

INVITATION TO THE
GENERAL MEETING
OF METRO AG

ON MONDAY, 6 FEBRUARY 2017

METRO AG DÜSSELDORF

German Securities ID Ordinary Share	725 750
German Securities ID Preference Share	725 753
ISIN Ordinary Share	DE 000 725 750 3
ISIN Preference Share	DE 000 725 753 7

We are pleased to invite our shareholders
to the Annual General Meeting of METRO AG,
which will be held on

Monday, 6 February 2017, at 10:00 a.m. CET
in the Congress Center Düsseldorf, CCD Stadthalle,
Rotterdammer Straße 141 (Rheinufer), 40474 Düsseldorf.

SECTION A

AGENDA

1. Presentation of the adopted annual financial statements, the approved consolidated financial statements and the combined management report for METRO AG and METRO Group for the 2015/16 financial year as well as of the report of the Supervisory Board

The Supervisory Board approved the annual financial statements and the consolidated financial statements prepared by the Management Board; the annual financial statements are thus adopted. Therefore, the adoption of a resolution by the General Meeting is not required.

2. Appropriation of balance sheet profits

Management Board and Supervisory Board propose to appropriate the balance sheet profit of the 2015/16 financial year in the amount of 340,480,791.71 euros as follows:

- Distribution to shareholders:
- aa) Distribution of a dividend in the amount of 1.00 euros per ordinary share; with 324,109,563 ordinary shares entitled to a dividend, this equals 324,109,563.00 euros.
 - bb) Distribution of a dividend in the amount of 1.06 euros per non-voting preference share; with 2,677,966 non-voting preference shares entitled to a dividend, this equals 2,838,643.96 euros.

Remaining profit carried forward: 13,532,584.75 Euro

3. Formal approval of the actions of the members of the Management Board for the 2015/16 financial year

Management Board and Supervisory Board propose to formally approve the actions of the members of the Management Board officiating in the 2015/16 financial year for that period.

4. Formal approval of the actions of the members of the Supervisory Board for the 2015/16 financial year

Management Board and Supervisory Board propose to formally approve the actions of the members of the Supervisory Board officiating in the 2015/16 financial year for that period.

5. Election of the auditor and the Group auditor for the 2016/17 financial year and of the auditor for the review of the abbreviated financial statements and the interim management report for the first half of the 2016/17 financial year

The Supervisory Board, upon recommendation by its Accounting and Audit Committee, proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, be elected as auditor and Group auditor for the 2016/17 financial year and as auditor for the review of the abbreviated financial statements and the interim management report for the first half of the 2016/17 financial year.

For the performance of the above-mentioned audit services the Accounting and Audit Committee has recommended to the Supervisory Board in accordance with Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC

1. KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, and
2. PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main,

and expressed a preference for KPMG AG Wirtschaftsprüfungsgesellschaft.

6. Elections for the Supervisory Board

Pursuant to §§ 96 (1) and (2), 101 (1) German Stock Corporation Act, §§ 1 (1), 7 (1) sent. 1 no. 3, (2) no. 3, (3) German Co-Determination Act and § 7 (1) of the Articles of Association of METRO AG, the Supervisory Board is composed of ten members elected by the General Meeting and ten members elected by the employees, and of at least 30 percent women (i.e. at least six) and at least 30 percent men (i.e. at least six). Since an objection was lodged against comprehensive fulfilment pursuant to § 96 (2) sent. 3 German Stock Corporation Act, the minimum quota has to be fulfilled separately by both the shareholders' side and the employees' side. Therefore, of the ten shareholder seats on the Supervisory Board, at least three have to be occupied by women and at least three by men.

- a) The term of office of Dr. Florian Funck as member of the Supervisory Board representing the shareholders expires at the end of this General Meeting, with the consequence that a new election is necessary.

The Supervisory Board proposes to reelect

Dr. Florian Funck,
Essen,
Member of the Management Board of Franz Haniel & Cie. GmbH, Duisburg

to the Supervisory Board as a member representing the shareholders.

The election is effective as of the end of this General Meeting until the end of the General Meeting adopting a resolution on the formal approval of actions for the forth financial year after the commencement of the term of office. The financial year in which the term of office commences is not included in this count.

Memberships of Dr. Florian Funck in other supervisory boards which are to be established pursuant to statutory law:

- TAKKT AG, Stuttgart
- Vonovia SE, Bochum

Memberships of Dr. Florian Funck in comparable domestic and foreign supervisory bodies of business enterprises:

- None

- b) The term of office of Prof. Dr. oec. Dr. iur. Ann-Kristin Achleitner as member of the Supervisory Board representing the shareholders expires at the end of this General Meeting, with the consequence that a new election is necessary.

The Supervisory Board proposes to elect

Mrs. Regine Stachelhaus,
Herrenberg,
retired,

to the Supervisory Board as a member representing the shareholders.

The election is effective as of the end of this General Meeting until the end of the General Meeting adopting a resolution on the formal approval of actions for the fourth financial year after the commencement of the term of office. The financial year in which the term of office commences is not included in this count.

Memberships of Mrs. Regine Stachelhaus in other supervisory boards which are to be established pursuant to statutory law:

- Covestro AG, Leverkusen
- Covestro Deutschland AG, Leverkusen
- SPIE GmbH, Essen

Memberships of Mrs. Regine Stachelhaus in comparable domestic and foreign supervisory bodies of business enterprises:

- SPIE SA, Cergy Pontoise, France – Administrative Board
- ComputaCenter plc, Hatfield, Hertfordshire, Great Britain – Board of Directors

- c) The term of office of Mr. Jürgen B. Steinemann, who is designated as Chairman of the Supervisory Board of METRO Wholesale & Food Specialist AG, as member of the Supervisory Board representing the shareholders will expire by virtue of resignation from office upon the spin-off submitted to this General Meeting for approval under Item 11 of the Agenda taking effect, with the consequence that a new election is necessary.

The Supervisory Board proposes to elect

Dr. Bernhard Düttmann,
Meerbusch,
self-employed business consultant,

as a member of the Supervisory Board representing the shareholders, subject to the condition precedent of the spin-off submitted to this General Meeting for approval under Item 11 of the Agenda taking effect with the registration of the spin-off in the commercial register of METRO AG.

The election is effective until the end of the General Meeting adopting a resolution on the formal approval of actions for the fourth financial year after the commencement of the term of office. The financial year in which the term of office commences is not included in this count.

Memberships of Dr. Bernhard Düttmann in other supervisory boards which are to be established pursuant to statutory law:

- None

Memberships of Dr. Bernhard Düttmann in comparable domestic and foreign supervisory bodies of business enterprises:

- None

- d) The term of office of Mrs. Gwyn Burr as member of the Supervisory Board representing the shareholders will expire by virtue of resignation from office upon the spin-off submitted to this General Meeting for approval under Item 11 of the Agenda taking effect, with the consequence that a new election is necessary. Mrs. Gwyn Burr is designated as member of the Supervisory Board of METRO Wholesale & Food Specialist AG.

The Supervisory Board proposes to elect

Mrs. Julia Goldin,
London, Great Britain,
Member of the Management Board (Executive Vice President & Chief Marketing Officer) of LEGO A/S,
Billund, Denmark,

as a member of the Supervisory Board representing the shareholders, subject to the condition precedent of the spin-off submitted to this General Meeting for approval under Item 11 of the Agenda taking effect with the registration of the spin-off in the commercial register of METRO AG.

The election is effective until the end of the General Meeting adopting a resolution on the formal approval of actions for the fourth financial year after the commencement of the term of office. The financial year in which the term of office commences is not included in this count.

Memberships of Mrs. Julia Goldin in other supervisory boards which are to be established pursuant to statutory law:

- None

Memberships of Mrs. Julia Goldin in comparable domestic and foreign supervisory bodies of business enterprises:

- None

- e) The term of office of Mr. Mattheus P.M. (Theo) de Raad as member of the Supervisory Board representing the shareholders will expire by virtue of resignation from office upon the spin-off submitted to this General Meeting for approval under Item 11 of the Agenda taking effect, with the consequence that a new election is necessary. Mr. Mattheus P.M. (Theo) de Raad is designated as member of the Supervisory Board of METRO Wholesale & Food Specialist AG.

The Supervisory Board proposes to elect

Mrs. Jo Harlow,

Esher, Surrey, Great Britain,

Non-executive Member of the Board of Directors of InterContinental Hotels Group plc, Denham, Buckinghamshire, Great Britain, and the Board of Directors of Halma plc, Amersham, Buckinghamshire, Great Britain,

as a member of the Supervisory Board representing the shareholders, subject to the condition precedent of the spin-off submitted to this General Meeting for approval under Item 11 of the Agenda taking effect with the registration of the spin-off in the commercial register of METRO AG.

The election is effective until the end of the General Meeting adopting a resolution on the formal approval of actions for the fourth financial year after the commencement of the term of office. The financial year in which the term of office commences is not included in this count.

Memberships of Mrs. Jo Harlow in other supervisory boards which are to be established pursuant to statutory law:

- None

Memberships of Mrs. Jo Harlow in comparable domestic and foreign supervisory bodies of business enterprises:

- InterContinental Hotels Group plc, Denham, Buckinghamshire, Great Britain – Board of Directors
- Halma plc, Amersham, Buckinghamshire, Great Britain – Board of Directors

With regard to Clause 5.4.1 of the German Corporate Governance Code the Supervisory Board informs that Dr. Florian Funck is a member of the management board of Franz Haniel & Cie. GmbH that indirectly holds 24.996 percent of the voting rights of METRO AG.

In the appraisal of the Supervisory Board, with the exception of the circumstances disclosed above with regard to Dr. Florian Funck, there are no authoritative personal or business relations within the meaning of Clause 5.4.1 of the German Corporate Governance Code between the candidates proposed in lit. a) to e) and METRO AG, its Group companies, the corporate bodies of METRO AG or a shareholder holding a material interest in METRO AG.

It is intended that Mr. Jürgen Fitschen will be proposed as candidate for the office of the Chairman of the Supervisory Board from the point in time of the spin-off submitted to this General Meeting for approval under Item 11 of the Agenda taking effect.

7. Approval of the compensation system applying to the members of the Management Board

Pursuant to § 120 (4) sent. 1 German Stock Corporation Act, the General Meeting may adopt a resolution on the approval of the compensation system applying to the members of the Management Board. The resolution does not create any rights or duties; in particular, it does not affect the obligation of the Supervisory Board to determine the remuneration of the members of the Management Board in its own responsibility. Nonetheless, the Company wishes to grant the opportunity to its shareholders to adopt a resolution on the compensation system applying to the members of the Management Board.

The compensation system applying to the members of the Management Board of METRO AG was last approved by the General Meeting of 20 February 2015. In November 2016, the Supervisory Board resolved an amendment of this compensation system. For this reason, the amended system shall be submitted to the General Meeting in this year for approval.

The background for the amendment of the compensation system is the proposed split-up of METRO GROUP into two independent, listed enterprises by means of a hive-down and a spin-off, which are submitted to this General Meeting for approval under Item 11 of the Agenda. Obviously, the compensation system applying to the members of the Management Board does not yet reflect the proposed split-up of METRO GROUP. With the adopted amendment, the compensation system is now specifically geared to the future business activities of METRO AG in the Consumer Electronics segment. The amended compensation system is to be introduced upon the spin-off submitted to this General Meeting for approval under Item 11 of the Agenda taking effect.

Since the amendment of the compensation system was only resolved after completion of the 2015/16 financial year, this amendment does not have to be described in the remuneration report as part of the combined management report for the 2015/16 financial year. The amended compensation system applying to the members of the Management Board of METRO AG is therefore described in a separate brochure which is available on the Company's web page under www.metrogroup.de/general-meeting and will be presented for inspection at the General Meeting. In addition, the amended compensation system will be explained at the General Meeting.

Management Board and Supervisory Board propose that the compensation system applying to the members of the Management Board of METRO AG be approved.

8. Amendment of § 4 (7) of the Articles of Association (authorised capital)

The authorised capital I in an amount of up to 325,000,000 euros resolved by the General Meeting on 23 May 2012 has so far not been used and will expire on 22 May 2017. In order to increase the flexibility of METRO AG in using the authorised capital, it is intended that the existing authorised capital I in § 4 (7) of the Articles of Association be cancelled and replaced by a new authorised capital with a modified content and a term until 5 February 2022.

Therefore, Management Board and Supervisory Board propose that the following be resolved:

a) § 4 (7) of the Articles of Association is cancelled and newly adopted as follows:

“The Management Board is authorised, with the consent of the Supervisory Board, to increase the capital stock of the Company on one or more occasions on or before 5 February 2022 by issuing new ordinary bearer shares in exchange for contributions in cash or in kind up to a maximum amount of 417,000,000 euros (authorised capital). As a general rule, the shareholders are to receive subscription rights in this respect.

The new Shares may also be assumed by credit institutions, or by enterprises that are equivalent pursuant to § 186 (5) sent. 1 German Stock Corporation Act, that are designated by the Management Board, subject to the obligation to offer them to the shareholders for subscription.

However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude the shareholders' subscription right in the following cases:

– for the compensation of fractional amounts;

- if the shares are issued in exchange for contributions in kind for the purpose of corporate mergers or for the acquisition of companies, divisions of companies, operational activities, branches of activity or interests in companies;
- in the event of a capital increase in exchange for cash contributions to the extent necessary to grant subscription rights to new ordinary shares to the holders of warrant or convertible bonds issued by the Company or such affiliates in which the Company holds at least 90 percent of the shares, directly or indirectly, in the scope to which they would be entitled upon exercise of the warrant or conversion right or fulfilment of the warrant or conversion obligation, or upon exercise of a substitution right of the Company as shareholder;
- in the event of a capital increase in exchange for cash contributions, if the aggregate nominal value of such capital increases does not exceed 10 percent of the Company's capital stock and the issue price of the new shares is not substantially lower than the stock exchange price of the ordinary shares of the Company with the same features that are already listed. The limit of 10 percent of the capital stock is diminished by the portion of the capital stock attributable to the Company's own shares which during the term of the authorised capital (i) are used or disposed of as own shares with an exclusion of the shareholders' subscription rights in application, mutatis mutandis, of § 186 (3) sent. 4 German Stock Corporation Act, or (ii) are issued from contingent capital to satisfy warrant or convertible bonds which themselves were or are issued without subscription rights in application, mutatis mutandis, of § 186 (3) sent. 4 German Stock Corporation Act.

The portion of the capital stock attributable to shares that are being issued in exchange for contributions in cash and/or in kind during the term of this authorisation with an exclusion of the shareholders' subscription rights may not exceed 20 percent of the Company's capital stock existing at the point in time of the adoption of the resolution by the General Meeting.

The Management Board is authorised, with the consent of the Supervisory Board, to determine further details of the capital increases.”

- b) The Supervisory Board is authorised to amend § 4 of the Articles of Association in accordance with the implementation of each capital increase under the authorised capital and after expiry of the authorisation period.

A report of the Management Board on this exclusion of the shareholders' subscription right pursuant to § 203 (2) sent. 2 in conjunction with § 186 (4) sent. 2 German Stock Corporation Act (AktG) can be found in **SECTION B** of this invitation.

9. Amendment of § 1 (1) of the Articles of Association (Company name)

In connection with the hive-down and spin-off submitted to this General Meeting for approval under Item 11 of the Agenda, the company name of METRO AG is to be changed.

§ 1 (1) of the Articles of Association in its current version reads as follows:

“The name of the Company is METRO AG.”

Management Board and Supervisory Board propose that the following be resolved:

- a) § 1 (1) of the Articles of Association is cancelled and newly adopted as follows:

“The name of the Company is CECONOMY AG.”

- b) The Management Board is instructed to file the amendment of the Articles of Association for registration only after registration of the spin-off (Agenda Item 11) in the commercial register of METRO AG.

10. Other amendments of the Articles of Association

In the course of the split-up of METRO GROUP into two independent, listed trade companies operating in the Wholesale & Food Specialist and Consumer Electronics segments, respectively, today's METRO AG is intended to become the company operating in the Consumer Electronics segment. In connection therewith, it is intended to newly adopt the Articles of Association of METRO AG in their entirety.

Management Board and Supervisory Board propose that the following be resolved:

- a) The Articles of Association are newly adopted in their entirety as stated in SECTION C of this invitation.
- b) The Management Board is instructed to file the newly adopted Articles of Association for registration only after registration of the spin-off (Agenda Item 11) in the commercial register of METRO AG.

11. Approval of the Hive-Down and Spin-Off Agreement

METRO GROUP is to be separated into two independent enterprises listed on German stock exchanges that are specialised in their respective market segment. The wholesale and food retail business operated under the distribution lines METRO Cash & Carry and Real and further related activities (Wholesale and Food Specialist) are to be spun-off to an independent listed company, METRO Wholesale & Food Specialist AG (previously METRO Wholesale & Food Specialist GmbH), Düsseldorf. The consumer electronics business operated under the distribution line Media-Saturn (Consumer Electronics) and the respective service activities are to remain with METRO AG. The separation is intended to enable the strategic and organisational focus of the two retail companies on their respective activities and thereby open up new growth perspectives.

