

CECONOMY

Declaration

of November 2019 on the Corporate Governance of the CECONOMY Group

This declaration on the corporate governance of the corporate group of CECONOMY AG (the “**CECONOMY Group**”) is based on Section 315d and Section 289f of the German Commercial Code (*Handelsgesetzbuch – HGB*), in the version that was applicable at the time of making the declaration (in the case of Section 315d HGB, the version of 19 April 2017 and in the case of Section 289f HGB, the version of 10 July 2018). Pursuant to Section 317(2) sixth sentence of the German Commercial Code (HGB), in the version of 19 April 2017, which was applicable at the time of making the declaration, the information set out below is not to be included in the audit of the financial statements.

The following corporate governance declaration reproduces the most recent compliance declaration by the Management Board and the Supervisory Board of CECONOMY AG pursuant to Section 161 of the German Stock Corporation Act (*Aktiengesetz – AktG*) from September 2019 as well as its supplement from November 2019, and contains a description of the functioning of the Management Board and the Supervisory Board as well as of the composition and functioning of the Supervisory Board committees. In addition this declaration also contains information on key corporate governance practices and on provisions to promote equal participation of women and men in management positions, the minimum proportion of women and men on the Supervisory Board as well as the diversity policy pursued with regard to the composition of the Management Board and the Supervisory Board of CECONOMY AG. Information relating to the CECONOMY Group is identified as such. More extensive information on corporate governance in the company is published each year in the annual report for the corporate group of CECONOMY AG, in the section “Corporate Governance Report”, and is also available on the website www.ceconomy.de/en/ under the heading “Company – Corporate Governance”.

1. Functioning of the Management Board and the Supervisory Board

A key element of the corporate governance of German public limited companies is the separation between corporate management and corporate control. Tasks and

responsibilities are clearly divided between the Management Board and the Supervisory Board of CECONOMY AG.

Both Boards perform their tasks for the benefit of the company and with the aim of sustainably increasing its value. Their actions are based on responsible corporate governance. Consequently there is a close working relationship based on trust between the Management Board and the Supervisory Board of CECONOMY AG:

a. Management Board

At the time of making this declaration the Management Board of CECONOMY AG has two members to whom, pursuant to the Schedule of Responsibilities, in the version of 17 October 2019, which is attached to the Bylaws for the Management Board, in the version of 11 December 2018, as an appendix, the responsibilities designated below are assigned:

- Dr Bernhard Düttmann (Chair and Labour Director)

Audit & Consulting; Communications, Public Policy & Sustainability; Corporate Office; Group Competition & Antitrust, Group Compliance, Data Protection; Group Projects & PMO; Human Resources; M&A; Strategy, Value Creation, Innovation/Digital & Business Development

- Karin Sonnenmoser (Chief Financial Officer)

Accounting; Corporate Controlling & Reporting; Group Corporate Legal; Investor Relations; IT Management & Services; Pensions & Payroll; Risk Management; Tax; Treasury & Insurance

The Management Board runs CECONOMY AG and the corporate group of CECONOMY AG under its own responsibility. The key management tasks of the Management Board include setting the business objectives and the strategic orientation of the Group, its control and monitoring as well as its business planning. In addition the Management Board ensures the availability of investment funds, decides on their allocation within the Group, and is responsible for the recruitment and promotion of highly qualified managers.

Basic rules for the functioning and the cooperation of the Management Board are laid down in Bylaws, which the Supervisory Board has adopted for the Management Board. The members of the Management Board bear joint responsibility for the overall business management. They work together cooperatively, and continually inform one another of important measures and events within their remits. Regardless of the overall responsibility

of the Management Board, the individual members of the Management Board manage their respective remits under their own responsibility. The Management Board of CECONOMY AG has not set up any committees. Nor would this be possible in its current composition of two board members. Matters which require the passing of resolutions by the Management Board as a whole are in principle defined in the Management Board's Bylaws. These include, for example, all fundamental issues of the organisation, the business policy, and the investment and financial planning of CECONOMY AG and of the Group.

The Management Board generally passes resolutions pursuant to its Bylaws in meetings, which should take place at least twice a month.

