

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

The 2015 fiscal year in the central European and American region was marked by a robust economy, while in other parts of the world, particularly in China, it was plagued by concern over an economic slowdown.

In this situation, Pfeiffer Vacuum was able to get back on track for success after a weak previous year. Fortunately, this positive development could be observed in all market segments.

Irrespective of this, the company's "GAP" (Growth and Profitability) 2017 program of optimization encompassing all areas of the company was systematically advanced. At the same time, the unexpectedly strong volume of new orders for some turbopumps resulted in production bottlenecks which made it necessary to expand capacities.

The overall performance of the Pfeiffer Vacuum Group during the 2015 fiscal year was extremely gratifying. Nevertheless, the Supervisory Board is convinced that systematic implementation of the "GAP" 2017 program of optimization may achieve further improvements.

During the 2015 fiscal year, the Supervisory Board was informed about the current position of the Company and the Corporate Group in nine meetings and discussed this in detail with the Management Board. The Supervisory Board meetings took place in Asslar on February 18, March 16, May 4, May 21, August 3, October 5, October 13, November 2, and November 9. In addition to the information provided at its meetings, all members of the Supervisory Board received detailed monthly and quarterly reports on the Company's position, with the Chairman of the Supervisory Board additionally being provided with the minutes of all Management Board meetings. Aside from the meetings of the Supervisory Board, its Chairman was constantly kept abreast of all major business matters through discussions with the Management Board. All members of the Supervisory Board attended every meeting.

The Supervisory Board has a Management Board Committee, an Administration Committee, a Nomination Committee, and an Audit Committee. The Management Board Committee met on March 16 and November 1. Meetings of the Audit Committee took place on March 16 and November 2. Moreover, the Audit Committee maintained regular contact with the independent auditor, discussing and deciding the course of the audit, its main focuses as well as particular questions relating to the audit with him.

In addition to the general development of business and the Company's strategic alignment, the Supervisory Board meetings focused on measures to boost the profitability and efficiency of the entire Company within the framework of the GAP

2017 project. Further key areas were the optimization and expansion of capacity in the areas of production, the IT infrastructure of the Pfeiffer Vacuum Group, the new market segment-oriented organizational structure of the Group, and the definition of targets for the proportion of women in the Management Board and Supervisory Board. Finally, other key areas were the potential, but not implemented, acquisition of a company and the voting rights notifications by the Busch Group from Maulburg.

The Supervisory Board fulfilled all the duties vested in it by law, the Articles of Association, and the German Corporate Governance Code ("DCGK") and diligently and fully supervised the management of the Company.

The requirements with respect to risk management mandated under the German Control and Transparency in Business Act ("KonTraG") of 1998 were discussed extensively together with the Management Board. The Supervisory Board repeatedly satisfied itself that sufficient insurance coverage is in force for insurable risks and that operational, financial, and contractual risks are monitored through organizational processes and approval procedures. A detailed reporting system exists for the Company and the Corporate Group and is subject to ongoing review, update, and development. All employees in the operating units are sensitized to potential risks and are instructed to conduct appropriate reporting. Current issues in connection with risk management were explained to the Audit Committee as well as to the entire Supervisory Board.

The Supervisory Board deliberated in detail on the German Corporate Governance Code. The Management and Supervisory Board recognize the German Corporate Governance Code – with one exception – as definitive for the Company and its management. The statement of compliance pursuant to § 161 of the German Stock Corporation Act ("AktG") was submitted by the Management and Supervisory Boards sufficiently in advance of the close of the fiscal year. In connection with good corporate governance, the Supervisory Board also dealt in detail with its own efficiency, coming up with positive overall results.

At the meetings of the Supervisory Board and in individual discussions, the Supervisory and Management Boards deliberated at length regarding the Company's strategic alignment and planning. The Supervisory Board then discussed the budget for the 2016 fiscal year with the Management Board and adopted it.

In accordance with the resolution of the Annual General Meeting on May 21, 2015, Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Eschborn, Germany, was commissioned to audit the Annual Financial Statements of the Company and the Company's Consolidated Financial Statements, with the latter being prepared in accordance with International Financial Reporting Standards ("IFRS"), as well as the financial statements of the Company's subsidiaries where prescribed by law. Pursuant to § 315 a of the German Commercial Code ("HGB"), consolidated financial statements presented in accordance with the rules of the German Commercial Code were not prepared.

The focuses of the audit defined by the Audit Committee with the independent auditor included:

- Certain items of the Annual Financial Statements, in particular
 - recognition and valuation of accounts receivable and inventories
 - the completeness and valuation of provisions (in particular warranty provisions and pensions)
 - revenue recognition; periodic accruals for net sales
 - recoverability of goodwill
 - recoverability of shareholdings in the individual Financial Statements
 - capitalization of development costs in accordance with IAS 38
 - Recognition and valuation of deferred taxes
- Consolidation entries
- Reconciliation to IFRS, the Notes to the Financial Statements and the Management's Discussion & Analysis

The Annual Financial Statements together with the Management's Discussion & Analysis as well as the Consolidated Financial Statements presented in accordance with IFRS together with the Management's Discussion & Analysis, all for the 2015 fiscal year and all of which prepared by the Management Board, were audited by the independent auditor and received his unqualified endorsement. The Annual Financial Statements, Management's Discussion & Analysis for the Company and the Corporate Group as well as the audit reports from the independent auditor were submitted to all members of the Supervisory Board in a timely fashion. They were discussed in detail at the Audit Committee meeting relating to the financial statements as well as at the Supervisory Board meeting relating to the financial statements on March 14, 2016. The independent auditor attended both meetings, reported on the major findings of his audit — in particular relating to the internal controlling and risk management system — and was available to answer additional questions from the Supervisory Board. On the basis of its own thorough review, the Supervisory Board concurred with the results of the audit conducted by the independent auditor. Given the concluding results of its review, the Supervisory Board raised no objections to the Annual and Consolidated Financial Statements. It has approved the Annual and Consolidated Financial Statements, with the Financial Statements thus being formally adopted. The Supervisory Board discussed in detail with the Management Board its proposal regarding the distribution of a dividend and



then concurred with the Management Board's proposal regarding appropriation of the Company's retained earnings.

The Supervisory Board would like to sincerely thank the Management Board, the Employee Council and the entire staff of the Group for their dedication and commitment in the 2015 fiscal year.

Aslar, March 14, 2016

A handwritten signature in blue ink, appearing to read "Dr. Michael Oltmanns".

Dr. Michael Oltmanns
Chairman of the Supervisory Board