For the purpose of the separation of METRO GROUP, on 13 December 2016, METRO AG and METRO Wholesale & Food Specialist AG entered into a hive-down and spin-off agreement. Under this agreement, METRO AG transfers, by means of a hive-down, the assets to be allocated to the "wholesale and food specialist" business division – with the exception of the assets to be spun-off – in their entirety to METRO Wholesale & Food Specialist AG against granting of shares in METRO Wholesale & Food Specialist AG to METRO AG (hive-down by way of acquisition pursuant to § 123 (3) no. 1 German Transformation Act). By means of a spin-off, METRO AG transfers, in particular, all shares in METRO Groß- und Lebensmitteleinzelhandel Holding GmbH, with all pertaining rights and duties, in their entirety to METRO Wholesale & Food Specialist AG against granting of shares in METRO Wholesale & Food Specialist AG to the shareholders of METRO AG (spin-off by way of acquisition pursuant to § 123 (2) no. 1 German Transformation Act). The relevant hive-down date and spin-off date is in each case 1 October 2016, 0:00 a.m.

The Management Board and the Supervisory Board propose that the hive-down and spin-off agreement between METRO AG and METRO Wholesale & Food Specialist AG (previously METRO Wholesale & Food Specialist GmbH), Düsseldorf, concluded on 13 December 2016 (roll of deeds no. A 1959/2016 of notary public Dr. Paul Rombach, Düsseldorf), which is stated or explained in SECTION D of this invitation, be approved.

The hive-down and spin-off are explained and reasons given in detail from a legal and economic perspective in the joint demerger report of the Management Board of METRO AG and of the Management Board of METRO Wholesale & Food Specialist AG dated 13 December 2016. The hive-down and spin-off agreement was audited by the court-appointed expert demerger auditor. The demerger auditor has rendered a written audit report on the result of its examination.

ATTENDANCE AT THE ANNUAL GENERAL MEETING AND EXERCISE OF VOTING RIGHTS

Holders of ordinary shares are entitled to attend the General Meeting and to exercise their voting rights, holders of preference shares are entitled to attend the General Meeting, if they have registered for the General Meeting in advance. The registration must be received by METRO AG no later than **Monday, 30 January 2017, 24:00 CET**, in text form and in the German or English language, at

METRO AG
c/o Deutsche Bank AG
Securities Production
General Meetings
Post Box 20 01 07
60605 Frankfurt am Main
Germany

or by fax at: 069/12012-86045
or by e-mail at: wp.hv@db-is.com

Furthermore, evidence must be provided of the right to attend the General Meeting and to exercise the voting right. For this purpose, a proof of share ownership issued by the depository institution maintaining the securities account is required in text form in the German or English language. The proof of share ownership has to relate to the beginning of the twenty-first day prior to the General Meeting ("Record Date") – in this case **Monday, 16 January 2017, 0:00 CET** – and be received by METRO AG no later than **Monday, 30 January 2017, 24:00 CET**, at

METRO AG
c/o Deutsche Bank AG
Securities Production
General Meetings
Post Box 20 01 07
60605 Frankfurt am Main

or by fax at: 069/12012-86045
or by e-mail at: wp.hv@db-is.com

In relation to the Company, only such person who has provided proof of eligibility will be regarded as a shareholder for the purposes of participation in the General Meeting or the exercising of voting rights.

The right to attend the General Meeting and the extent of the right to vote are determined based on the shareholder's share ownership on the Record Date. The Record Date does not constitute an obstacle for dispositions in respect of shares; in particular, shares may be acquired and disposed of regardless of the Record Date. Also in the event of the disposal of the shares, in whole or in part, after the Record Date, with regard to attendance and the extent of the voting rights the shareholding of the shareholder as of the Record Date is exclusively relevant, i.e. disposals of shares occurring after the Record Date have no effect on the entitlement to attend and the extent of the voting rights. The same applies with regard to acquisitions of shares after the Record Date. Persons who are not holding shares as of the Record Date and who only become shareholders thereafter, are not entitled to attend and to exercise voting rights in the General Meeting on 6 February 2017, unless they have been granted power of attorney in this respect or have been authorised to exercise such rights.

PROXY VOTING

Holders of preference shares are not entitled to vote in the General Meeting on 6 February 2017. Therefore, the following explanations regarding proxy voting only apply to holders of ordinary shares.

Authorisation of a third party

Shareholders may also have their voting right exercised by a proxy – e.g. a bank, a shareholder association or any other third party. Even in case of an authorisation of proxies, a timely registration of the shareholder for the General Meeting and a timely provision of the proof of share ownership of the shareholder in accordance with the provisions described above (cf. ATTENDANCE AT THE GENERAL MEETING AND EXERCISE OF VOTING RIGHTS) are required. Unless a proxy for the exercise of the voting right is granted to a bank or an equivalent institution or company (§§ 135 (10), 125 (5) German Stock Corporation Act) or to a shareholder association or a person pursuant to § 135 (8) German Stock Corporation Act, the granting of the proxy, its revocation and the evidence of such granting vis-à-vis the Company have to be in text form.

Proxy forms are available on the Company's website at www.metrogroup.de/general-meeting. In addition, proxy forms may also be requested from the following address

METRO AG
Bereich Corporate Legal Affairs & Compliance
Metro-Straße 8
40235 Düsseldorf
Germany

or by fax at: +49(0)211/6886-4908080

or by e-mail at: 2017@metro-hv.de

Notwithstanding any other method of transmission of the proof of authorisation of a proxy permitted by law, such proof may be transmitted electronically to the e-mail address of the Company, 2017@metro-hv.de.

Where proxies for the exercise of voting rights are granted to banks, equivalent institutions or companies (§§ 135 (10), 125 (5) German Stock Corporation Act) or to shareholder associations or persons pursuant to § 135 (8) German Stock Corporation Act, the proxy declaration has to be documented verifiably by the proxy; for this purpose, the proxy declaration has to be complete and may only include declarations relating to the exercise of voting rights. We therefore request shareholders who intend to grant a proxy to a bank, to an equivalent institution or company (§§ 135 (10), 125 (5) German Stock Corporation Act) or to a shareholder association or persons pursuant to § 135 (8) German Stock Corporation Act, to coordinate the form of the proxy with the proxy recipient.

Authorisation of the proxies nominated by the Company

Shareholders may also authorise proxies nominated by the Company to exercise their voting rights. In this case, too, a timely registration of the shareholder for the General Meeting and a timely provision of the proof of share ownership of the shareholder in accordance with the provisions described above (cf. ATTENDANCE AT THE GENERAL MEETING AND EXERCISE OF VOTING RIGHTS) are required.

The proxies nominated by the Company will exercise the voting right only on the basis of express and unambiguous instructions. Therefore, the shareholders have to issue express and unambiguous instructions in respect of the items of the Agenda with regard to which they wish the voting right to be exercised. The proxies nominated by the Company are obliged to vote in accordance with the instructions given to them. In the event that individual ballots

are conducted in respect of an item on the Agenda, any instruction issued in this regard will apply accordingly in respect of each individual sub-item. To the extent that no express and unambiguous instruction was given, the proxies nominated by the Company will refrain from voting with regard to the respective subject matter of the ballot. The proxies nominated by the Company do not accept any instructions to submit a request to address the General Meeting, to record objections to General Meeting resolutions or to ask questions or table motions. They are available only to vote on such resolution proposals of the Management Board or the Supervisory Board or of shareholders which have been published together with this calling or subsequently pursuant to § 124 (1) or (3) German Stock Corporation Act.

Proxies and instructions to the proxies nominated by the Company must be in text form and may also be granted through the web-based proxy and instruction system. They may be granted, changed or revoked

- until **Friday, 3 February 2017, 12:00 CET**, at the address

METRO AG
Bereich Corporate Legal Affairs & Compliance
Metro-Straße 8
40235 Düsseldorf
Germany

or

- until **Monday, 6 February 2017, 12:00 CET**,

by fax at: +49(0)211/6886-4908080,
or by e-mail at: 2017@metro-hv.de
or through the web-based proxy and instruction system under www.metrogroup.de/general-meeting.

In each case, receipt by the Company will be relevant.

Requests for the respective forms may also be addressed to the above address, fax number or e-mail address. The forms may also be downloaded on the Internet at www.metrogroup.de/general-meeting.

For the access to the web-based proxy and instruction system, the entry ticket number will be required. More detailed information regarding the authorisation and the granting of instructions through the web-based proxy and instruction system are available on the Internet at www.metrogroup.de/general-meeting.

During the General Meeting, proxies and instructions to the proxies nominated by the Company may also be granted, changed or revoked at the entrance and exit control until the end of the general debate.

All other permitted modes of attendance and representation, in particular attendance in person or attendance through a proxy will, of course, not be affected by this offer to exercise voting rights through the proxies nominated by the Company. Further details on the exercise of voting rights through the proxies nominated by the Company and on the General Meeting may also be found on the website of the Company at www.metrogroup.de/general-meeting.

**RIGHTS OF SHAREHOLDERS
PURSUANT TO § 122 (2), § 126 (1), §§ 127, 131 (1) GERMAN STOCK CORPORATION ACT**

Motions to supplement the Agenda pursuant to § 122 (2) German Stock Corporation Act

Shareholders whose shares, in the aggregate, represent five per cent of the share capital or a proportionate amount of 500,000 euros – this is the equivalent of at least 195,583 no-par value shares –, may request that items be placed on the Agenda and published. Such request must be made in writing or in electronic form pursuant to § 126a German Civil Code (i.e. with a qualified electronic signature in accordance with the German Signature Act) to the Management Board of the Company and has to be received by the Company no later than **Friday, 6 January 2017, 24:00 CET**. Such requests may solely be addressed to:

Vorstand der METRO AG
Bereich Corporate Legal Affairs & Compliance
Metro-Straße 8
40235 Düsseldorf
Germany

or in electronic form pursuant to § 126a German Civil Code by e-mail to: 2017@metro-hv.de

Motions to supplement the Agenda that are addressed differently will not be considered.

Any new item for the Agenda has to be accompanied by a stating of reasons or a resolution proposal. The party or parties presenting the motion shall furnish evidence that it has/they have been holder(s) of such shares for not less than 90 days prior to the date of receipt of the request and that it/they will hold the shares until a decision on the motion by the Management Board. In calculating this minimum holding period, § 70 German Stock Corporation Act is to be observed. The motion is to be signed by all shareholders whose shares, in the aggregate, represent five per cent of the share capital or the proportionate amount of 500,000 euros, or by their duly appointed representatives.

The publication and communication of motions to supplement the Agenda are made in the same way as the calling of the meeting.

Shareholder motions pursuant to § 126 (1) German Stock Corporation Act

Shareholders of the Company may submit counter-motions against proposals of the Management Board and/or the Supervisory Board with respect to specific items on the Agenda.

Motions pursuant to § 126 German Stock Corporation Act may be addressed solely to

METRO AG
Bereich Corporate Legal Affairs & Compliance
Metro-Straße 8
40235 Düsseldorf
Germany

or by fax to: +49(0)211/6886-4908080
or by e-mail to: 2017@metro-hv.de

Counter-motions that are addressed differently will not be considered.

Shareholder motions received no later than **Sunday, 22 January 2017, 24:00 CET**, at the above contact details and in due form, in particular accompanied by a stating of reasons, will be made accessible on the following website without undue delay

www.metrogroup.de/general-meeting

Any responses from the management will also be made accessible on the above website.

The Company may refrain from publishing a counter-motion and the reasons stated therefor if one of the exclusion requirements pursuant to § 126 (2) German Stock Corporation Act is met, e.g. if the counter-motion would result in a resolution of the General Meeting violating the law or the Articles of Association. The reasons stated for a counter-motion need not be made accessible if they exceed a total of 5,000 characters.

Shareholders are requested to provide proof of their status as shareholders already at the time of sending their counter-motions. Please note that counter-motions, even if they have been sent to the Company in advance in due time, will only be considered in the General Meeting if they are submitted verbally at the meeting. This does not affect the right of each shareholder to bring forward counter-motions regarding the different items on the Agenda during the General Meeting even without prior transmission to the Company.

Election nominations by shareholders pursuant to § 127 German Stock Corporation Act

Pursuant to § 127 German Stock Corporation Act, the Company's shareholders may submit election nominations for the election of Supervisory Board Members or auditors.

Election nominations pursuant to § 127 German Stock Corporation Act may be addressed solely to

METRO AG
Bereich Corporate Legal Affairs & Compliance
Metro-Straße 8
40235 Düsseldorf
Germany

or by fax to: +49(0)211/6886-4908080

or by e-mail to: 2017@metro-hv.de

Election nominations that are addressed differently will not be considered.

Election nominations received no later than **Sunday, 22 January 2017, 24:00 CET**, at the above contact details and in due form will be made accessible on the following website without undue delay

www.metrogroup.de/general-meeting

Any responses from the management will also be made accessible on the above website.

The Company may refrain from publishing an election nomination if one of the exclusion requirements pursuant to § 127 sent. 1 in conjunction with § 126 (2) German Stock Corporation Act is met, e.g. if the election nomination would result in a resolution of the General Meeting violating the law or the Articles of Association. In addition, the Management Board is further not obliged to make an election nomination accessible, if the proposal does not contain the name, practised profession and place of residence of the proposed candidate and, in the event of a nomination of Supervisory Board members, does not contain information about their membership in other supervisory boards which are to be established pursuant to statutory law. Unlike counter-motions pursuant to § 126 German Stock Corporation Act, no reasons need to be stated for election nominations.

Shareholders are requested to provide proof of their status as shareholders already at the time of sending their election nominations. Please note that election nominations, even if they have been sent to the Company in advance in due time, will only be considered in the General Meeting if they are submitted verbally at the meeting. This does not affect the right of each shareholder to submit election nominations for the relevant items on the agenda during the General Meeting even without prior transmission to the Company.

Right to information pursuant to § 131 (1) German Stock Corporation Act

In the General Meeting, each shareholder is entitled to request information from the Management Board regarding the Company's affairs, to the extent that such information is necessary for a proper assessment of the Agenda (cf. § 131 (1) German Stock Corporation Act). The obligation to provide information also includes the legal and business relationships of the Company with affiliated enterprises as well as the situation of METRO GROUP and the enterprises included in the consolidated financial statements of METRO AG. Requests for information in the General Meeting must be made verbally.

The Management Board may refrain from answering individual questions for the reasons set forth in § 131 (3) German Stock Corporation Act, for example if, based on prudent commercial assessment, providing the information requested would have the potential of causing material harm to the Company or an affiliate. The chairman of the General Meeting is entitled to limit appropriately the time available to shareholders and proxies to speak and ask questions, and particularly to set a reasonable time frame for the course of the General Meeting, for individual items on the Agenda or for individual questions and speaking contributions (cf. § 17 (3) of the Articles of Association of METRO AG).

Additional explanations

Additional explanations with respect to shareholder rights pursuant to § 122 (2), § 126 (1), §§ 127, 131 (1) German Stock Corporation Act can be found on the Company's website at www.metrogroup.de/general-meeting.

REFERENCE TO THE COMPANY'S WEBSITE

The information pursuant to § 124a German Stock Corporation Act with respect to this year's Annual General Meeting can be found on the Company's website at www.metrogroup.de/general-meeting.

VOTING RESULTS

The voting results determined by the chairman of the General Meeting will be published on the Company's website at www.metrogroup.de/general-meeting within the period required by law.

TOTAL NUMBER OF SHARES AND VOTING RIGHTS

At the time of the calling of the General Meeting, the capital stock of METRO AG is divided into 326,787,529 no-par value shares. Of these, 324,109,563 shares are ordinary shares, conferring 324,109,563 voting rights, and 2,677,966 shares are non-voting preference shares.

SECTION B

Report of the Management Board to the General Meeting pursuant to § 203 (2) sent. 2 German Stock Corporation Act in conjunction with § 186 (4) sent. 2 German Stock Corporation Act on Item 8 of the Agenda

The authorised capital I provided for in § 4 (7) of the Articles of Association expires on 22 May 2017 and it is now intended to replace it by a new authorised capital with a term until 5 February 2022. In particular by extending the authorisation for the exclusion of subscription rights for the purposes of the acquisition of operational activities and branches of activity, it is intended to increase the flexibility of the Company in using the authorised capital. Furthermore, for the same purpose the amount of the new authorised capital with modified content is intended to be increased compared to the existing authorised capital I.

With respect to Item 8 of the Agenda, Management Board and Supervisory Board therefore propose, by way of cancellation and new adoption of § 4 (7) of the Articles of Association, to authorise the Management Board, with the consent of the Supervisory Board, to increase the capital stock of the Company on one or more occasions on or before 5 February 2022, by issuing new ordinary bearer shares in exchange for contributions in cash and/or in kind up to a maximum amount of 417,000,000 euros (authorised capital).

As a general rule, shareholders are entitled to subscription rights under statutory law if this proposed authorised capital is utilised. In addition to an issue of the new shares directly to the shareholders, the authorised capital is to provide for the possibility that the new shares are assumed by credit institutions or by enterprises that are equivalent pursuant to § 186 (5) sent. 1 German Stock Corporation Act, subject to the obligation to offer them to the shareholders for subscription. The use of credit institutions or enterprises that are equivalent pursuant to § 186 (5) sent. 1 German Stock Corporation Act as intermediaries merely serves the purpose of facilitating the technical processing of the share issue.

The proposed authorisation provides for the following exceptions from the shareholders' subscription rights:

The Management Board is to be authorised, with the approval of the Supervisory Board, to exclude the subscription right for the compensation of fractional amounts. This facilitates the utilisation of the authorisation by round amounts and simplifies the technical processing of the shareholders' subscription right. The shares excluded from the shareholders' subscription right as fractional amounts will be realised for the benefit of the Company either by disposal on the stock exchange or in another way at the best possible price. Due to the limitation to residual amounts, the potential dilutive effect is very small.

Furthermore, the Management Board is to be authorised, with the approval of the Supervisory Board, to exclude the shareholders' subscription right if the shares are issued in exchange for contributions in kind for the purpose of corporate mergers or for the acquisition of companies, divisions of companies, operational activities, branches of activity or interests in companies.