The Management Board informs the Supervisory Board in accordance with the statutory provisions, the provisions of the German Corporate Governance Code, the stipulations in the Bylaws of the Management Board, of the Supervisory Board or of a Supervisory Board committee as well as on the basis of other information requirements of the Supervisory Board in individual cases.

The Management Board informs the Supervisory Board of the course of business in a regular, timely and comprehensive manner. It also regularly informs the Supervisory Board of all business planning, business development, risk situation and risk management, compliance and control system issues in the company. The Management Board informs the Supervisory Board of matters that are of particular importance for the company without undue delay, orally or in writing. The strategic orientation of the company is debated in detail and coordinated with the Supervisory Board and its implementation is discussed at regular intervals.

b. Supervisory Board

The Supervisory Board of CECONOMY AG is composed, pursuant to the statutory provisions and its Articles of Association, of ten representatives of the shareholders and ten representatives of the employees, of which at least 30% are women (i.e. at least six) and at least 30% are men (i.e. at least six).

At the time of making this declaration the Supervisory Board of CECONOMY AG is made up of the members named below:

- Jürgen Fitschen (Chair, shareholder representative)
- Jürgen Schulz (Deputy Chair, employee representative)
- Wolfgang Baur (employee representative)

- Kirsten Joachim Breuer (employee representative)
- Karin Dohm (shareholder representative)
- Daniela Eckardt (employee representative)
- Dr Florian Funck (shareholder representative)
- Ludwig Glosser (employee representative)
- Julia Goldin (shareholder representative)
- Jo Harlow (shareholder representative)
- Rainer Kuschewski (employee representative)
- Stefanie Nutzenberger (employee representative)
- Claudia Plath (shareholder representative)
- Jens Ploog (employee representative)
- Birgit Popp (employee representative)
- Dr Fredy Raas (shareholder representative)
- Regine Stachelhaus (shareholder representative)
- Christoph Vilanek (shareholder representative)
- Sylvia Woelke (employee representative)

The office of Supervisory Board member Dr Bernhard Düttmann (shareholder representative) is temporarily suspended for the term of his appointment as the Chair of the Management Board and Labour Director for the period from 17 October 2019 to 16 October 2020.

The members of the Supervisory Board as a whole have the legally required familiarity with the sector in which CECONOMY AG operates. The Supervisory Board has defined the competences which, in its opinion, are particularly important for fulfilling its statutory tasks in a competence profile.

The Supervisory Board of CECONOMY AG advises the Management Board and monitors its management, including with regard to the achievement of the long-term business objectives. The Management Board involves the Supervisory Board in planning regarding the further development of the CECONOMY Group as well as in decisions on significant measures and

transactions. In addition to the approval obligations provided for by law and in the company's Articles of Association, the Supervisory Board has defined additional approval requirements of its own for certain measures and transactions by the Management Board in the Management Board's Bylaws. The Supervisory Board is free to declare that further transactions and measures are subject to approval by means of a corresponding resolution.

The Supervisory Board of CECONOMY AG meets at a minimum of four ordinary meetings per financial year. Provisions on convening meetings and on passing resolutions are laid down in the Supervisory Board's Bylaws.

Details of the meetings and of the cooperation between the Management Board and the Supervisory Board of CECONOMY AG outside the meetings in the financial year 2018/19 are explained in the Supervisory Board's report for the financial year 2018/19.

The Supervisory Board is supported in its activities by four committees set up from among its members:

Presidential Committee of the Supervisory Board

The tasks assigned to the Presidential Committee of the Supervisory Board are set out on the website www.ceconomy.de/en/ under the heading "Company – Supervisory Board".

The Presidential Committee of the Supervisory Board is chaired, in accordance with the Bylaws of the Supervisory Board of CECONOMY AG, by the Chair of the Supervisory Board. The Deputy Chair of the Supervisory Board is, in accordance with the Bylaws of the Supervisory Board of CECONOMY AG, another member of the Presidential Committee of the Supervisory Board.

