overall right of subscription of the shareholders. The performance of the scrip dividend with formal exclusion of the right of subscription allows the scrip dividend to be implemented at more flexible conditions. In light of the fact that all shareholders are offered treasury shares and that excess dividend fractions are paid out as cash dividends, the exclusion of the right of subscription seems justified and reasonable here too.

The Management Board shall only make use, pursuant to lit. e) of the proposed resolution with the prior consent of the Supervisory Board, of the authorization to transfer treasury shares to third parties where this serves the purpose of conducting company mergers or of acquiring companies or company divisions or other assets, and of the authorization to use treasury shares to satisfy option or conversion rights that arise from options or conversion rights being exercised, or for the satisfaction of obligations to exercise option or conversion exercise rights for the owners of option or convertible bonds, profit participation rights or participating bonds or any combination of these instruments that are issued by Pfeiffer Vacuum Technology AG or its group affiliates, and of the authorization to transfer treasury shares to employees or officers of the company or its subsidiaries, and of the authorization to also sell treasury shares outside of the stock market for a cash price without a public offer to all shareholders, and of the authorization to use treasury shares to perform a scrip dividend. The Supervisory Board shall furthermore be able to stipulate that actions of the Management Board based on this Annual General Meeting resolution may only be performed with its consent.

The Management Board, in agreement with the Supervisory Board, deems the exclusion of the right of subscription in the aforementioned cases – and under consideration of a potential dilution effect – factually justified and reasonable for the shareholders. The Management Board will inform the next Annual General Meeting of the utilization of this authorization.

Asslar, Germany, in April 2015

Pfeiffer Vacuum Technology AG

The Management Board