With this authorisation for the exclusion of subscription rights, it is intended, in particular, to enable the Company in suitable cases to use ordinary shares as consideration in the course of corporate mergers or for the acquisition (also indirectly) of companies, divisions of companies, operational activities, branches of activity or company interests. As an acquisition currency, the Company's own shares are an important instrument. The international competition and the globalisation of the economy often require this form of consideration. Besides, the granting of shares can be a cost-efficient way of financing for the Company which preserves

the Company's liquidity. The proposed authorisation is intended to allow the Company to quickly and flexibly make use of upcoming opportunities, both nationally and on the international markets, for the acquisition of companies, divisions of companies, operational activities, branches of activity or interests in companies with regard to which the consideration consists of shares, in whole or in part, without the time-consuming holding of a General Meeting and while also, as the case may be, maintaining confidentiality. When such an opportunity becomes more concrete, the Management Board will carefully consider whether to exercise its authorisation for a utilisation of the authorised capital and, as the case may be, for an implementation of the capital increase without granting subscription rights. The Management Board will do so only if such exercise is in the best interest of the Company. And only if this requirement is fulfilled will the Supervisory Board grant its necessary consent for the utilisation of the authorised capital.

Furthermore, the Management Board, with the consent of the Supervisory Board, is to be authorised to exclude the subscription right for the benefit of the holders of warrant or convertible bonds issued by the Company or by such affiliates in which the Company holds at least 90 percent of the shares, directly or indirectly. This is intended to afford adequate protection against dilution to the holders of such warrant and convertible bonds or warrant and conversion obligations. The terms and conditions of warrant and convertible bonds typically provide that protection from dilution has to be granted in case of a capital increase either by reducing the warrant or conversion price or through the provision of subscription rights. In order to avoid leaving the Company no alternative but to reduce the warrant or conversion price, an authorisation is intended for the utilisation of the authorised capital to exclude the shareholders' subscription rights to new ordinary shares to the extent necessary to grant subscription rights to the holders of warrant or convertible bonds to the extent to which the latter would be entitled upon exercise of their warrant or conversion rights prior to the adoption of the resolution for the capital increase or upon performance of their warrant or conversion obligations prior to the adoption of the resolution for the capital increase or upon exercise of a substitution right by the Company. This authorisation allows the Management Board to choose between the two alternatives when utilising authorised capital, after carefully weighing the interests of the Company and the shareholders.

In addition, the Management Board is to be authorised, with the consent of the Supervisory Board, to exclude the subscription right pursuant to § 186 (3) sent. 4 German Stock Corporation Act. With this authorisation to exclude subscription rights in the case of capital increases in exchange for cash contributions, which is provided by statutory law, the Company will be enabled to take advantage on short notice of favourable circumstances on the stock market and, thereby, to achieve an issue amount as high as possible as a result of the price determination close to the market – without a discount for subscription rights – and, therefore, to achieve a maximum strengthening of the equity capital. The option of raising capital at the highest possible price is important for the Company, particularly since it is imperative for the Company to quickly and flexibly exploit market opportunities and to have access to the equity capital necessary to do so. This authorisation to exclude subscription rights is limited to an amount that on aggregate may not exceed 10 percent of the Company's capital stock. Such shares are to be counted towards the 10 percent limit which during the term of the authorised capital are otherwise issued or disposed of with an exclusion of subscription rights in application, directly or *mutatis mutandis*, of § 186 (3) sent. 4 German Stock Corporation Act. A corresponding crediting to the limit amount is conducted for shares which are or have to be issued or for the fulfilment of warrant and convertible bonds which themselves were issued during the term of the authorised capital with an exclusion of the subscription right in application, *mutatis mutandis*, of § 186 (3) sent. 4 German Stock Corporation Act. The subscription rights may only be excluded if the issue price of the new shares is not substantially lower than the stock exchange price of the ordinary shares of the Company with the same features that are already listed. The Management Board will determine a possible discount on the stock market price as small as possible in accordance with the prevailing market conditions at the point in time of the placement. By the limitation of the number of shares to be issued and the obligation to determine the issue price of the new shares close to the stock price, the shareholders are sufficiently protected against a dilution of the value of their shares. At the same time, it is ensured that the cash flow to be received by the Company is appropriate. Shareholders wishing to maintain the proportion of their

shareholding in the case of a capital increase with an exclusion of subscription rights also have the opportunity to acquire the required number of ordinary shares through the stock exchange.

In accordance with international market practice and corporate governance standards, the portion of the capital stock attributable to shares that are being issued in exchange for contributions in cash and/or in kind during the term of this authorisation with an exclusion of the shareholders' subscription rights may not exceed 20 percent of the Company's capital stock existing at the point in time of the adoption of the resolution by the General Meeting. The determination of this maximum percentage also serves the purpose of protecting the shareholders against a dilution of the value of their shares.

At the moment, there is no concrete project to utilise the proposed authorisation. The Management Board will report on any utilisation of the authorised capital at the next following General Meeting.

SECTION C

**– Synopsis of the current version and the proposed version to be newly adopted
of the Articles of Association the METRO AG (including the amendments proposed
in Agenda items 8 and 9 –**

ARTICLES OF ASSOCIATION	ARTICLES OF ASSOCIATION
(current version, as of: 19 February 2016)	<i>(proposed version to be newly adopted, Resolutions of the General Meeting: 6 February 2017)</i>
I. GENERAL PROVISIONS	I. GENERAL PROVISIONS
§ 1 Name, Registered Office, Financial Year	§ 1 Name, Registered Office, Financial Year
(1) The name of the Company is METRO AG .	<i>(1) The name of the Company is CECONOMY AG.</i>
(2) The registered office is located in Düsseldorf.	<i>(2) The registered office is located in Düsseldorf.</i>
(3) The financial year is the calendar year. With effect as of 1 October, 2013, the financial year commences on 1 October and ends on 30 September of the following calendar year. An abbreviated financial year is formed for the period from 1 January 2013 to 30 September 2013.	<i>(3) The financial year commences on October 1 and ends on September 30 of the following calendar year.</i>
§ 2 Purpose of the Company	§ 2 Purpose of the Company
(1) <i>The purpose of the Company encompasses the management and promotion of trading and service enterprises engaging particularly in the following areas:</i> <ul style="list-style-type: none"> - <i>Trading businesses of all kinds related to the operation of department stores and other retailing enterprises, mail order, wholesale trade and sales channels based on new electronic media;</i> - <i>Manufacturing and development of products that may be the object of commerce and of services;</i> 	(1) <i>The purpose of the Company encompasses the following:</i> <ul style="list-style-type: none"> - <i>Trading businesses of all kinds related to the operation of retailing enterprises, mail order, wholesale trade and sales channels based on new electronic media;</i> - <i>Manufacturing and development of products that may be the object of commerce and of services;</i> - <i>Execution of real-estate transactions of all kinds including property development;</i>

<ul style="list-style-type: none"> - Execution of real-estate transactions of all kinds including property development; - Services for the restaurant and catering business and for tourism; - Brokering of financial services for, through or by affiliates and subsidiaries; - Asset management. 	<ul style="list-style-type: none"> - <i>Services, in particular in connection with trading, consumer goods and logistics as well as trade-related digital business models;</i> - <i>Brokering of financial services for, through or by affiliates and subsidiaries;</i> - <i>Asset management.</i>
<p>(2) The Company may perform all and any acts and actions, and transact any businesses, which appear or are deemed expedient to the Company’s purpose or are directly or indirectly related thereto. The Company may also itself directly engage in any of the business areas stated in para. 1 herein above. Any such business as requires specific governmental permits, licenses or approvals may not be transacted until after such permits, licenses or approvals have been granted. The Company may establish, form, acquire, manage or purchase equity interests, whether by minority shareholding or otherwise, in, or sell or dispose of, any such enterprises in Germany and abroad active in the business areas specified in para. 1 herein above. The Company may group its shareholdings under its uniform control or confine itself to the management of such affiliates/shareholdings.</p>	<p><i>(2) The Company may perform all and any acts and actions, and transact any businesses, which appear or are deemed expedient to the Company’s purpose or are directly or indirectly related thereto. Any such business as requires specific governmental permits, licenses or approvals may not be transacted until after such permits, licenses or approvals have been granted. The Company may establish, form, acquire, manage or purchase equity interests, whether by minority shareholding or otherwise, in, or sell or dispose of, any such enterprises in Germany and abroad active in the business areas specified in para. 1 herein above.</i></p>
	<p><i>(3) The Company may confine its activities to one or some of the business areas specified in para. 1 herein above. The Company may also conduct its activities indirectly through subsidiaries, associated and joint venture companies, in whole or in part. In particular, it may leave its operations to affiliated enterprises and/or hive them down to affiliated enterprises, in whole or in part. It may also confine itself to the activities of a management holding and/or otherwise to the administration of its own assets.</i></p>
<p>§ 3 Notices</p>	<p>§ 3 Notices</p>
<p>Notices of the Company will be published in the electronic Federal Gazette [“elektronischer Bundesanzeiger”].</p>	<p><i>Notices of the Company will be published in the Federal Gazette [“Bundesanzeiger”].</i></p>

II. CAPITAL STOCK AND SHARES	II. CAPITAL STOCK AND SHARES
§ 4 Capital Stock and Shares	§ 4 Capital Stock and Shares
(1) The capital stock amounts to Euro 835,419,052.27.	<i>(1) The capital stock amounts to Euro 835,419,052.27.</i>
(2) The capital stock is divided into 324,109,563 ordinary shares and 2,677,966 non-voting preference shares.	<i>(2) The capital stock is divided into 324,109,563 ordinary shares and 2,677,966 non-voting preference shares.</i>
(3) The ordinary shares and the preference shares are made out to the bearer.	<i>(3) The ordinary shares and the preference shares are made out to the bearer.</i>
(4) The non-voting preference shares have preference in the payment of dividends pursuant to § 21 of these Articles of Association.	<i>(4) The non-voting preference shares have preference in the payment of dividends pursuant to § 21 of these Articles of Association.</i>
(5) The Company reserves to itself the right to resolve on the issuance of further preference shares which, in respect of the distribution of profits or the Company's assets, may rank prior to, or pari passu with, the already existent non-voting preference shares.	<i>(5) The Company reserves to itself the right to resolve on the issuance of further preference shares which, in respect of the distribution of profits or the Company's assets, may rank prior to, or pari passu with, the already existent non-voting preference shares.</i>
(6) The form of physical share certificates, dividend warrants and renewal coupons shall be determined by the Management Board with the Supervisory Board's approval. The Company may issue multiple share certificates evidencing several shares (global certificates). The right to demand issuance of individual share certificates shall be excluded.	<i>(6) The form of physical share certificates, dividend warrants and renewal coupons shall be determined by the Management Board with the Supervisory Board's approval. The Company may issue multiple share certificates evidencing several shares (global certificates). The shareholders right to demand issuance of certificates for their shares in the Company and the dividend warrants and renewal coupons shall be excluded, except to the extent that the issuance of such certificates is required under the rules of a stock exchange on which the Company's shares are listed.</i>
(7) The Management Board is authorised, with the consent of the Supervisory Board, to increase the capital stock of the Company on one or more occasions on or before 22 May 2017 by issuing new ordinary bearer shares in exchange for contributions in cash or in kind up to a maximum of Euro 325,000,000 (authorised capital I). As a general rule, the shareholders are to receive subscription rights in this respect. The new shares may also be assumed by credit institutions designated by the Management Board subject to the obligation to offer them to the shareholders for subscription.	<i>(7) The Management Board is authorised, with the consent of the Supervisory Board, to increase the capital stock of the Company on one or more occasions on or before 5 February 2022 by issuing new ordinary bearer shares in exchange for contributions in cash or in kind up to a maximum amount of Euro 417,000,000 (authorised capital). As a general rule, the shareholders are to receive subscription rights in this respect.</i> <i>The new shares may also be assumed by credit institutions, or by enterprises that are equivalent pursuant to § 186 (5) sent. 1 German Stock Corporation Act, that are designated by the Management Board, subject to the obligation to offer them to the shareholders for subscription.</i>

However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude the shareholders' subscription right in the following cases:

- for the compensation of fractional amounts;
- if the shares are issued in exchange for contributions in kind for the purpose of corporate mergers or for the acquisition of companies, divisions of companies or interests in companies;
- in the event of a capital increase in exchange for cash contributions to the extent necessary to grant subscription rights to new ordinary shares to the holders of warrant or convertible bonds issued by METRO AG or such affiliates in which METRO AG holds at least 90 percent of shares, directly or indirectly, in the scope to which they would be entitled upon exercise of the warrant or conversion right or fulfilment of the warrant or conversion obligation;
- in the event of a capital increase in exchange for cash contributions, if the aggregate nominal value of such capital increases does not exceed 10 percent of the Company's capital stock and the issue price of the new shares is not substantially lower than the stock exchange price of the ordinary shares of the Company with the same features that are already listed. The limit of 10 percent of the capital stock is diminished by the portion of the capital stock attributable to the Company's own shares which during the term of the authorised capital (i) are used or disposed of as own shares with an exclusion of the shareholders' subscription rights in application, mutatis mutandis, of § 186 (3) sent. 4 German Stock Corporation Act, or (ii) are issued from contingent capital to satisfy warrant or convertible bonds which themselves were or are issued without subscription rights in application, mutatis mutandis, of § 186 (3) sent. 4 German Stock Corporation Act. Upon effectiveness of a new authorisation, resolved by the General Meeting, for the exclusion of subscription rights pursuant to or in application, mutatis mutandis, of § 186 (3) sent. 4 German Stock Corporation Act, the limit diminished pursuant to the preceding sentence shall again be increased, to the extent of the scope of such new authorisation, but only up to a maximum of 10 percent of the capital stock.

However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude the shareholders' subscription right in the following cases:

- *for the compensation of fractional amounts;*
- *if the shares are issued in exchange for contributions in kind for the purpose of corporate mergers or for the acquisition of companies, divisions of companies, operational activities, branches of activity or interests in companies;*
- *in the event of a capital increase in exchange for cash contributions to the extent necessary to grant subscription rights to new ordinary shares to the holders of warrant or convertible bonds issued by the Company or such affiliates in which the Company holds at least 90 percent of the shares, directly or indirectly, in the scope to which they would be entitled upon exercise of the warrant or conversion right or fulfilment of the warrant or conversion obligation, or upon exercise of a substitution right of the Company as shareholder;*
- *in the event of a capital increase in exchange for cash contributions, if the aggregate nominal value of such capital increases does not exceed 10 percent of the Company's capital stock and the issue price of the new shares is not substantially lower than the stock exchange price of the ordinary shares of the Company with the same features that are already listed. The limit of 10 percent of the capital stock is diminished by the portion of the capital stock attributable to the Company's own shares which during the term of the authorised capital (i) are used or disposed of as own shares with an exclusion of the shareholders' subscription rights in application, mutatis mutandis, of § 186 (3) sent. 4 German Stock Corporation Act, or (ii) are issued from contingent capital to satisfy warrant or convertible bonds which themselves were or are issued without subscription rights in application, mutatis mutandis, of § 186 (3) sent. 4 German Stock Corporation Act.*

The portion of the capital stock attributable to shares that are being issued in exchange for contributions in cash and/or in kind during the term of this authorisation with an exclusion of the shareholders' subscription rights may not exceed 20 percent of the Company's capital stock existing at the point in time of the adoption of the resolution by the General Meeting.

The Management Board is authorised, with the consent of the Supervisory Board, to determine further details of the capital increases.

The Management Board is authorised, with the consent of the Supervisory Board, to determine further details of the capital increases.

(8) The capital stock is conditionally increased by up to Euro 127,825,000, divided into up to 50,000,000 ordinary bearer shares (Contingent Capital I). The conditional capital increase shall only be executed insofar as the holders of warrant or conversion rights or those with conversion or warrant obligations arising from warrant or convertible bonds issued or guaranteed by METRO AG or an affiliate of METRO AG in terms of § 18 German Stock Corporation Act, in which METRO AG holds at least 90 percent of the shares, directly or indirectly, based on the authorisation adopted by the general meeting of 20 February 2015 under Agenda Item 10, exercise their warrant or conversion rights or, insofar as they are obligated for conversion or to exercise warrants, fulfil their obligation for conversion or for exercise of warrants, or insofar as METRO AG exercises an option to provide ordinary shares of METRO AG in lieu of paying the cash amount due, in whole or in part. The conditional capital increase shall not be executed insofar as a cash settlement is provided or treasury shares or shares of another listed company are used for the fulfilment.

(8) The capital stock is conditionally increased by up to Euro 127,825,000, divided into up to 50,000,000 ordinary bearer shares (Contingent Capital I). The conditional capital increase shall only be executed insofar as the holders of warrant or conversion rights or those with conversion or warrant obligations arising from warrant or convertible bonds issued or guaranteed by the Company or an affiliate of the Company in terms of § 18 German Stock Corporation Act, in which the Company holds at least 90 percent of the shares, directly or indirectly, based on the authorisation adopted by the general meeting of 20 February 2015 under Agenda Item 10, exercise their warrant or conversion rights or, insofar as they are obligated for conversion or to exercise warrants, fulfil their obligation for conversion or for exercise of warrants, or insofar as the Company exercises an option to provide ordinary shares of the Company in lieu of paying the cash amount due, in whole or in part. The conditional capital increase shall not be executed insofar as a cash settlement is provided or treasury shares or shares of another listed company are used for the fulfilment.