At the time of making this declaration the Presidential Committee of the Supervisory Board is made up of:

- Jürgen Fitschen (Chair)
- Jürgen Schulz
- Regine Stachelhaus
- Jens Ploog

Audit Committee

The tasks assigned to the Audit Committee are set out on the website www.ceconomy.de/en/ under the heading “Company – Supervisory Board”.

The personal requirements for membership and chairpersonship of the Audit Committee are laid down by law and the Bylaws of the committee. The Chair of the Audit Committee must be a representative of the shareholders. Neither the role of Chair nor the role of Deputy Chair of the Audit Committee should be conferred upon a former member of the Management Board whose appointment ended less than two years ago. Furthermore the Chair of the Supervisory Board should not simultaneously be the Chair or Deputy Chair of the Audit Committee. The Chair of the Audit Committee should be independent and must have expertise in the fields of accounting or statutory audits as well as internal control procedures (a “financial expert”). The other members of the Audit Committee should have sufficient knowledge and experience in these fields, and in addition at least one member should have special knowledge in the field of compliance. The members of the Audit Committee as a whole must be familiar with the sector in which the company operates. All the requirements are met in the present composition of the Audit Committee.

At the time of making this declaration the Audit Committee is composed as follows:

- Karin Dohm (Chair)
- Sylvia Woelke (Deputy Chair)
- Dr Florian Funck
- Ludwig Glosser
- Rainer Kuschewski
- Claudia Plath

Nomination Committee

The tasks assigned to the Nomination Committee are set out on the website www.ceconomy.de/en/ under the heading “Company – Supervisory Board”.

The Nomination Committee is made up exclusively of representatives of the shareholders. In accordance with the Supervisory Board’s Bylaws the committee consists of the Chair of the Supervisory Board as well as at least two additional shareholder representatives. The

majority of the committee must be composed of independent Supervisory Board members. All these requirements are met in the present composition of the committee.

At the time of making this declaration the Nomination Committee is composed of the persons named below:

- Jürgen Fitschen (Chair)
- Claudia Plath
- Regine Stachelhaus

The membership of Dr Bernhard Düttmann on the Nomination Committee is currently suspended for the term of his appointment as the Chair of the Management Board and Labour Director for the period from 17 October 2019 to 16 October 2020.

Mediation Committee

The tasks assigned to the Mediation Committee are set out on the website www.ceconomy.de/en/ under the heading “Company – Supervisory Board”.

At the time of making this declaration the Nomination Committee is made up of the persons named below:

- Jürgen Fitschen (Chair)
- Jürgen Schulz (Deputy Chair)
- Ludwig Glosser
- Claudia Plath

c. Information provided to the Supervisory Board by committees and the Management Board

The Chair of the respective committee reports on resolutions and key aspects of the work of the committees to the Supervisory Board promptly, as a rule orally, in the next meeting of the Supervisory Board.

The provision of information to the Supervisory Board and its committees by the Management Board is governed by law. The Management Board informs the Supervisory Board in accordance with the statutory provisions, the provisions of the German Corporate

Governance Code, on the basis of any provisions in the Bylaws of the Management Board or the Bylaws of the Supervisory Board and/or Bylaws of a Supervisory Board committee or on the basis of other information requirements of the Supervisory Board in individual cases. The Management Board's Bylaws, which the Supervisory Board has revised by a Supervisory Board resolution of 11 December 2018, contain a provision on an information policy, which describes under what conditions and on the basis of what information requirements of the Supervisory Board the Management Board has to inform the Supervisory Board in individual cases.

d. Efficiency reviews of the Supervisory Board

In principle efficiency reviews take place every two years. An external interview-based efficiency review was conducted in the financial year 2018/19. The results were presented to the Supervisory Board in the financial year 2019/20. The Supervisory Board has discussed the recommendations for action deriving therefrom. It will shortly further consider appropriate proposals for their implementation.

e. Compliance declaration pursuant to Section 161 of the German Stock Corporation Act (AktG)

The Management Board and the Supervisory Board of CECONOMY AG accord special attention to compliance with the recommendations of the German Corporate Governance Code. They made the following declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) in September 2019 and the subsequent supplement to this declaration in November 2019:

- Declaration by the Management Board and the Supervisory Board of CECONOMY AG from September 2019 in relation to the recommendations of the Government Commission on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG)

“The Management Board and the Supervisory Board of CECONOMY AG declare that the recommendations of the Government Commission on the German Corporate Governance Code published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette (*Bundesanzeiger*) have been complied with since the making of the last compliance declaration by the Management Board and the Supervisory Board of CECONOMY AG from September 2018, with a supplement from January 2019, with the deviations set out below:

In the transition period between the stepping down of the former Chair of the Management Board, Pieter Haas, and the appointment of Jörn Werner as a new

member of the Management Board from 1 March 2019 and as the Chair of the Management Board, in view of the search for candidates at that time and the transitional nature of the Schedule of Responsibilities for the Management Board CECONOMY AG refrained from appointing a Management Board Chair or Management Board Spokesperson until the search had finished. Accordingly CECONOMY AG temporarily failed to comply with the recommendation in Section 4.2.1, second half of the first sentence, of the German Corporate Governance Code, which states that the Management Board should have a Chair or Spokesperson.

Due to the transitional appointment of Bernhard Düttmann as the replacement of the missing Management Board member – as a result of the departure of the former Management Board member Mark Frese – for the period from 1 January 2019 to 31 March 2019, the remuneration which Bernhard Düttmann received under the employment contract between CECONOMY AG and Bernhard Düttmann for his Board activities did not contain any variable remuneration components. The background to this was that the Supervisory Board did not consider variable remuneration to be appropriate for the brief period of the appointment. Accordingly Bernhard Düttmann's employment contract exceptionally failed to comply with the recommendation in Section 4.2.3 (2) second sentence of the German Corporate Governance Code, which states that Management Board members' monetary remuneration shall comprise fixed and variable components. Consequently the recommendations in the third to sixth sentences of the second paragraph of Section 4.2.3 of the German Corporate Governance Code, which presume variable remuneration components, were also temporarily not complied with to this extent.

In the financial year 2018/19 the recommendation pursuant to Section 7.1.2 third sentence of the German Corporate Governance Code was, as notified, also deviated from, since statement H1/Q2 2018/19 was published for 21 May 2019 and thus, although within the time limit prescribed by law, not within the recommended time limit of 45 days after the end of the reporting period. Statement H1/Q2 2018/19 could not, due to organisational restrictions during the period in which it was being prepared, be published until slightly after the end of the recommended time limit.

By way of precaution it is declared that the recommendations pursuant to Section 2.3.2 of the German Corporate Governance Code were not complied with during the preparation and conduct of the General Meeting on 13 February 2019 with respect to the preferred shares. At that time CECONOMY AG assumed that, in spite of the lack of a dividend for the financial year 2017/2018, the voting rights attaching to the preferred shares is not yet revived. CECONOMY AG has re-assessed the equivocal legal situation and to be on the safe side will assume in future that, as a result of the

lack of an additional dividend, the voting rights deriving from the preferred shares is revived.

The Management Board and the Supervisory Board of CECONOMY AG intend to comply with the recommendations of the German Corporate Governance Code, in the version specified above, in future without any deviations.”

- Supplement from November 2019 to the declaration by the Management Board and the Supervisory Board of CECONOMY AG in relation to the recommendations of the Government Commission on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) from September 2019

“Due to the fact that the further appointment of Bernhard Düttmann as a member of the Management Board and the Chair of the Management Board on a transitional basis, as the replacement of the missing Management Board member – as a result of the departure of the former Management Board member Jörn Werner – for the period from 17 October 2019 to 16 October 2020 has been made, the remuneration which Bernhard Düttmann receives under the employment contract between CECONOMY AG and Bernhard Düttmann for his Board activities does not contain any variable remuneration components. The background to this is that the Supervisory Board does not consider variable remuneration to be appropriate for the transitional period of the appointment. Accordingly Bernhard Düttmann’s employment contract exceptionally failed to comply with the recommendation in Section 4.2.3 (2) second sentence of the German Corporate Governance Code, which states that Management Board members’ monetary remuneration shall comprise fixed and variable components. Consequently the recommendations in the third to sixth sentences of the second paragraph of Section 4.2.3 of the German Corporate Governance Code, which presume variable remuneration components, are also temporarily not being complied with to this extent. For future appointments of Management Board members, however, CECONOMY AG intends to take the remuneration structure that existed previously, where their monetary remuneration comprises fixed and variable components, into account again and thereby continuously comply with the recommendations in Section 4.2.3 (2) of the German Corporate Governance Code again in future.”