The respective warrant or conversion price to be determined for each ordinary share must, also in the case of a variable conversion ratio/warrant or conversion price, either equal at least 80 percent of the average closing price of the ordinary shares of METRO AG in Xetra trading on the Frankfurt Stock Exchange (or a functionally comparable successor system to the Xetra system) on the ten exchange trading days prior to the date the resolution is adopted by the Management Board regarding the issuance of the warrant or convertible bonds or – in the event subscription rights are granted – at least 80 percent of the average closing price of the ordinary shares of METRO AG in Xetra trading on the Frankfurt Stock Exchange (or a functionally comparable successor system to the XETRA system) during the subscription period, with the exception of the days of the subscription period required for timely announcement of the warrant or conversion price pursuant to § 186 (2) sent. 2 German Stock Corporation Act.

The respective warrant or conversion price to be determined for each ordinary share must, also in the case of a variable conversion ratio/warrant or conversion price, either equal at least 80 percent of the average closing price of the ordinary shares of the Company in Xetra trading on the Frankfurt Stock Exchange (or a functionally comparable successor system to the Xetra system) on the ten exchange trading days prior to the date the resolution is adopted by the Management Board regarding the issuance of the warrant or convertible bonds or – in the event subscription rights are granted – at least 80 percent of the average closing price of the ordinary shares of the Company in Xetra trading on the Frankfurt Stock Exchange (or a functionally comparable successor system to the XETRA system) during the subscription period, with the exception of the days of the subscription period required for timely announcement of the warrant or conversion price pursuant to § 186 (2) sent. 2 German Stock Corporation Act.

<p>The new ordinary shares take part in profit from the beginning of the financial year in which they are created based on the exercise of warrant or conversion rights or the fulfilment of warrant or conversion obligations. The Board of Management is authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.</p>	<p><i>The new ordinary shares take part in profit from the beginning of the financial year in which they are created based on the exercise of warrant or conversion rights or the fulfilment of warrant or conversion obligations. The Board of Management is authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.</i></p>
<p>III. MANAGEMENT BOARD</p>	<p>III. MANAGEMENT BOARD</p>
<p>§ 5 Composition</p>	<p>§ 5 Composition</p>
<p>(1) The Management Board shall have not less than two members.</p>	<p><i>(1) The Management Board shall have not less than two members.</i></p>
<p>(2) The actual number of Management Board members will be determined by the Supervisory Board.</p>	<p><i>(2) The actual number of Management Board members will be determined by the Supervisory Board.</i></p>
<p>§ 6 Business Management and Representation</p>	<p>§ 6 Business Management and Representation</p>
<p>(1) The members of the Management Board shall conduct and manage the business of the Company in accordance with the law, these Articles of Association and the Management Board’s Code of Procedure.</p>	<p><i>(1) The members of the Management Board shall conduct and manage the business of the Company in accordance with the law, these Articles of Association and the Management Board’s Code of Procedure.</i></p>
<p>(2) The Company shall be legally represented either by two Management Board members or by one member of the Management Board jointly with one officer with statutory authority (Prokurist).</p>	<p><i>(2) The Company shall be legally represented either by two Management Board members or by one member of the Management Board jointly with one officer with statutory authority (Prokurist).</i></p>
	<p><i>(3) The Supervisory Board may release individual members of the Management Board from the prohibition of multiple representation pursuant to § 181 2nd Alt. German Civil Code in individual cases.</i></p>
<p>IV. SUPERVISORY BOARD</p>	<p>IV. SUPERVISORY BOARD</p>
<p>§ 7 Composition, Term of Office</p>	<p>§ 7 Composition, Term of Office</p>
<p>(1) The Supervisory Board shall have 20 members, 10 of whom will be elected by the employees.</p>	<p><i>(1) The Supervisory Board shall have 20 members, 10 of whom will be elected by the employees.</i></p>

<p>(2) The Supervisory Board members are elected for the period up to that General Meeting which votes on the formal approval of the actions of the members of the Supervisory Board in the 4th financial year after commencement of the Supervisory Board's term of office. The financial year in which the term of office commences is not included in this count. Supervisory Board members may be re-elected. The General Meeting may also determine a shorter term of office at the elections.</p>	<p><i>(2) The Supervisory Board members are elected for the period up to that General Meeting which votes on the formal approval of the actions of the members of the Supervisory Board in the fourth financial year after commencement of the Supervisory Board's term of office. The financial year in which the term of office commences is not included in this count. Supervisory Board members may be re-elected. The General Meeting may also determine a shorter term of office at the elections.</i></p>
<p>(3) Any member of the Supervisory Board may at any time step down from office by giving one month's written notice to the Chairman of the Supervisory Board or to the Management Board without stating grounds or reasons.</p>	<p><i>(3) Any member of the Supervisory Board may at any time step down from office by giving one month's written notice to the Chairman of the Supervisory Board or to the Management Board without stating grounds or reasons. The Chairman of the Supervisory Board – or the Vice Chairman in the event of the Chairman of the Supervisory Board stepping down from office – may consent to a shortening of this period or a waiver of the observance of the period. This shall not affect the right to step down from office for good cause.</i></p>
<p style="text-align: center;">§ 8 Chairman and Vice Chairman</p>	<p style="text-align: center;">§ 8 Chairman and Vice Chairman</p>
<p>(1) The Supervisory Board will elect a Supervisory Board Chairman and Vice Chairman from among its members with the majority prescribed by law.</p>	<p><i>(1) The Supervisory Board will elect a Supervisory Board Chairman and Vice Chairman from among its members with the majority prescribed by law.</i></p>
<p>(2) Should the Chairman or his deputy (Vice Chairman) step down from the Supervisory Board or resign from office, the Supervisory Board shall promptly proceed to the election of a successor to this office.</p>	<p><i>(2) Should the Chairman or his deputy (Vice Chairman) step down from the Supervisory Board or resign from office, the Supervisory Board shall promptly proceed to the election of a successor to this office.</i></p>
<p style="text-align: center;">§ 9 Convocation</p>	<p style="text-align: center;">§ 9 Convocation of Meetings of the Supervisory Board</p>
<p>(1) Supervisory Board meetings shall be convened by the Chairman at 14 days' notice in writing, by telex, cable, fax or by means of electronic or other media. In urgent cases, the Chairman may reduce the term of notice and convene a meeting orally or by telephone.</p>	<p><i>(1) Supervisory Board meetings shall be convened by the Chairman at 14 days' notice in writing, by telex, cable, fax or by means of electronic or other media. In urgent cases, the Chairman may reduce the term of notice and convene a meeting orally or by telephone.</i></p>
<p>(2) The invitation shall be accompanied by an itemised agenda. Agenda items not communicated in due time may effectively be resolved at the meeting as long as no Supervisory Board member objects to such procedure.</p>	<p><i>(2) The invitation shall be accompanied by an itemised agenda. Agenda items not communicated in due time may effectively be resolved at the meeting as long as no Supervisory Board member objects to such procedure.</i></p>

<p style="text-align: center;">§ 10 Supervisory Board Resolutions</p>	<p style="text-align: center;">§ 10 Supervisory Board Resolutions</p>
<p>(1) Resolutions shall be adopted by the Supervisory Board at meetings. The Chairman may accept the participation of Supervisory Board members in a meeting and adoption of resolutions by way of a telephone or video conference. If ordered by the Chairman of the Supervisory Board, resolutions may also be passed outside of meetings by submitting votes in writing, by telephone, fax, electronically or in an equivalent form. For the adoption of resolutions outside of meetings, the following provisions shall apply analogously.</p>	<p><i>(1) Resolutions shall be adopted by the Supervisory Board at meetings. The Chairman may accept the participation of Supervisory Board members in a meeting and adoption of resolutions by way of a telephone or video conference. If ordered by the Chairman of the Supervisory Board, resolutions may also be passed outside of meetings by submitting votes in writing, by telephone, fax, electronically or in an equivalent form. For the adoption of resolutions outside of meetings, the following provisions shall apply analogously.</i></p>
<p>(2) The Supervisory Board shall be deemed to have quorum if, after inviting all its members, not less than one half of all its mandatory members participate in the voting. A member shall also be deemed to participate in the adoption of a resolution if it abstains from a vote. At any rate, not less than three members shall participate in a vote.</p>	<p><i>(2) The Supervisory Board shall be deemed to have a quorum if, after inviting all its members, not less than one half of all its mandatory members participate in the adoption of the resolution. Members who are joining by way of telephone or video conference shall be deemed to be attending. A member shall also be deemed to participate in the adoption of a resolution if it abstains from a vote. At any rate, not less than three members shall participate in a vote.</i></p>
<p>(3) Absent Supervisory Board members may participate in the passing of resolutions by submitting votes through other Supervisory Board members, in writing, by fax, electronically or in a comparable form (voting messages).</p>	<p><i>(3) Absent Supervisory Board members may participate in the passing of resolutions by submitting votes through other Supervisory Board members that were transmitted in writing, by fax, electronically or in a comparable form (voting messages).</i></p>
<p>(4) Resolutions shall be adopted by a simple majority of the votes cast, unless mandatory legal provisions provide otherwise. An abstention shall not be deemed a vote.</p>	<p><i>(4) Resolutions shall be adopted by a simple majority of the votes cast, unless mandatory legal provisions provide otherwise. An abstention shall not be deemed a vote.</i></p>
<p>(5) The Chairman will determine the order in which the agenda items shall be dealt with, as well as the mode and order of voting.</p>	<p><i>(5) The Chairman will determine the order in which the agenda items shall be dealt with, as well as the mode and order of voting.</i></p>
<p>(6) Minutes of the meeting shall be prepared to record the items dealt with and resolutions passed by the Supervisory Board. Such minutes shall be signed by the Chairman of the meeting or – in the event of resolutions adopted outside a meeting – by the officer managing the voting procedure.</p>	<p><i>(6) Minutes of the meeting shall be prepared to record the items dealt with and resolutions passed by the Supervisory Board; such minutes shall be signed by the chairman of the meeting or – in the event of resolutions adopted outside a meeting – by the officer managing the voting procedure.</i></p>

§ 11 Committees	§ 11 Committees
(1) The Supervisory Board may establish one or more committees from among its members. To the extent permitted by law, certain Supervisory Board powers of decision may be delegated to such committees.	<i>(1) The Supervisory Board may establish one or more committees from among its members. To the extent permitted by law, certain Supervisory Board powers of decision may be delegated to such committees.</i>
(2) Each committee may appoint a Chairman from among its members unless such Chairman is appointed by the Supervisory Board itself.	<i>(2) Each committee may appoint a Chairman from among its members unless such Chairman is appointed by the Supervisory Board itself.</i>
(3) For the procedures to be adopted by the committees, the provisions of §§ 9, 10 shall apply analogously. Should any voting result in a tie, the Chairman shall have two votes in a second ballot on the same item if it again results in a tie. Such second vote, too, may be cast in writing analogously to § 10 (3).	<i>(3) For the procedures to be adopted by the committees, the provisions of §§ 9, 10 shall apply analogously. Should any voting result in a tie, the Chairman shall have two votes in a second ballot on the same item if it again results in a tie. Such second vote, too, may be cast in writing analogously to § 10 (3).</i>
§ 12 Code of Procedure, Declarations of Intent	§ 12 Code of Procedure, Declarations of Intent
(1) The Supervisory Board shall establish its own Code of Procedure by virtue of the law and in accordance with these Articles of Association.	<i>(1) The Supervisory Board shall establish its own Code of Procedure in accordance with the law and these Articles of Association.</i>
(2) The Chairman or, should he be unable to do so, the Vice Chairman, shall be authorised to make the declarations of intent on behalf of the Supervisory Board that are essential to implement the resolutions of the Supervisory Board and its committees.	<i>(2) The Chairman or, should he be unable to do so, the Vice Chairman, shall be authorised to make the declarations on behalf of the Supervisory Board that are necessary to implement the resolutions of the Supervisory Board and its committees.</i>
§ 13 Remuneration of the Supervisory Board	§ 13 Remuneration of the Supervisory Board
(1) The members of the Supervisory Board shall receive a fixed annual remuneration. This fixed remuneration shall amount to 80,000 euros for each member.	<i>(1) The members of the Supervisory Board shall receive a fixed annual remuneration. This fixed remuneration shall amount to 80,000 euros for each member.</i>
(2) The Chairman of the Supervisory Board shall receive triple, his deputy and the chairmen of the committees shall each receive double and the other members of the committees shall each receive one and a half times of the amount stipulated in (1). This shall not apply with regard to the chairmanship and the membership in the committee pursuant to § 27 (3) German Co-Determination Act. The remuneration for a membership or the chairmanship in a committee shall only be paid if at least two meetings or other adoptions of resolutions of this committee have taken place in the respective financial year. If	<i>(2) The Chairman of the Supervisory Board shall receive triple, his deputy and the chairmen of the committees shall each receive double and the other members of the committees shall each receive one and a half times the amount stipulated in para. (1). This shall not apply with regard to the chairmanship and the membership in the committee pursuant to § 27 (3) German Co-Determination Act. The remuneration for a membership or the chairmanship in a committee shall only be paid if at least two meetings or other adoptions of resolutions of this committee have taken place in the respective financial year. If</i>

<p>a member of the Supervisory Board holds several of the offices specified in sent. 1 at the same time, he shall receive only the remuneration for one office, in the case of different remunerations for the office with the highest remuneration.</p>	<p><i>a member of the Supervisory Board holds several of the offices specified in sent. 1 at the same time, he shall receive only the remuneration for one office, in the case of different remunerations for the office with the highest remuneration.</i></p>
<p>(3) The remuneration shall be payable at the end of the respective financial year.</p>	<p><i>(3) The remuneration shall be payable at the end of the respective financial year.</i></p>
<p>(4) Supervisory Board members who served on the Supervisory Board only for part of the financial year, shall receive one twelfth of the remuneration for each month of service or any part of such month. This shall apply accordingly with regard to memberships in a committee, the chairmanship or the deputy chairmanship in the Supervisory Board or the chairmanship in a committee.</p>	<p><i>(4) Supervisory Board members who served on the Supervisory Board only for part of the financial year, shall receive one twelfth of the remuneration for each month of service or any part of such month. This shall apply accordingly with regard to memberships in a committee, the chairmanship or the deputy chairmanship in the Supervisory Board or the chairmanship in a committee.</i></p>
<p>(5) The company shall reimburse to the members of the Supervisory Board the expenses incurred from their holding of the office as well as any VAT payable on the remuneration and the reimbursement of expenses.</p>	<p><i>(5) The company shall reimburse to the members of the Supervisory Board the expenses incurred from their holding of the office as well as any VAT payable on the remuneration and the reimbursement of expenses.</i></p>
<p style="text-align: center;">§ 14 Amendments, Confidentiality</p>	<p style="text-align: center;">§ 14 Amendments, Confidentiality</p>
<p>(1) The Supervisory Board is authorised to decide on such amendments to these Articles of Association as relate to their wording only.</p>	<p><i>(1) The Supervisory Board is authorised to decide on such amendments to these Articles of Association as relate to their wording only.</i></p>
<p>(2) Even after their resignation from office, Supervisory Board members shall not disclose to third parties any of the confidential information, data and secrets of the Company that may have come to their attention during their term of office. In the event that a Supervisory Board member intends to pass on to a third party any information for which it cannot be safely precluded that such information is confidential or relates to secrets of the Company, such member will be obligated prior to any disclosure to consult the Chairman for comment thereon.</p>	<p><i>(2) Even after their resignation from office, Supervisory Board members shall not disclose to third parties any of the confidential information, data and secrets of the Company that may have come to their attention during their term of office. In the event that a Supervisory Board member intends to pass on to a third party any information for which it cannot be safely precluded that such information is confidential or relates to secrets of the Company, such member will be obligated prior to any disclosure to consult the Chairman for comment thereon.</i></p>
<p style="text-align: center;">V. GENERAL MEETING</p>	<p style="text-align: center;">V. GENERAL MEETING</p>
<p style="text-align: center;">§ 15 Venue, Convening</p>	<p style="text-align: center;">§ 15 Venue, Convening</p>
<p>(1) The General Meeting shall be held at the Company's registered office or in another city in the Federal Republic of Germany with more than 100,000 inhabitants.</p>	<p><i>(1) The General Meeting shall be held at the Company's registered office, at the location of a German stock exchange or in another city in the Federal Republic of Germany with more than 500,000 inhabitants.</i></p>

<p>(2) The convening must be made public at least thirty-six days prior to the date of the General Meeting. The date of convening and the date of the General Meeting shall not be included.</p>	<p><i>(2) The convening must be made public at least 30 days prior to the date by the end of which the shareholders have to register for attendance [§ 16 (1)]. In this regard, the day of publication shall not be included in the calculation.</i></p>
<p>§ 16 Right to Attend</p>	<p>§ 16 Right to Attend</p>
<p>(1) Holders of ordinary shares are entitled to attend the General Meeting and exercise their voting rights, holders of preference shares are entitled to attend the General Meeting, if they have registered for the General Meeting. The Company must receive the registration at the address specified in the invitation to the General Meeting in text form, and in the German or English language, at least six days prior to the General Meeting, not including the date of receipt and the date of the General Meeting.</p>	<p><i>(1) Holders of ordinary shares are entitled to attend the General Meeting and to exercise their voting rights, holders of preference shares are entitled to attend the General Meeting – and, in the cases provided for by statutory law, also to exercise their voting rights – if they have registered for the General Meeting in advance. The Company must receive the registration at the address specified in the invitation to the General Meeting in text form, and in the German or English language, at least six days prior to the General Meeting, not including the date of receipt and the date of the General Meeting.</i></p>
<p>(2) The right to attend the General Meeting and to exercise voting rights must be verified. Therefore a verification of share property in text form and in the German or English language from the depository institution maintaining the securities account is required. The verification of share property must relate to the beginning of the twenty-first day prior to the date of the General Meeting and must be received by the Company at the address specified in the invitation to the General Meeting at least six days prior to the General Meeting, not including the date of receipt and the date of the General Meeting. In relation to the Company, only such person who has provided proof of eligibility will be regarded as a shareholder for the purposes of attendance at the General Meeting or the exercising of voting rights.</p>	<p><i>(2) The right to attend the General Meeting and to exercise voting rights must be verified. Therefore a verification of share property in text form and in the German or English language from the depository institution maintaining the securities account is required. The verification of share property must relate to the beginning of the twenty-first day prior to the date of the General Meeting and must be received by the Company at the address specified in the invitation to the General Meeting at least six days prior to the General Meeting, not including the date of receipt and the date of the General Meeting. Only persons/entities which have provided verification in due form and time will be regarded as shareholders vis-à-vis the Company for attendance at the General Meeting and the exercise of voting rights.</i></p>
<p>(3) The Management Board may allow and define procedures for shareholders to participate in the General Meeting even without attending or appointing a proxy, and to exercise all or some of their rights in whole or in part by means of electronic communication.</p>	<p><i>(3) The Management Board may allow and define procedures for shareholders to participate in the General Meeting even without attending or appointing a proxy, and to exercise all or some of their rights in whole or in part by means of electronic communication.</i></p>

<p style="text-align: center;">§ 17 Presidency</p>	<p style="text-align: center;">§ 17 Chairmanship</p>
<p>(1) The Chairman of the Supervisory Board, or another Supervisory Board member designated by him, shall preside over the General Meeting. In the event that neither the Supervisory Board Chairman nor the Supervisory Board member designated by him takes the chair, the Supervisory Board shall elect a person to preside over the General Meeting.</p>	<p><i>(1) The Chairman of the Supervisory Board, or another Supervisory Board member designated by him, shall preside over the General Meeting. In the event that neither the Chairman of the Supervisory Board nor the Supervisory Board member designated by him takes the chair, the members of the Supervisory Board present at the General Meeting shall elect the person who is to preside over the meeting.</i></p>
<p>(2) The Chairman presides over the meeting, determines the order of business to be transacted at the meeting and decides on the mode and form of voting. He may permit video and audio broadcasts of the General Meeting. The voting result may also be determined by deducting the number of ayes or nays and abstentions from the total number of votes of shareholders with voting rights.</p>	<p><i>(2) The Chairman presides over the meeting, determines the order of business to be transacted at the meeting and decides on the mode and form of voting. He may permit video and audio broadcasts of the General Meeting. The voting result may also be determined by deducting the number of ayes or nays and abstentions from the total number of votes of shareholders with voting rights.</i></p>
<p>(3) The Chairman has the right to set an appropriate time limit for the shareholders' right to ask questions and speak. In particular, he has the right to set a time frame for the shareholders' right to speak and ask questions for the entire General Meeting, on individual agenda items and for individual speakers.</p>	<p><i>(3) The Chairman has the right to set an appropriate time limit for the shareholders' right to ask questions and speak. In particular, he has the right to set a time frame for the shareholders' right to ask questions and speak for the entire General Meeting, on individual agenda items and for individual speakers.</i></p>
<p style="text-align: center;">§ 18 Voting Right</p>	<p style="text-align: center;">§ 18 Voting Right</p>
<p>(1) One ordinary share confers one vote.</p>	<p><i>(1) One ordinary share confers one vote.</i></p>
<p>(2) Voting rights may be exercised by proxy. Unless a lesser requirement is provided by law, proxies may only be issued, revoked and documented to the company in text form. A lesser requirement may be defined in the invitation to the General Meeting.</p>	<p><i>(2) Voting rights may be exercised by proxy. Unless a lesser requirement is provided by law, proxies may only be issued, revoked and documented vis-à-vis the Company in text form. The provisions in § 135 German Stock Corporation Act shall remain unaffected. A lesser requirement may be determined in the invitation to the General Meeting.</i></p>
<p>(3) The Management Board may allow and define procedures for shareholders to cast their votes even without attending the General Meeting, in writing or by means of electronic communication (postal vote).</p>	<p><i>(3) The Management Board may allow and define procedures for shareholders to cast their votes even without attending the General Meeting, in writing or by means of electronic communication (postal vote).</i></p>

<p>(4) Except as otherwise provided by the law, preference shares do not confer votes.</p>	<p><i>(4) Except as otherwise provided by the law, preference shares do not confer votes.</i></p>
<p style="text-align: center;">§ 19 Majority Prerequisites</p>	<p style="text-align: center;">§ 19 Majority Requirements</p>
<p>Unless peremptory or overriding statutory provisions stipulate otherwise, resolutions will be adopted by the General Meeting by simple majority of votes cast; in cases where a majority of the capital stock is prescribed, the simple majority of the capital stock represented thereat will suffice to pass a resolution.</p>	<p><i>Unless mandatory statutory provisions stipulate otherwise, resolutions will be adopted by the General Meeting by simple majority of votes cast; in cases where a majority of the capital stock is prescribed, the simple majority of the capital stock represented thereat will suffice to pass a resolution. This shall not apply to resolutions pursuant to § 103 (1) AktG (dismissal of member of the Supervisory Board).</i></p>
<p style="text-align: center;">VI. ANNUAL FINANCIAL STATEMENTS</p>	<p style="text-align: center;">VI. ANNUAL FINANCIAL STATEMENTS</p>
<p style="text-align: center;">§ 20 Annual Financial Statements and Appropriation of Profits</p>	<p style="text-align: center;">§ 20 Annual Financial Statements and Appropriation of Profits</p>
<p>(1) During the first three months of a financial year, the Management Board shall draw up the annual financial statements and the management report for the past financial year and present them without undue delay upon completion to the Supervisory Board. At the same time, the Management Board shall present to the Supervisory Board the proposal for the appropriation of the balance sheet profit it intends to make to the General Meeting.</p>	<p><i>(1) Within the first three months of a financial year, the Management Board shall draw up the annual financial statements and the management report for the past financial year and present them without undue delay upon completion to the Supervisory Board. At the same time, the Management Board shall present to the Supervisory Board the proposal for the appropriation of the balance sheet profit it intends to make to the General Meeting.</i></p>
<p>(2) The Supervisory Board shall appoint the auditors for the annual financial statements.</p>	<p><i>(2) The Supervisory Board shall appoint the independent auditor for the audit of the annual financial statements.</i></p>
<p>(3) On adopting the annual financial statements, the Management Board and the Supervisory Board shall be authorised to transfer to the other reserves retained from earnings all or part of such net income as remains after appropriation of the required amounts to the legal reserve and after deducting any loss carried forward. The transfer of more than one half of the net income to the other reserves shall not be permissible if such reserves would after such transfer exceed fifty percent of the capital stock.</p>	<p><i>(3) On adopting the annual financial statements, the Management Board and the Supervisory Board shall be authorised to transfer to the other reserves retained from earnings all or part of such net income as remains after appropriation of the required amounts to the legal reserve and after deducting any loss carried forward. The transfer of more than one half of the net income to the other reserves shall not be permissible to the extent that such reserves would after such transfer exceed fifty percent of the capital stock.</i></p>
<p>(4) When deciding on the appropriation of balance sheet profits, the General Meeting may adopt a resolution for a distribution in kind instead of or in addition to a cash distribution.</p>	<p><i>(4) When deciding on the appropriation of balance sheet profits, the General Meeting may adopt a resolution for a distribution in kind instead of or in addition to a cash distribution.</i></p>
<p>(5) In the event of a capital increase, the participation in profits of new shares may be determined in</p>	<p><i>(5) In the event of a capital increase, the participation in profits of new shares may be determined</i></p>

derogation of § 60 (2) sent. 3 German Stock Corporation Act.	<i>in derogation of § 60 (2) sent. 3 German Stock Corporation Act.</i>
(6) After the close of a financial year, subject to the Supervisory Board's consent, the Management Board may distribute an interim dividend to the shareholders pursuant to § 59 German Stock Corporation Act.	<i>(6) After the close of a financial year, subject to the Supervisory Board's consent, the Management Board may distribute an interim dividend to the shareholders pursuant to § 59 German Stock Corporation Act.</i>
§ 21 Distribution of Profits	§ 21 Distribution of Profits
(1) Holders of non-voting preference shares will receive from the annual net earnings a preferred dividend of Euro 0.17 per preference share.	<i>(1) Holders of non-voting preference shares will receive from the annual balance sheet profits an advance dividend of Euro 0.17 per preference share which is to be paid in arrears.</i>
(2) Should the net earnings available for distribution not suffice in any one financial year to pay the preferred dividend, the arrears (excluding any interest) shall be paid from the net earnings of future financial years in an order based on age, i.e. in such manner that any older arrears are paid off prior to any more recent ones and that the preferred dividends payable from the profit of a financial year are not distributed until all of any accumulated arrears have been paid.	<i>(2) Should the balance sheet profits available for distribution not suffice in any one financial year to pay the advance dividend, the arrears (excluding any interest) shall be paid from the balance sheet profits of future financial years in an order based on age, i.e. in such manner that any older arrears are paid off prior to any more recent ones and that the preferred dividends payable from the profit of a financial year are not distributed until all of any accumulated arrears have been paid.</i>
(3) After the preferred dividend has been distributed, the holders of ordinary shares will receive a dividend of Euro 0.17 per ordinary share. Thereafter, a non-cumulative extra dividend of Euro 0.06 per share will be paid to the holders of non-voting preference shares. The extra dividend shall amount to 10 percent of such dividend as, in accordance with section 4 herein below, will be paid to the holders of ordinary shares inasmuch as such dividend equals or exceeds Euro 1.02 per ordinary share.	<i>(3) After the advance dividend has been distributed, the holders of ordinary shares will receive a dividend of Euro 0.17 per ordinary share. Thereafter, an extra dividend of Euro 0.06 per share, which does not have to be paid in arrears, will be paid to the holders of non-voting preference shares. The extra dividend shall amount to 10 percent of such dividend as, in accordance with para. 4 below, will be paid to the holders of ordinary shares, to the extent such dividend equals or exceeds Euro 1.02 per ordinary share.</i>
(4) The holders of non-voting preference shares and of ordinary shares will equally share in any additional profit distribution in the proportion of their shares in the capital stock.	<i>(4) The holders of non-voting preference shares and of ordinary shares will equally share in any additional profit distribution in the proportion of their shares in the capital stock.</i>
VII. FINAL PROVISIONS	VII. FINAL PROVISIONS
§ 22	§ 22
The formation costs at the Company's expense amount to DM 2,300.	<i>The formation costs at the Company's expense amount to DM 2,300.</i>

The following summary states the provisions containing the material proposed amendments of the Articles of Association of METRO AG, in addition to the amendments pro-posed under Agenda items 8 and 9:

The purpose of the company is to be amended and extended, in particular in the area of services (§ 2). Instead of excluding the right to demand issuance of individual share certificates, the Articles now provide for a comprehensive exclusion of the shareholders' right to demand the issuance of share certificates (§ 4 (6)). In particular to facilitate the conclusion of intra-group legal transactions, as well as in order to increase legal certainty in this respect, the Supervisory Board is to be enabled to release individual members of the Management Board from the prohibition of multiple representation (§ 6 (3)). With regard to the stepping down from office of members of the Supervisory Board, the Chairman of the Supervisory Board – or the Vice Chairman in the event of the Chairman of the Supervisory Board stepping down from office – is to be enabled to consent to a shortening of the notice period of one month or to a waiver of the observance of that period (§ 7 (3)). In order to facilitate the holding of Supervisory Board meetings, such members of the Supervisory Board who are joining by telephone or video conference are to be deemed attending such Supervisory Board meetings (§ 10 (2)). In order to reflect developments in recent case-law, provision is to be made for general meetings of the Company to be held in the future at the place of the registered office of the Company, at the location of a German stock exchange or in a city with more than 500,000 inhabitants (§ 15 (1)). In order to facilitate the holding of the General Meeting of the Company, it is to be provided that in the event that neither the Chairman of the Supervisory Board nor a member designated by him take the chair at the General Meeting, instead of the Supervisory Board the members of the Supervisory Board present at the General Meeting shall elect the person who is to preside over the meeting (§17 (1)). In the future, a dismissal of Supervisory Board members will be possible only with the statutory three-quarters majority instead of as previously with a simple majority of the votes cast because of less stringent requirements granted by the Articles of Association (§ 19).

SECTION D

Hive-Down and Spin-Off Agreement by and between METRO AG and METRO Wholesale & Food Specialist AG

The Hive-Down and Spin-Off Agreement reads as follows:

Hive-Down and Spin-Off Agreement (Demerger Agreement)

by and between

METRO AG, Düsseldorf,

as transferring entity

and

METRO Wholesale & Food Specialist AG, Düsseldorf,

as receiving entity

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Annex 34	Group Separation Agreement

A.**Preamble**

- 0.1 METRO AG with its registered office in Düsseldorf is registered in the Commercial Register of the Local Court of Düsseldorf under number HRB 39473. At the time of conclusion of this Agreement, the share capital of METRO AG amounts to EUR 835,419,052.27, divided up into 324,109,563 ordinary shares and 2,677,966 preference shares without voting rights. All shares of METRO AG have been admitted to trading, among other things, on the Frankfurt Stock Exchange.
- 0.2 METRO Wholesale & Food Specialist AG with its registered office in Düsseldorf is registered in the Commercial Register of the Local Court of Düsseldorf under number HRB 79055 ("**MWFS AG**"). The share capital of MWFS AG amounts to EUR 32,678,752 and is divided into 32,410,956 ordinary shares and 267,796 non-voting preference shares. The sole shareholder of MWFS AG is METRO Consumer Electronics Zwischenholding GmbH & Co. KG, registered in the Commercial Register of the Local Court of Düsseldorf under number HRA 24113 ("**METRO Zwischenholding KG**"), a subsidiary of METRO AG.
- 0.3 METRO AG is the strategic management holding company of METRO GROUP. METRO GROUP is a leading international trading company. METRO AG intends to divide METRO GROUP into two independent companies listed on German stock exchanges, with each being specialised in their distinct market segment. The wholesale and food retail businesses pursued by the METRO Cash & Carry and Real sales lines and additional pertaining activities are to be transferred to an independent company listed on German stock exchanges. The Consumer Electronics business pursued by Media-Saturn (entertainment and household electronics), and the pertaining service activities are to remain with METRO AG. The segmentation is intended to facilitate the strategic and organisational focus of the two trade companies to their respective fields of activity and to thus open up new perspectives for growth.
- 0.4 The wholesale and food retail business comprises the current activities of the METRO Cash & Carry and Real sales lines that are essentially pursued by METRO AG subsidiaries. It also includes the previous activities of these sales lines (including any company interests and activities whose strategies at the time of ceasing to be members of METRO GROUP or the discontinuation of the activity were geared at wholesale and food retail). In addition, it includes the real estate division, interests in subsidiaries providing cross-divisional and group services for today's METRO GROUP, as well as certain management and administrative functions of the previous Corporate Centre of METRO AG. In addition, it includes the previous sales lines of METRO GROUP and their activities (including the previous company in-

terests specified in **Annex 0.4**). The activities described above are hereinafter referred to as the "**MWFS Business Division**".

- 0.5 The Consumer Electronics business includes the current activities of the Media-Saturn sales line and pertaining services. It also includes the previous activities of this sales line (including any company interests and activities whose strategies at the time of ceasing to be members of METRO GROUP or the discontinuation of the activity were geared at Media-Saturn, including in particular the previous company interests specified in **Annex 0.5**). Moreover, they include certain management and administrative functions of the previous Corporate Centre of METRO AG. The Media-Saturn sales line appears on the market especially under the brand names "Media Markt" and "Saturn". The operative management company of the Media-Saturn sales line is Media-Saturn-Holding GmbH, registered in the Commercial Register of the Local Court of Ingolstadt under number HRB 1123 ("**MSH**"), in which METRO AG holds an interest through its subsidiary METRO Kaufhaus und Fachmarkt Holding GmbH, registered in the Commercial Register of the Local Court of Düsseldorf under number HRB 44806 ("**MKFH**"), as an intermediary holding company with approx. 78.38 % of the shares. The other shares in MSH are held by a third party. The activities described above are hereinafter referred to as the "**CE Business Division**".
- 0.6 In order to prepare for the division of METRO GROUP, at the METRO AG level the existing operations (including the Corporate Centre) were divided into two different branches of activity with their own distinct premises and organisation as of the end of 30 September 2016. Since that date, the functions for the administration and management of the shareholdings of the CE Business Division as well as the functions for the management and administration of METRO AG as a management holding company listed on German stock exchanges form the "**CE Branch of Activity**" which is part of the CE Business Division.

The other functions form the "**MWFS Branch of Activity**" that is part of the MWFS Business Division. The MWFS Business Division is responsible for the central administration and operative control of the company interests of the MWFS Business Division. Larger units with the MWFS Branch of Activity further assume additional functions in connection with the operative business of the MWFS Business Division and hence form operative units; these include, in particular, the functions Supply Chain Management, Own Brand Management and also Sourcing Food and Non-Food.

Each Branch of Activity shall render services to the other Branch of Activity in order to support the latter in the fulfilment of its tasks. In particular, until the hive-down becomes effective, the MWFS Branch of Activity shall provide services in the field of the management and administration of METRO AG as a management holding listed on German stock exchanges.

With respect to the MWFS Branch of Activity and the CE Branch of Activity, separate distinct accounting codes were established as of 1 October 2016, 00:00 a.m in which all business transactions for the respective Division are recorded.