CECONOMY AG makes the current and earlier declarations pursuant to Section 161 of the German Stock Corporation Act (AktG) as well as the supplements thereto permanently accessible to the public on its website www.ceconomy.de/en/ under the heading “Company – Corporate Governance”.

2. Provisions to promote equal participation of women and men in management positions

The representation of women and men on the Supervisory Board of CECONOMY AG meets the requirements of the law ensuring equal participation of women and men in management positions. The representatives of the employees and of the shareholders exceed the applicable gender quota for the Supervisory Board of CECONOMY AG by 30% in each case. At the time of making this declaration the Supervisory Board includes four female members on the employee representative side and five female members on the shareholder representative side.

When appointing Management Board members the Supervisory Board takes the requirements of the German Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code into account. In particular the Supervisory Board respects – within the meaning of the Code – diversity and strives to achieve equal participation of women and men in management positions. In the financial year 2018/19 the Management Board of CECONOMY AG had one female member. In the current composition of the Management Board, consisting of two members, this corresponds to a rate of 50% of the seats filled. Equal participation of women and men in management positions is achieved, inter alia, as a result of this rate.

For the first and second levels of management below the Management Board, in its meeting on 10 October 2019 the Management Board of CECONOMY AG set targets for the proportion of women of at least 25% at the first management level below the Management Board in CECONOMY AG and of at least 50% at the second management level below the Management Board in CECONOMY AG, which should be achieved by 30 September 2024.

3. Key corporate governance practices

a. Compliance

The business activities of the corporate group of CECONOMY AG are subject to a wide range of legal provisions and self-imposed standards of conduct. CECONOMY combines measures for ensuring compliance with these rules through its Group-wide compliance management system.

The risk-based compliance management system is designed to systematically and sustainably prevent breaches of rules in the company, and to detect and penalise them. To this end the Group routinely identifies behavioural compliance risks, establishes the necessary organisational structures, and has risks consistently managed and monitored by the respective responsible departments. The key compliance risks and compliance measures are

transparently presented and documented within the scope of the systematic reporting. Employee surveys, internal controls and audit procedures are used to determine what further developments of the compliance management system are expedient.

For all the holding and local companies of the Group, Compliance Officers, as points of contact, and advisors are at the disposal of the responsible management bodies and employees. The Vice President Group Compliance of CECONOMY AG reports directly to the Chair of the Management Board.

In order to manage behavioural risks consistently CECONOMY AG has assigned clear responsibilities for risk areas, communicated clear codes of conduct, and developed and provided appropriate risk management and monitoring processes. In addition there are mandatory compliance training programmes, systematic communication measures tailored to the target groups as well as a process for consistently and systematically handling compliance incidents and their reappraisal. Furthermore a professional reporting system is available to employees, business partners and customers of the CECONOMY Group via which they can inform the company of indications of potential breaches – including anonymously, where appropriate – in all the languages of the Group. The Compliance function ensures that these indications are looked into in an appropriate manner.

The Code of Conduct of CECONOMY AG constitutes the substantive core of the compliance initiatives of the CECONOMY Group. The codes of conduct and conduct guidelines in relation to anti-trust law and anti-corruption matters are also key elements of the compliance programme. Training programmes that are tailored to the target groups as well as the design and review of internal controls in the operational business processes are directly related to the initiatives of the compliance programme. The effectiveness of the internal compliance controls is regularly part of the audit plan of the Internal Audit department.