The members of the Management Board and Supervisory Board of METRO AG will remain jointly responsible for the CE Business Division and the MWFS Business Division as provided for by stock corporation law, until the spin-off becomes effective.

- 0.7 MWFS AG is intended to be the future parent company listed on German stock exchanges of the MWFS Business Division. At the time of conclusion of this Agreement, it already holds substantially all interests in the companies of the METRO Cash & Carry and Real sales lines. It has purchased them from METRO Groß- und Lebensmitteleinzelhandel Holding GmbH, registered in the Commercial Register of the Local Court of Düsseldorf under number HRB 40923 ("**MGLEH**"), a subsidiary of METRO AG, and from a subsidiary of MGLEH, METRO Erste Erwerbsgesellschaft mbH, registered in the Commercial Register of the Local Court of Düsseldorf under number HRB 75772 ("**METRO Erste**"). The total purchase price has been partly paid and for a total amount of EUR 6,624,618,584.39, MGLEH and METRO Erste, respectively, have granted interest-bearing deferrals.

As further assets of the MWFS Business Division, MWFS AG currently already holds, among other things, approx. 92.9% of the limited liability capital of METRO PROPERTIES GmbH & Co. KG, registered in the Commercial Register of the Local Court of Düsseldorf under HRA 22534 ("**MP KG**"), which holds part of the real estate property of METRO GROUP.

- 0.8 This Agreement is intended to effect the transfer of the remaining MWFS Business Division to MWFS AG. This is to be implemented by way of a combined hive-down and spin-off pursuant to the German Transformation Act (*Umwandlungsgesetz* – "**UmwG**").

The hive-down is intended to transfer to MWFS AG almost all of the assets of the MWFS Business Division, including in particular the MWFS Branch of Activity, that have still remained with METRO AG. By way of consideration, METRO AG is to be granted shares in MWFS AG that are to be newly issued.

The interest of METRO AG in MGLEH which, partly through METRO Erste, holds the deferred purchase price claims of EUR 6,624,618,584.39 against MWFS AG from the sale of the companies of the METRO Cash & Carry and Real sales lines, is not to be hived down, but – together with other related assets – to be transferred from METRO AG to MWFS AG by way of a spin-off. By way of consideration, the shareholders of METRO AG are to be granted shares in MWFS AG that are to be newly issued. The allocation is to be made in

proportion to their previous interest held in METRO AG (so-called demerger preserving the proportion of company interests held).

The entire CE Business Division, including the CE Branch of Activity and further assets, including in particular the interest in METRO Zwischenholding KG, which currently holds all the shares in MWFS AG, is to remain with METRO AG.

- 0.9 The hive-down and the spin-off are to take effect immediately after one another. Upon the hive-down and the spin-off taking effect, the shareholders of METRO AG will hold an interest of approx. 90% and METRO AG of approx. 10% (with approx. 9% held indirectly through METRO Zwischenholding KG) in the share capital of MWFS AG. Immediately upon the hive-down and spin-off taking effect, all shares in MWFS AG are to be admitted to trading on the Frankfurt Stock Exchange.
- 0.10 The previous METRO AG will be the parent company of the CE Business Division listed on German stock exchanges and is to change its company name to "CECONOMY AG". MWFS AG, as the future parent company of the MWFS Business Division listed on German stock exchanges, is to change its company name to "METRO AG", after METRO AG will have changed its company name.

Now, therefore, METRO AG and MWFS AG (collectively also referred to as the "**Parties**" and each of them as a "**Party**") agree on this Hive-Down and Spin-Off Agreement within the meaning of § 126 UmwG ("**Demerger Agreement**"). In its Section B, this Demerger Agreement contains provisions concerning the hive-down, and in its Section C provisions concerning the spin-off. The provisions in Section D concern both the hive-down and the spin-off. In Section E, the Parties provide for further agreements.

B.

Hive-down

I.

Hive-down, Hive-Down Assets, Relevant Hive-Down Date

§ 1

Hive-down, Hive-Down Assets

- 1.1 METRO AG, as the transferring entity, transfers by means of a hive-down by way of acquisition pursuant to § 123 para 3 no. 1 UmwG the part of its assets specified in § 1.2 of this De-

merger Agreement (collectively referred to hereinafter as the "**Hive-Down Assets**") in their entirety to MWFS AG as the receiving entity in exchange for the granting of shares in MWFS AG to METRO AG pursuant to § 7 of this Demerger Agreement.

- 1.2 The Hive-Down Assets shall comprise the entire assets of METRO AG, with the exception of the assets remaining with METRO AG pursuant to § 2 of this Demerger Agreement ("**CE Assets**") and the Spin-Off Assets defined in § 15.1 of this Demerger Agreement that will be transferred to MWFS AG by way of spin-off.
- 1.3 The words 'item', 'asset' and 'item of the assets or liabilities' in this Demerger Agreement shall be understood to refer to an item of the assets or liabilities within the meaning of § 126 para 1 no. 9 UmwG and shall include, in particular, things, tangible and intangible assets, rights, claims, obligations, liabilities, contracts and other legal relationships and legal interests, irrespective of whether they require disclosure in the balance sheet, may be disclosed in the balance sheet or are actually included in the balance sheet.

§ 2

Determination of the Hive-Down Assets

- 2.1 The Hive-Down Assets are determined by way of negative delimitation from the CE Assets and the Spin-Off Assets, i.e. each asset of METRO AG that is not an item of the CE Assets or of the Spin-Off Assets pursuant to the provisions of this Demerger Agreement shall form part of the Hive-Down Assets.
- 2.2 The CE Assets shall comprise the assets described in § 4 and the pertaining Annexes to this Demerger Agreement.
- 2.3 Pursuant to § 15.1 of this Demerger Agreement, the Spin-Off Assets comprise the assets described in § 17 and the pertaining Annex to this Demerger Agreement.
- 2.4 § 5 and the pertaining Annexes to this Demerger Agreement include a description of assets forming part of the Hive-Down Assets. § 4 and § 17 shall prevail over § 5 of this Demerger Agreement.
- 2.5 The additions and retirements of items to/from assets and liabilities occurring in the period between the Relevant Hive-Down Date (§ 3.1 of this Demerger Agreement) and the Hive-Down Effective Date (§ 25.1 of this Demerger Agreement) shall be accounted for when determining the CE Assets, the Spin-Off Assets and hence the Hive-Down Assets. This shall apply, in particular, with respect to surrogates of an asset *in rem* or under the law of obligations. Accordingly, such assets shall not form part of the Hive-Down Assets which have be-

come CE Assets within the meaning of § 4 of this Demerger Agreement in the period between the Relevant Hive-Down Date and the Hive-Down Effective Date. All other items of the assets and liabilities that have been added or that have come into existence at METRO AG in the period between the Relevant Hive-Down Date and the Hive-Down Effective Date shall form part of the Hive-Down Assets and shall therefore be transferred to MWFS AG by way of the hive-down, unless they form part of the Spin-Off Assets. Those items of the assets and liabilities that have been sold or otherwise transferred in the period between the Relevant Hive-Down Date and the Hive-Down Effective Date or no longer exist at such point in time shall not be transferred to MWFS AG.

- 2.6 METRO AG and MWFS AG undertake, for evidence purposes, to record additions and retirements to/from the Hive-Down Assets and the CE Assets from the Relevant Hive-Down Date until the Hive-Down Effective Date and to update the Annexes (prepared as per the Relevant Hive-Down Date) relating to § 4 and § 5 of this Demerger Agreement and the records on which they are based.

§ 3

Relevant Hive-Down Date and Hive-Down Tax Transfer Effective Date, Closing Balance Sheet

- 3.1 In the relationship between METRO AG and MWFS AG, the transfer of the Hive-Down Assets shall take place with economic effect as of 1 October 2016, 00:00 a.m. ("**Relevant Hive-Down Date**"). From this time onward, METRO AG and MWFS AG shall treat in their internal relationship any acts and transactions of METRO AG that concern the Hive-Down Assets to be made for the account of MWFS AG.
- 3.2 The effective transfer date for German tax purposes for the hive-down shall be 30 September 2016, 12:00 p.m. ("**Hive-Down Tax Transfer Effective Date**").
- 3.3 The annual balance sheet of METRO AG as per 30 September 2016, 12:00 p.m. shall be the closing balance sheet of METRO AG pursuant to §§ 125 sent. 1, 17 para. 2 UmwG on which the hive-down is based ("**Closing Balance Sheet**"). The annual balance sheet of METRO AG as per 30 September 2016, 12:00 p.m. was audited by the independent auditor KPMG AG Wirtschaftsprüfungsgesellschaft in the course of the annual financial statements and has received an unqualified audit opinion.
- 3.4 MWFS AG shall record the Hive-Down Assets in its commercial accounting at their fair value. MWFS AG shall file an application with the competent fiscal authorities pursuant to § 20 para 2 of the German Transformation Tax Act (*Umwandlungssteuergesetz* – UmwStG), for the Hive-Down Assets to be recognised at their carrying amount in its tax balance sheet as of the Hive-Down Tax Transfer Effective Date.

- 3.5 In the period between the conclusion of this Demerger Agreement and the Hive-Down Effective Date, METRO AG shall manage and dispose of the Hive-Down Assets only in the course of its ordinary business and with the due diligence of a prudent business person and shall adhere to the provisions of this Demerger Agreement.

II.

Description of the Hive-Down Assets

Pursuant to § 1.2 of this Demerger Agreement, the Hive-Down Assets consist of the entire assets of METRO AG, with the exception of the CE Assets and the Spin-Off Assets.

§ 4

The CE Assets

The CE Assets, which thus do not form part of the Hive-Down Assets, shall comprise the assets of METRO AG specified in the following:

4.1 Interests

The following assets of METRO AG shall form part of the CE Assets:

- a) any and all shares in METRO Kaufhaus und Fachmarkt Holding GmbH (Local Court of Düsseldorf, HRB 44806) and any and all rights and obligations relating to the company interest;
- b) any and all shares in the following *Gesellschaften mit beschränkter Haftung* (companies with limited liability):
 - METRO Vierzehnte Gesellschaft für Vermögensverwaltung mbH (Local Court of Düsseldorf, HRB 67285);
 - METRO Fünfzehnte Gesellschaft für Vermögensverwaltung mbH (Local Court of Düsseldorf, HRB 67279);
 - METRO Siebzehnte Gesellschaft für Vermögensverwaltung mbH (Local Court of Düsseldorf, HRB 69642);
 - METRO Achtzehnte Gesellschaft für Vermögensverwaltung mbH (Local Court of Düsseldorf, HRB 69638); and

- METRO Consumer Electronics Zwischenholding Management GmbH (Local Court of Düsseldorf, HRB 78537)

as well as any and all rights and obligations relating to such company interest;

- c) the entire limited partnership interest in METRO Consumer Electronics Zwischenholding GmbH & Co. KG (Local Court of Düsseldorf, HRA 24113) and also any and all rights and obligations relating to such company interest (the companies specified in § 4.1 lit. a) – c) of this Demerger Agreement and any companies in which they hold a direct or indirect interest (with the exception of MWFS AG and the company interests held by it) are hereinafter also referred to as the "**CE Associated Companies**";
- d) the limited partnership interest in the amount of EUR 3,380,000 of the limited liability capital (equivalent to just above 6.61%) in METRO PROPERTIES GmbH & Co. KG (Local Court of Düsseldorf, HRA 22534) and also any and all rights and obligations relating to such company interest;
- e) the enterprise agreements by METRO AG listed in **Annex 4.1.e)** with all pertaining rights and obligations;
- f) any and all loans granted to CE Associated Companies, including the legal relationships underlying such loans; and also
- g) any and all rights and obligations of METRO AG relating to Media-Saturn-Holding GmbH (Local Court of Ingolstadt, HRB 1123) and the previous Media-Saturn China-Holding GmbH (today named METRO Dreizehnte Gesellschaft für Vermögensverwaltung mbH, Local Court of Ingolstadt, HRB 5348), their respective subsidiaries and company interests, Convergenta Invest GmbH (Local Court of München, HRB 188629) and also their respective direct and indirect current and previous shareholders and their dependants and affiliated enterprises, including any such rights and obligations out of or in connection with:
 - contracts, agreements, arrangements or understandings regarding the CE Business Division with one or more of the aforementioned companies or persons; or
 - pending or concluded legal disputes, in which one or more of the aforementioned companies or persons or the members of their advisory boards or corporate bodies are or have been involved at any time.

The allocation of a company interest to the CE Assets shall include all pertaining rights and obligations, including in particular any entitlement to a share in profits. The same shall apply with respect to syndication agreements and other shareholder agreements connected with or related to such company interest as well as, in the event that the company interest is not vested in company law, but is merely an economic interest (e.g. through a trust relationship), with respect to the legal position that confers the economic interest. Enterprise agreements that were or are entered into with CE Associated Companies (also if they are only held indirectly) shall also form part of the CE Assets. The same shall apply to loss assumption declarations that were or are issued vis-à-vis such companies.

4.2 Personal assets

In addition, the following assets of METRO AG shall form part of the CE Assets:

- a) all rights and obligations of METRO AG towards acting or former members of the Supervisory Board of METRO AG;
- b) all rights and obligations of METRO AG towards the members of the Supervisory Board of METRO AG acting on or after the Relevant Hive-Down Date, including the rights and obligations arising from the status as members of a corporate body and all contracts or other legal relationships, including in particular employment and severance agreements;
- c) the employment relationships with the employees of METRO AG listed in **Annex 4.2.c)** and also all existing contracts and other legal relationships with these employees and the resulting rights and obligations (including the obligations under social security law); as well as
- d) all rights and obligations of METRO AG towards current or retired members of corporate bodies, members of staff or employees of the CE Associated Companies or former company interests to be allocated to the CE Business Division.

4.3 Items of property

In addition, the following assets of METRO AG shall form part of the CE Assets:

- a) any and all business documents (including those stored on mobile data storage devices) of METRO AG located in the premises of the CE Branch of Activity (Brücke 1, 1st floor Schlüterstraße 1, 40235 Düsseldorf) or that are kept by staff or service providers of the CE Branch of Activity exclusively for the CE Business Division.

- b) any and all furniture, IT devices, and other fixtures and fittings and consumables that are owned by METRO AG and located in the premises of the CE Branch of Activity (Brücke 1, 1. Etage Schlüterstraße 1, 40235 Düsseldorf) or used exclusively by staff of the CE Branch of Activity, in particular the items listed in **Annex 4.3.b)**;
- c) the tenancy agreement for premises listed in **Annex 4.3.c)** and the corresponding service agreement on facility management also listed therein; as well as
- d) the agreements on car leasing listed in **Annex 4.3.d)** as well as other rental or lease agreements or usage relationships of METRO AG for movable property allocable to the CE Business Division and owned by a third party.

4.4 Industrial property rights

In addition, the following assets of METRO AG shall form part of the CE Assets:

- a) any and all software licenses listed in **Annex 4.4.a)**; and also
- b) the entire know-how exclusively allocable to the CE Business Division and its staff.

4.5 Finance, duties and pensions

In addition, the following assets of METRO AG shall form part of the CE Assets:

- a) the bank accounts of METRO AG listed in **Annex 4.5.a)** with the pertaining entries, balances, rights and obligations;
- b) all rights and obligations of METRO AG from or in connection with the third party collateral (in particular rights to recourse and security rights of the third party) as listed in **Annex 4.5.b)**;
- c) all rights and obligations (including obligations relating to any insufficient funds of pension institutions) arising from or in connection with the following pension commitments existing at METRO AG (current pensions, vested expectant rights and similar obligations, including in particular from transition payments for early and premature retirement):
 - pension commitments to employees having retired prior to the Relevant Hive-Down Date and their surviving dependants, irrespective of whether such employees would have been allocable to the CE Business Division;

- pension commitments to persons within the meaning of § 4.2 lit. c) or § 4.2 lit. d) of this Demerger Agreement and their surviving dependants who have retired or will retire in the period between the Relevant Hive-Down Date and the Hive-Down Effective Date;
 - pension entitlements based on the German Pension Rights Adjustment Act (*Versorgungsausgleichsgesetz*) to which qualifying former spouses of employees from the CE Business Division are entitled;
 - pension commitments to employees of the CE Business Division with whom active employment relationships exist on the Hive-Down Effective Date;
 - pension commitments to acting or former members of the Management Board of METRO AG and their surviving dependants;
- d) all rights and obligations
- from existing pension reinsurance cover for the pension commitments listed in § 4.5 lit. c) of this Demerger Agreement;
 - from existing insurance policies for the pension commitments listed in § 4.5 lit. c) of this Demerger Agreement that have been taken out by METRO AG to satisfy direct insurance commitments;
 - with respect to pension scheme and pension fund assets to the extent that they are allocable to the pension commitments specified in § 4.5 lit. c) of this Demerger Agreement; and
 - with respect to the legal responsibility regarding METRO Unterstützungskasse e.V., including any legal positions regarding cover funds existing there, and vice versa any existing funding obligations; as well as
 - any and all rights and obligations of METRO AG vis-à-vis Pensions-Sicherungs-Verein Versicherungsverein auf Gegenseitigkeit (PSVaG), irrespective of whether these relate to the pension commitments listed in § 4.5 lit. c) or in § 5.5 lit. d) of this Demerger Agreement; as well as
- e) the tax receivables listed in **Annex 4.5.e)**, in each case including – if any – related tax ancillary payments as defined in § 3 para. 4 of the German General Tax Code (*Abgabenordnung – AO*) that may arise.

4.6 Further liabilities

In addition, the following liabilities of METRO AG shall form part of the CE Assets:

- a) the contingencies specified in **Annex 4.6.a)** for which provisions have been created;
- b) liabilities to CE Associated Companies, unless they concern the MWFS Business Division;
- c) the Revolving Credit Facility Agreement yet to be concluded with respect to the CE Business Division and the related finance documents (including, in particular, letters of engagement and fee agreements) with all pertaining rights and obligations;
- d) any liabilities from commercial papers issued or yet to be issued under the EUR 2 billion French Commercial Paper Programme (EUR 2,000,000,000 French Billets de Trésorerie Programme pursuant to the Information Memorandum dated 15 April 2016 (as amended from time to time)), each including the respective rights and obligations relating thereto or to the Programme as such and the pertaining and/or related contractual relationships and the pertaining rights and obligations (including in particular rights and obligations from assumption agreements, paying agent agreements, agency agreements and listing agreements);
- e) the tax liabilities recognised in the balance sheet, as listed in **Annex 4.6.e)**, in each case including any related tax ancillary payments as defined in § 3 para. 4 AO; and also
- f) the contingent tax liabilities not recognised in the balance sheet, as listed in **Annex 4.6.f)**, in each case including any related tax ancillary payments as defined in § 3 para. 4 AO that may arise.

4.7 Contracts

In addition, the following assets of METRO AG shall form part of the CE Assets:

- a) the contracts and other contractual and legal relationships and the respective pertaining rights and obligations listed in **Annex 4.7.a)**;
- b) this Demerger Agreement and any rights and obligations in connection with the demerger audit; and also

- c) any legal relationships (including contract offers, protection of legitimate expectations, grandfathering, decision-making rights) supplementing, modifying, extending, terminating or substituting the legal relationships stated in § 4 of this Demerger Agreement, as well as any legal relationships relating to the items forming part of the CE Assets.

4.8 Memberships

Furthermore, the CE Assets shall include the memberships and other legal positions and duties towards the associations, groups and organisations listed in **Annex 4.8**.

4.9 Litigation and legal proceedings

The CE Assets shall further include (i) the litigation listed in **Annex 4.9.1**; (ii) the litigation listed in **Annex 4.9.2**; and (iii) other litigation and other procedural legal relationships resulting from the title to items or the position as contracting party in contracts forming part of the CE Assets. Moreover, the CE Assets shall include the rights or obligations of METRO AG asserted under such litigation or legal proceedings and also the related contracts, including in particular the contracts listed in **Annex 4.9.3** relating to the litigation listed in **Annex 4.9.1**.

4.10 Assets of METRO AG as a public company listed on German stock exchanges

The CE Assets shall further include any and all assets of METRO AG which have come into existence or will still come into existence at METRO AG in its capacity as a listed public company, in particular:

- a) all rights and obligations of METRO AG towards shareholders of METRO AG, including in particular:
 - those resulting from agreements with or promises from shareholders, including the pertaining agreement;
 - those resulting from litigation or legal proceedings with shareholders; and also
 - those resulting from shareholders' dividend rights;
- b) the commission relationship and any rights and obligations of METRO AG towards its independent auditor;
- c) all rights and obligations of METRO AG in connection with the admission of METRO shares (German Securities ID ordinary shares: 725750, ISIN: DE0007257503; German Securities ID preference shares: 725753, ISIN: DE0007257537) to the Regulated

Market of the Frankfurt Stock Exchange (Prime Standard) as well as to the stock exchange in Düsseldorf and the participation in over-the-counter trading of the stock exchanges in Berlin, Hamburg, Hanover, Munich and Stuttgart as well as the Tradegate Exchange;

- d) all rights and obligations out of or in connection with the legal relationships under public law stated in **Annex 4.10.d**); and also
- e) all business documents relating to METRO AG in its capacity as a stock corporation and public company listed on German stock exchanges.

4.11 Other assets of the CE Business Division

In addition, the following assets of METRO AG shall form part of the CE Assets:

- a) all assets recognised in the balance sheet as per 1 October 2016, 00:00 a.m. derived from the Closing Balance Sheet (§ 3.3 of this Demerger Agreement), hereto attached as **Annex 4.11.a**) (CE Balance Sheet);
- b) all assets that do not require recognition in the balance sheet, cannot be recognised in the balance sheet or are actually not included in the balance sheet, having arisen or henceforth arising from the business activities of the CE Business Division or otherwise existing in connection with items of the CE Assets;
- c) all assets that according to the generally accepted accounting principles are recorded in the company code of the CE Business Division as of the Relevant Hive-Down Date or subsequently become thus recorded;
- d) all assets forming the functionally material operational basis of the CE Business Division on 30 September 2016 12:00 p.m./1 October 2016, 0:00 a.m.;
- e) all assets resulting from the activities of staff from the CE Business Division in the period from the Relevant Hive-Down Date and that do not relate to the MWFS Business Division; and also
- f) all assets resulting from legal acts that were or are performed, express or implied, on behalf of the CE Business Division, in particular for the CE Branch of Activity.

4.12 Neutral assets

Furthermore, the following so-called neutral assets, most of which neither pertain clearly to the CE Business Division nor clearly to the MWFS Business Division, shall be allocated to the CE Assets:

- a) The assets listed in **Annex 4.12.1** shall be allocated to the CE Assets in the extent therein described to remain with METRO AG.
- b) The partial claim described in **Annex 4.12.2** shall be allocated to the CE Assets for contribution into MWFS AG.
- c) The assets listed in **Annex 4.12.3** shall be allocated to the extent described therein to the CE Assets for contribution into MGLEH (which is allocated to the Spin-Off Assets).

§ 5

Hive-Down Assets

With the exception of the CE Assets and the Spin-Off Assets, all of the assets of METRO AG shall form part of the Hive-Down Assets, including, but not limited to the following specified assets of METRO AG:

5.1 Company interests

The Hive-Down Assets shall comprise, in particular:

- a) any and all shares held by METRO AG in the companies listed in **Annex 5.1.a)** (these companies as well as companies in which the latter companies hold a direct or indirect interest, together with MWFS AG and the companies listed in § 17.3 of this Demerger Agreement and their respective direct or indirect subsidiaries and company interests are herein also referred as "**MWFS Associated Companies**"); as well as
- b) the loan granted that are listed in **Annex 5.1.b)** and any and all loans granted to MWFS Associated Companies that occurred after the Relevant Hive-Down Date, in each case including the legal relationships underlying such borrowings.

The allocation of a company interest to the Hive-Down Assets shall include all pertaining rights and obligations, including in particular any entitlement to a share in profits. The same shall apply with respect to syndication agreements and other shareholder agreements connected with or related to such company interest as well as to enterprise agreements, and also, in the event that the company interest is not vested in company law, but is merely an

economic interest (e.g. through a trust relationship), with respect to the legal position that confers the economic interest. Enterprise agreements that were or are entered into with other MWFS Associated Companies (also if they are held indirectly) than those MWFS Associated Companies listed in § 17.3 of this Demerger Agreement and their subsidiaries shall also form part of the Hive-Down Assets. The same shall apply to loss assumption declarations that were or are issued vis-à-vis such companies.

5.2 Personal assets

In addition, the Hive-Down Assets shall comprise, in particular:

- a) the employment relationships with the employees of METRO AG listed in **Annex 5.2.a)** and also all existing contracts and other legal relationships with these employees and the resulting rights and obligations (including the obligations under social security law);
- b) all rights and obligations of METRO AG towards current or retired members of corporate bodies, members of staff or employees of the MWFS Associated Companies or company interests previously allocated to the MWFS Business Division; and also
- c) with the exception of pension commitments (current pensions, vested expectant rights and similar obligations, in particular from transitional benefits for early and premature retirement), all rights and obligations of METRO AG towards the members of the Management Board of METRO AG no longer acting on the Relevant Hive-Down Date and their surviving dependants, including the rights and obligations arising from the status as members of a corporate body and all contracts or other legal relationships, including in particular employment and severance agreements.

5.3 Items of property

In addition, the Hive-Down Assets shall comprise, in particular:

- a) the business documents (including those stored on mobile data storage devices) of METRO AG that are neither located in the premises of the CE Branch of Activity (Brücke 1, 1st floor, Schlüterstraße 1, 40235 Düsseldorf) nor kept by staff or service providers of the CE Branch of Activity exclusively for the CE Business Division.
- b) the tenancy agreements listed in **Annex 5.3.b)** and the facility management agreement also listed therein;

- c) the agreements on car leasing listed in **Annex 5.3.c)** as well as other rental or lease agreements or usage relationships of METRO AG for movable property allocable to the MWFS Business Division and owned by a third party; as well as
- d) the rights equivalent to real property and rights in real property listed in **Annex 5.3.d)**.

5.4 Industrial property rights

In addition, the Hive-Down Assets shall comprise, in particular:

- a) any internally generated property rights and similar rights and assets, purchased concessions, industrial property rights and similar rights and assets as well as licenses and other legal positions in connection with such property rights and assets, including, but not limited to all legal positions of METRO AG in the trademarks listed in **Annex 5.4.a)**;
- b) any know-how not to be allocated exclusively to the CE Business Division and its employees, including media materials (photos, videos, charts, audio material etc.) ("**MWFS Know-How**"); as well as
- c) any rights of METRO AG in internally generated software as well as the software licenses to be allocated to the MWFS Business Division, in particular the activities of the MWFS Branch of Activity.

To the extent that METRO AG is only a joint beneficiary of MWFS Know-How, its co-beneficial interest shall form part of the Hive-Down Assets.

5.5 Finance, duties and pensions

In addition, the Hive-Down Assets shall comprise, in particular:

- a) the bank accounts listed in **Annex 5.5.a)**, in each case with the pertaining entries, balances, rights and obligations;
- b) the rights and obligations of METRO AG from the collateral, joint obligations and liabilities of METRO AG listed in **Annex 5.5.b).1** as well as from comfort letters of METRO AG for liabilities of MWFS Associated Companies, including, but not limited to the comfort letters listed in **Annex 5.5.b).2**;

- c) the rights and obligations of METRO AG from or in connection with the collateral, joint obligations and liabilities assumed by a third party (in particular rights to recourse and security rights of the third party) as listed in **Annex 5.5.c**);
- d) the rights and obligations (including obligations relating to any insufficient funds of pension institutions) arising from or in connection with the following pension commitments existing at METRO AG (current pensions, vested expectant rights and similar obligations, including in particular from transition payments for early and premature retirement):
- pension commitments to employees of the MWFS Business Division with whom employment relationships exist at the Hive-Down Effective Date which are transferred to MWFS AG pursuant to §§ 324 UmwG and 613a para. 1 of the German Civil Code (*Bürgerliches Gesetzbuch*);
 - pension commitments to those employees of the MWFS Business Division who retired or will retire between the Relevant Hive-Down Date and the Hive-Down Effective Date, and their surviving dependants; as well as
 - pension entitlements based on the German Pension Rights Adjustment Act (*Versorgungsausgleichsgesetz*) to which qualifying former spouses of employees from the MWFS Business Division are entitled;
- e) all rights and obligations
- from existing pension reinsurance cover for the pension commitments listed in § 5.5 lit. d) of this Demerger Agreement;
 - from existing insurance policies for the pension commitments listed in § 5.5 lit. d) of this Demerger Agreement that have been taken out by METRO AG to satisfy direct insurance commitments; as well as
 - with respect to pension scheme and pension fund assets to the extent that they are allocable to the pension commitments specified in § 5.5 lit. d) of this Demerger Agreement.
- f) the receivables listed in **Annex 5.5.f).1**, the partial receivable listed in **Annex 5.5.f).2** as well as any receivables from MWFS Associated Companies coming into existence after the Relevant Hive-Down Date; as well as

- g) the tax receivables listed in **Annex 5.5.g)**, in each case including any related tax ancillary payments as defined in § 3 para. 4 AO that may arise.

5.6 Further liabilities

In addition, the Hive-Down Assets shall comprise, in particular:

- a) the liabilities listed in **Annex 5.6.a)** as well as any and all liabilities to MWFS Associated Companies, unless they concern the CE Business Division;
- b) the liabilities from the bonds listed in **Annex 5.6.b)** and from other bonds that were or still will be issued under the programmes specified therein, each including the respective rights and obligations relating thereto or to the Programme as such and the pertaining and/or connected contractual relationships and the pertaining rights and obligations (including in particular from assumption agreements, paying agent agreements, agency agreements and listing agreements);
- c) the liabilities from the bonded loans listed in **Annex 5.6.c)**, in each case including the pertaining and/or connected contractual relationships and the pertaining rights and obligations (including in particular rights and obligations arising from the bonded loan agreements themselves and paying agent agreements);
- d) the agreements with banks listed in **Annex 5.6.d)**, in each case including the pertaining contractual relationships and the pertaining rights and obligations (among other things, loan repayment obligations); this includes, without limitation, the EUR 1,000,000,000 Revolving Credit Facility Agreement last amended on 30 April 2014 as well as the EUR 1,525,000,000 Revolving Credit Facility Agreement also last amended on 30 April 2014, both as amended and including the Demerger Consent, Amendment and Restatement Agreements yet to be concluded and in each case the finance documents in connection therewith (including, but not limited to mandate letters and fee agreements);
- e) the tax liabilities listed in **Annex 5.6.e)** that are recognised in the balance sheet, in each case including any related tax ancillary payments as defined in § 3 para. 4 AO that may arise;
- f) the uncertain tax liabilities listed in **Annex 5.6.f)** that are not recognised in the balance sheet, in each case including any related tax ancillary payments as defined in § 3 para. 4 AO that may arise;

- g) any contingent liabilities from prospectus liability in connection with the admission to the stock exchange described in § 33 of this Demerger Agreement.

5.7 Contractual agreements

In addition, the Hive-Down Assets shall comprise, in particular:

- a) the contractual agreements and other obligatory and legal relationships listed in **Annex 5.7.a)**, including the pertaining rights and obligations; as well as
- b) any legal relationships (including contract offers, protection of legitimate expectations, grandfathering, decision-making rights) supplementing, modifying, extending, terminating or substituting the legal relationships stated in § 5 of this Demerger Agreement, as well as any legal relationships relating to the items forming part of the Hive-Down Assets.

5.8 Memberships

Furthermore, the Hive-Down Assets shall include all memberships and other legal positions and duties of METRO AG towards the associations, groups and organisations listed in **Annex 5.8**.

5.9 Litigation and legal proceedings

Furthermore, the Hive-Down Assets shall comprise the relationships regarding the litigation as listed in **Annex 5.9** as well as all other litigation and legal relationships regarding proceedings of METRO AG in respect of items of the Hive-Down Assets or otherwise of the MWFS Business Division, in each case including the rights or obligations of METRO AG asserted under such litigation or legal proceedings and also the related contracts.

5.10 Other assets of the MWFS Business Division

In addition, the Hive-Down Assets shall comprise, in particular:

- a) any and all assets recognised in the balance sheet as per 1 October 2016, 00:00 a.m. derived from the Closing Balance Sheet (§ 3.3 of this Demerger Agreement), hereto attached as **Annex 5.10.a)** (Hive-Down Balance Sheet);
- b) any and all assets that do not require recognition in the balance sheet, cannot be recognised in the balance sheet or are actually not included in the balance sheet, having

- arisen or henceforth arising from the business activities of the MWFS Business Division or otherwise existing in connection with items of the Hive-Down Assets;
- c) any and all assets that according to the generally accepted accounting principles are recorded in the company code of the MWFS Business Division as of the Relevant Hive-Down Date or subsequently become thus recorded;
 - d) any and all assets forming the functionally material operational basis of the MWFS Business Division on 30 September 2016 12:00 p.m./1 October 2016, 0:00 a.m.;
 - e) any and all assets resulting from the activities of staff from the MWFS Business Division in the period from the Relevant Hive-Down Date and that do not relate to the CE Business Division; and also
 - f) any and all assets resulting from legal acts that were or are performed, express or implied, on behalf of the MWFS Business Division, in particular for the MWFS Branch of Activity.

§ 6

Provisions governing the Hive-Down Assets and the CE Assets

6.1 Trademark usage rights

METRO AG shall remain entitled to use the METRO trademark free of charge from the Relevant Hive-Down Date to the extent existing as at the Relevant Hive-Down Date, in particular to use the trademark in its company name. This right shall also comprise the usage right for companies affiliated with METRO AG as at the Relevant Hive-Down Date. The right shall not be transferable and shall expire three months after the register entry of an amendment of § 1 para. 1 of METRO AG's Articles of Association resolved by the ordinary general meeting of METRO AG.

6.2 Co-usage right for know-how

To the extent that know-how that is part of Hive-Down Assets was also used for the CE Business Division at the Relevant Hive-Down Date, METRO AG shall retain a non-exclusive, non-transferable, free-of-charge and non-terminable usage right in this respect, together with the right to sublicense such right to its affiliated companies. To the extent that a fee has to be paid to third parties for such know-how, METRO AG shall reimburse such fees to MWFS AG on a pro-rata basis, to the extent that such fees relate to the usage by the CE

Business Division between the Relevant Hive-Down Date and the taking effect of the hive-down or to the usage by METRO AG after the taking effect of the hive-down.

6.3 French Commercial Paper Programme

With regard to the EUR 2 billion French Commercial Paper Programme specified in § 4.6. lit. d) of this Demerger Agreement, the Parties agree that METRO AG shall continue such programme until the Hive-Down Effective Date for the account of and according to the instructions by MWFS AG. Accordingly, METRO AG shall issue bonds under the French Commercial Paper Programme when instructed by MWFS AG and shall pass on the resulting proceeds to MWFS AG. MWFS AG shall indemnify METRO AG from any liabilities arising from or in connection with the French Commercial Paper Programme. MWFS AG shall bear any costs associated with the continuation of the programme. METRO AG shall receive a fee for the continuation that is customary in the market.