Details of compliance matters can be found, inter alia, in the separate non-financial Group report as well as on the website www.ceconomy.de/en/ under the heading “Company – Compliance”. The Code of Conduct of CECONOMY AG can also be downloaded there.

b. Risk and opportunity management

Another integral component of the value-oriented corporate governance is the risk management of the CECONOMY Group. This is a systematic process covering the whole Group, which helps the management to identify, assess, manage and monitor risks and opportunities. Thus risk management and opportunity management are combined. Risk management identifies adverse developments and events at an early stage and analyses their

impact. This enables the company to introduce appropriate measures to address them in a targeted manner. At the same time this opens up the possibility to exploit resulting opportunities in a targeted manner. The risk and opportunity management, like the compliance management system, is continually enhanced.

Details of risk and opportunity management matters are contained in the annual report of CECONOMY AG. This is available on the website www.ceconomy.de/en/ under the heading “Investor Relations – Publications”.

c. Responsibility and sustainability

CECONOMY makes life easier in the digital world. The products and technologies making this possible do not seem to be necessarily sustainable at first glance due to their resource and power consumption. However, they also open up completely new opportunities for a sustainable lifestyle, for example through greater needs-oriented and intelligent control of heating, cooling and lighting. Because CECONOMY makes the benefits of digitalisation available to customers, it is a logical step to also apply these advantages to itself. We therefore assume responsibility and guide the companies we invest in to align their economic objectives – beyond legal provisions – with social and ecological requirements.

In the financial year 2017/18 CECONOMY AG, together with the MediaMarktSaturn Retail Group, developed its own sustainability approach. In so doing we reviewed our business model in terms of impact on the environment and society. Our goal is to strengthen our positive influence and to systematically reduce adverse effects. We also regularly review our sustainability approach and continually enhance it in line with the ongoing further development of our business model. The Sustainable Development Goals of the United Nations are an important benchmark for us in this respect and at the same time set us a mission to contribute towards a more sustainable future in the course of our business activities. Our reporting on sustainability matters are based on the Global Reporting Initiative standards.

We have undertaken to integrate sustainability into our business practices as a fixed component. In this respect digitalisation and new service concepts, for example, as well as a wide range of sustainable products offer us an ever increasing number of points of departure. We want to stand by the side of our customers in sustainability matters and live up to our claim of being a responsible company.

Details of compliance matters can be found, inter alia, in the separate non-financial Group report as well as on the website www.ceconomy.de/en/ under the heading “Sustainability”.

3. Diversity policy

In CECONOMY AG diversity is respected when composing the Management Board, filling management functions and making nominations for the election of members to the Supervisory Board. This diversity contributes to a greater wealth of experience as well as a wider range of perspectives, expertise and skills within the Management Board and the Supervisory Board.

When composing the Management Board the Supervisory Board is primarily guided by specialised knowledge and personal suitability. In addition it also considers aspects such as age, gender, and educational or professional background.

With regard to the overall composition of each board, Management and Supervisory, the Supervisory Board has decided to pursue the following diversity policy:

“The Supervisory Board strives to achieve a diversely composed Supervisory Board and Management Board respectively, including, but not limited to, in terms of aspects such as the gender, the educational or professional background or experience, the age and the internationality of the members.

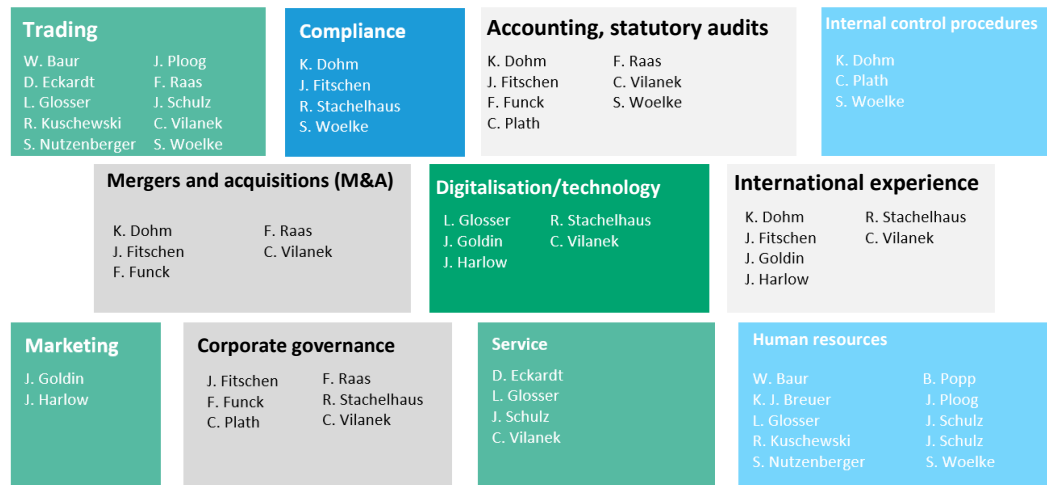
The objective of the diversity policy is that as a whole the Supervisory Board and the Management Board shall each cover the competence profile resulting from the company-specific situation:

- Trading expertise, particularly in the sector of consumer electronics
- Expertise in the following areas:
 - Mergers and acquisitions
 - Service
 - Marketing
 - Digitalisation/technology
 - Human resources
- Knowledge/experience in the following fields:
 - Accounting
 - Statutory audits

- Internal control procedures
- Compliance
- International experience
- Experience in corporate governance.”

The diversity policy is implemented through the personnel decisions in relation to filling the seats on the Supervisory Board and Management Board respectively. In the financial year 2018/19 a shareholder representative was re-elected to the Supervisory Board in the General Meeting, and a shareholder representative and an employee representative were appointed by a court. The results achieved in relation to the diversity policy at the time of making this declaration are shown in the following overview of the division of competences on the Supervisory Board:

Competence Profile of the Supervisory Board*



*A maximum of five competences per member

In addition the composition of the Supervisory Board is diverse. The members of the Supervisory Board have varied educational and professional backgrounds and experience. Details can be found in their personal profiles available on the website www.ceconomy.de/en/ under the heading “Company – Supervisory Board”. The members making up the Supervisory Board are 47.4% female and 52.6% male. Seven members of the Supervisory Board (36.8%) have gained professional experience abroad or have experience other than German citizenship. The oldest member of the Supervisory Board is 71 years of age. The youngest member is 41 years of age. The average age is 54.47 years.

Based on the diversity policy set out above the Supervisory Board has decided the following specific targets for its composition:

- The Supervisory Board shall be made up of a sufficient number of members having diverse educational or professional backgrounds or experience in addition to international experience or expertise.
- At least six of the ten shareholder representatives on the Supervisory Board shall be independent within the meaning of Section 5.4.2 of the German Corporate Governance Code.
- The Supervisory Board shall not include any member who assumes Management Board functions, advisory functions or memberships of supervisory bodies of major domestic or international direct competitors.
- The statutory gender quota of 30% shall be met separately by the employee representatives and the shareholder representatives. This means that the Supervisory Board shall include at least three female members on each side.
- The members of the Supervisory Board shall not be more than 65 years of age upon being elected for the first time or more than 71 years of age upon being re-elected. The standard limit for the term of office on the Supervisory Board is ten years. The term of office for shareholder representatives on the Supervisory Board shall generally be three years.
- At least one member of the Supervisory Board must fulfil the conditions laid down in the Audit Committee's Bylaws for taking over the chair of the Audit Committee. Other members of the Supervisory Board who are elected as members of the Audit Committee shall have the particular knowledge and experience specified in the Audit Committee's Bylaws.

In the current configuration of the Management Board the diversity policy and the specific targets set by the Supervisory Board for the composition of the Management Board are met as follows: The members of the Management Board have varied educational and professional backgrounds and experience. Due to the professional careers of the Management Board members in various management positions abroad as well as by virtue of the international business activities of CECONOMY AG the Management Board members also have, in particular, international management experience and expertise. Details can be found in their personal profiles available on the website www.ceconomy.de/en/ under the heading "Company – Management Board". The Management Board has one female member. At the

time of the publication of this declaration the Management Board does not have any member who is over the age limit of 65 years. The oldest member of the Management Board is 60 years of age. The youngest member is 50 years of age. The average age of the Management Board members is 55 years.