6.4 Changes regarding assets after the Relevant Hive-Down Date

The partial receivable of the CE Assets specified in § 4.12. lit. b) shall not be allocated to METRO AG to remain with METRO AG for the purposes of the CE Business Division, but for contribution without consideration into MWFS AG and the pertaining economic allocation to the MWFS Business Division. The corresponding contribution has already been made by METRO AG into METRO Zwischenholding KG and subsequently from METRO Zwischenholding KG into MWFS AG.

6.5 Economic allocation of taxes

In relation to all tax receivables and tax liabilities (whether certain or uncertain, recognised or not recognised in the balance sheet) of METRO AG, § 26 of this Demerger Agreement as well as Section D of the Group Separation Agreement (§ 34 of this Demerger Agreement) shall apply, both of which govern the economic allocation between the Parties to the MWFS Business Division and to the CE Business Division internally and, at the same time, undertake an internal risk allocation between the Parties. In the event of any conflict, the provisions agreed in Section D of the Group Separation Agreement (§ 34 of this Demerger Agreement) shall prevail as special provisions over the rules stipulated in § 26 of this Demerger Agreement.

6.6 Pension liabilities to active Management Board members of METRO AG

It is intended that the currently acting members of METRO AG's Management Board, Mr. Olaf Koch, Mr. Pieter C. Boone and Mr. Heiko Hutmacher shall resign from their posi-

tions in METRO AG as at the Spin-Off Effective Date (§ 25.2 of this Demerger Agreement) by amicable agreement and shall be appointed members of the Management Board of MWFS AG. In this context, the obligations of METRO AG from pension commitments for active members of METRO AG's Management Board shall be assumed by MWFS AG with full discharging effect. Therefore, MWFS AG undertakes to indemnify METRO AG from any obligations arising under these pension commitments.

6.7 Financing of pension liabilities

The provisions for the pension commitments listed in § 5.5 lit. d) of this Demerger Agreement shall be recognised at MWFS AG after the hive-down taking effect, while the provisions for the pension commitments listed in § 4.5 lit. c) of this Demerger Agreement shall continue to be recognised at METRO AG.

No later than at the time when the hive-down takes effect, both METRO AG and MWFS AG will be members of Hamburger Pensionsrückdeckungskasse VVaG.

No later than from the time of the hive-down taking effect, both METRO AG and MWFS AG will be members of Hamburger Pensionskasse von 1905 VVaG. The Parties shall ensure that the cover assets existing at Hamburger Pensionskasse von 1905 VVaG are allocated to the CE Assets or to the Hive-Down Assets in accordance with the allocation of the pension trust commitments granted by METRO AG pursuant to § 4.5 lit. c) and § 5.5 lit. d) of this Demerger Agreement and will be available in future in accordance with their allocation as cover assets for commitments of METRO AG and MWFS AG, respectively. The same shall apply to cover assets of other pension trusts through which the settlement of commitments of METRO AG in relation to benefits under company pension schemes is effected, as well as to cover assets of Swiss Life International Pension Fund a.s.b.l. In particular with Swiss Life International Pension Fund a.s.b.l. , the Parties shall enter into corresponding understandings until the hive-down takes effect.

METRO AG shall remain the sponsoring entity of METRO Unterstützungskasse e.V. MWFS AG shall not become the sponsoring entity of METRO Unterstützungskasse e.V. As from the Hive-Down Effective Date, the cover assets existing at METRO Unterstützungskasse e.V. shall be available exclusively as cover assets for pension fund commitments made through METRO Unterstützungskasse e.V. to the extent that such cover assets form part of the CE Assets pursuant to § 4.5 lit. c) of this Demerger Agreement.

6.8 Assumption of costs for objecting employees

At the Hive-Down Effective Date, all employment relationships entered into with METRO AG employees that are allocated to the MWFS Branch of Activity at that time will transfer to MWFS AG together with all rights and obligations, unless the employees affected object to such transfer pursuant to § 613a para. 6 German Civil Code. METRO AG and MWFS AG undertake to inform each other immediately about any such objections. In the case of such objections, MWFS AG shall indemnify METRO AG from any appropriate costs and expenses incurred by METRO AG for the period from the Hive-Down Effective Date due to the continuation of the employment relationships between objecting employees and METRO AG (including costs for the employee's remuneration and the costs and expenses for the termination of the employment relationship), in each case provided that METRO AG immediately issues a termination against the objecting employee at the next possible date. METRO AG shall conduct the termination of employment relationships, including any legal proceedings, in accordance with the instructions and for the account of MWFS AG, and MWFS AG shall provide logistic support to METRO AG to the extent legally permissible.

6.9 Separation of claims from the underlying agreements

To the extent that a claim pursuant to § 4.12 of this Demerger Agreement remains part of the CE Assets, but the underlying contractual relationship is transferred to MWFS AG as part of the Hive-Down Assets upon the hive-down taking effect, MWFS AG shall not modify the contractual relationship in a manner or exercise rights thereunder in a manner which detrimentally affects the claim allocated to METRO AG.

III.

Consideration and capital measures; special rights and privileges

§ 7

Granting of shares and capital measures

- 7.1 By way of consideration for the transfer of the Hive-Down Assets to MWFS AG, METRO AG shall receive 3,601,217 no-par value ordinary bearer shares in MWFS AG and 29,755 no-par value non-voting preference bearer shares in MWFS AG.
- 7.2 The shares to be granted by MWFS AG will be entitled to a share in profits for the financial years from (and including) 1 October 2016.
- 7.3 In order to implement the hive-down, MWFS AG shall increase its share capital by EUR 3,630,972 through the issue of 3,601,217 no-par value ordinary bearer shares and

29,755 no-par value non-voting preference bearer shares in MWFS AG ("**Hive-Down Capital Increase**"). Each new no-par value share shall account for EUR 1 in the amount of the share capital increase.

- 7.4 The contribution in kind is made by transfer of the Hive-Down Assets. To the extent that the value at which the contribution in kind made by METRO AG is received by MWFS AG exceeds the amount of the share capital increase specified in § 7.3 of this Demerger Agreement, such excess amount shall be transferred to the capital reserve of MWFS AG pursuant to § 272 para. 2 no. 1 of the German Commercial Code (*Handelsgesetzbuch* – HGB).

§ 8

Granting of special rights and benefits

Those special rights and benefits within the meaning of § 126 para. 1 no. 7 and 8 UmwG that are described in more detail in § 30 and § 31 of this Demerger Agreement will be granted.

IV.

Consequences of the hive-down for the employees and their representative bodies

The hive-down results in the transfer of the MWFS Branch of Activity within the meaning of § 613a BGB to MWFS AG, which so far has been a subsidiary of METRO AG, while the CE Branch of Activity remains with METRO AG. Upon the hive-down taking effect, the operational activities of METRO AG, which currently consist of the CE Branch of Activity and the MWFS Branch of Activity, are divided up under works constitution law: The division under works constitution laws results in the creation of two separate independent operational activities which shall exist in two separate companies: the CE operational activities at METRO AG ("**CE Operational Activities**") and the MWFS operational activities at MWFS AG ("**MWFS Operational Activities**").

Against the backdrop of the division under works constitution law, METRO AG and its works council agreed on a reconciliation of interests on 8 November 2016. The reconciliation of interests governs the division under works constitution law of the previous operational activities of METRO AG as of the Hive-Down Effective Date into the two independent operational activities of the CE Operational Activities and the MWFS Operational Activities and mostly contains provisions regarding the separate operating organisation and the separate management of the CE Operational Activities and the MWFS Operational Activities, the allocation of employees to the two operational activities, the CE Operational Activities and MWFS Operational Activities, and the responsibility of METRO AG's works council.

By virtue of the spin-off of the Spin-Off Assets to MWFS AG following the hive-down, MWFS AG will leave the company group of METRO AG and will become a separate, independent company, which will become a listed company immediately thereafter.

This Section B.IV describes the consequences of the hive-down for the employees and their representative bodies as well as the measures envisaged in this context. The consequences of the spin-off for the employees and their representative bodies as well as the measures envisaged in this context are described in C.III.

§ 9

Individual legal effects of the hive-down for the employees

- 9.1 At the Hive-Down Effective Date, all employment relationships entered into with METRO AG employees that are allocated to the MWFS Branch of Activity at that time will transfer to MWFS AG together with all rights and obligations, unless the employees affected object to such transfer pursuant to § 613a para. 6 BGB. **Annex 5.2.a)** contains a list of the personnel numbers of those employees who are allocated to the MWFS Branch of Activity at the Relevant Hive-Down Date and whose employment relationships will be transferred to MWFS AG based on the status at the Relevant Hive-Down Date. The list shall be updated until the Hive-Down Effective Date and shall then include the personnel numbers of those employees who are allocated to the MWFS Branch of Activity as at the date the hive-down of the MWFS Branch of Activity takes effect and who are therefore transferred to MWFS AG. In connection with the transferred employment relationships, the hive-down shall not result in any changes in the contractual employment conditions, including any business routines, collective commitments and uniform rules. The transferred employment relationships will continue with MWFS AG by operation of law, with existing periods of service being taken into account. The place of service shall not change as a consequence of the transfer of the employment relationships.
- 9.2 METRO AG's employees allocated to the MWFS Branch of Activity shall be informed about the hive-down, the reasons for the hive-down and the associated consequences pursuant to § 324 UmwG in conjunction with § 613a para. 5 BGB. Within one month of receipt of this information, the employees affected may exercise their right to object to the transfer of their employment relationships to MWFS AG pursuant to § 613a para. 6 BGB. The employment relationships of the employees who object to the transfer of their employment relationships pursuant to § 613a BGB are not transferred to MWFS AG, but will remain at METRO AG. Employees who object to the transfer of their employment relationships to MWFS AG must expect to become subject to a dismissal due to operational reasons.
- 9.3 The termination of the employment relationship of an employee based on the transfer of the MWFS Branch of Activity to MWFS AG is invalid pursuant to § 324 UmwG in conjunction with § 613a para. 4 BGB. The right to terminate for other reasons remains unaffected pursuant to § 613a para. 4 sent. 2 BGB.

- 9.4 The employment relationships of the employees to be allocated to the CE Branch of Activity will not be affected by the hive-down. **Annex 4.2.c)** includes a list of personnel numbers of those employees who are allocated to the CE Branch of Activity as at the Relevant Hive-Down Date and whose employment relationships existing at the Relevant Hive-Down Date will not be transferred to MWFS AG. The list shall be updated until the Hive-Down Effective Date and shall then include the personnel numbers of those employees who are allocated to the CE Branch of Activity as at the date of the transfer of the MWFS Branch of Activity and who are therefore not transferred to MWFS AG.
- 9.5 Commitments for benefits under occupational pension schemes granted to employees of METRO AG shall be continued after the hive-down takes effect by METRO AG or, to the extent that the employment relationships are transferred to MWFS AG, by MWFS AG, taking into account the vested period of service. This shall also apply to vested entitlements to benefits under occupational pension schemes which were acquired by active employees of METRO AG for employment periods that are already completed. Direct commitments, direct insurance commitments as well as commitments to be settled via Hamburger Pensionskasse von 1905 VVaG or another pension trust or Swiss Life International Pension Fund a.s.b.l., in each case granted to employees of METRO AG, shall be continued unchanged. No later than at the time when the hive-down takes effect, both METRO AG and MWFS AG shall be members of Hamburger Pensionskasse von 1905 VVaG, and METRO AG and MWFS AG shall have entered into agreements with Swiss Life International Pension Fund a.s.b.l. which allow for a continuation of the commitments for benefits under company pension schemes. Pension fund commitments to be settled via METRO Unterstützungskasse e.V. and granted to employees that remain with METRO AG shall be continued unchanged. It is intended that the pension fund commitments to be settled via METRO Unterstützungskasse e.V. and granted to employees who are transferred to MWFS AG will be continued in form of a direct commitment as from the Hive-Down Effective Date.
- 9.6 The hive-down shall have no effects on the bonus agreements or long-term incentive programmes that apply to certain employees in the operational activities of METRO AG. However, the spin-off, as described in § 20.2 of this Demerger Agreement, will have an impact on these bonus agreements or long-term incentive programmes.
- 9.7 As from the Hive-Down Effective Date, METRO AG and MWFS AG will be jointly and severally liable pursuant to § 133 UmwG for liabilities arising from both the employment relationships that are transferred to MWFS AG and those remaining with METRO AG that were created before the hive-down takes effect. In this context, METRO AG shall only be liable for these liabilities if such liabilities become due prior to the expiry of five years after the hive-down and claims therefrom have been determined against METRO AG in a form described

in § 197 para. 1 nos. 3 to 5 BGB, if METRO AG has acknowledged the claim in writing or a judicial or regulatory act of enforcement is conducted or applied for. The abovementioned term is ten years for any benefit obligations that have arisen prior to the Hive-Down Effective Date under the German Company Pensions Act (*Betriebsrentengesetz – BetrAVG*). The five-year or ten-year term shall commence on the day on which the registration of the hive-down is published in the commercial register. MWFS AG shall be liable from the Hive-Down Effective Date for all claims under the employment relationships transferred to MWFS AG even beyond the abovementioned term.

- 9.8 MWFS AG currently has no operational activities and does not employ any employees. Therefore, the hive-down has no consequences for employees of MWFS AG.

§ 10

Consequences of the hive-down for the employees' representative bodies under works constitution law

- 10.1 The works council, which is currently responsible for both branches of activity (CE Branch of Activity and MWFS Branch of Activity) of METRO AG, will continue to exist for the MWFS Operational Activities of MWFS AG upon the division of the operational activities of METRO AG under works constitution law which will occur upon the hive-down taking effect: The MWFS Operational Activities will continue the operational identity of the original operational activities at METRO AG. Therefore, the works council will remain in office at the MWFS Operational Activities of MWFS AG. For the CE Operational Activities, there will be no separate works council for the time being; a new works council may be elected for the CE Operational Activities after the division of the operational activities of METRO AG under works constitution law which will occur upon the hive-down taking effect. The works council of the operational activities existing at METRO AG prior to the division of operational activities will perform a transitional mandate for the employees of the CE Operational Activities of METRO AG pursuant to § 21a of the German Works Constitution Act (*Betriebsverfassungsgesetz – BetrVG*) until a separate works council is elected for the CE Operational Activities, however, not longer than until the expiry of a six-month period after the division of operational activities. The composition of the works council will not change during the term of the transitional mandate. However, after completion of the transitional mandate, the works council membership of those employees who remain employees of METRO AG will end automatically.
- 10.2 The representative body for severely disabled persons existing for the operational activities of METRO AG prior to the division under works constitution law will continue to exist for the MWFS Operational Activities. However, the composition will be changed insofar as those

members of the representative body for severely disabled persons, who are not transferred to MWFS AG together with the MWFS Branch of Activity by way of the hive-down, will remain employees of METRO AG and will cease to hold their office. After the division of the operational activities under works constitution law in the context of the hive-down, a new representative body for severely disabled persons may be elected in the CE Operational Activities of METRO AG. There is no representative body for young employees or trainees in the operational activities of METRO AG.

- 10.3 The group works council existing at METRO AG and the European works council shall remain unaffected by the hive-down. Besides, the hive-down shall not have any effects on the group representative body for severely disabled persons, either. There is no group representative body for young employees or trainees at METRO AG.
- 10.4 The economic committee existing at METRO AG shall continue to exist at MWFS AG after the hive-down.

§ 11

Consequences of the hive-down for existing collective and works agreements

- 11.1 METRO AG, which employs staff in Düsseldorf and in Berlin, is a member of Handelsverband Deutschland e.V., an umbrella association of employers' associations, as well as in particular of the employers' associations Handelsverband Nordrhein-Westfalen e.V. and Handelsverband Berlin-Brandenburg e.V., and for this reason METRO AG is bound by the collective agreements entered into between Handelsverband Nordrhein-Westfalen e.V. and Vereinte Dienstleistungsgewerkschaft (ver.di) for the retail sector in North Rhine-Westphalia and the collective agreements entered into between Handelsverband Berlin-Brandenburg e.V. and Vereinte Dienstleistungsgewerkschaft (ver.di) for the retail sector in Berlin. In this regard, the hive-down will not result in any changes for employees whose employment relationship is not transferred to MWFS AG.
- 11.2 MWFS AG, due to its operating activities in the past, is also a member of Handelsverband Deutschland e.V., an umbrella association of employers' associations, as well as in particular of the employers' associations Handelsverband Nordrhein-Westfalen e.V. and Handelsverband Berlin-Brandenburg e.V., and for this reason MWFS AG is bound to the collective agreements entered into between Handelsverband Nordrhein-Westfalen e.V. and Vereinte Dienstleistungsgewerkschaft (ver.di) for the retail sector in North Rhine-Westphalia, Germany and the collective agreements entered into between Handelsverband Berlin-Brandenburg e.V. and Vereinte Dienstleistungsgewerkschaft (ver.di) for the retail sector in

Berlin. Accordingly, the collective agreements applicable to the employees who are transferred to MWFS AG at the Hive-Down Effective Date will continue to apply on the basis applicable at the time when the hive-down takes effect. The collective agreements shall continue to apply under collective labour law for employees subject to collective agreements. In this respect, the hive-down does not result in any changes for the employees transferred to MWFS AG.

- 11.3 Works agreements which at the Hive-Down Effective Date apply to the employment relationships of the employees allocated to the CE Branch of Activity under collective labour law will continue to apply unchanged under collective labour law also after the hive-down has taken effect, regardless of whether or not a new works council for the CE Operational Activities is elected. Works agreements which at the Hive-Down Effective Date apply to the employment relationships of the employees allocated to the MWFS Branch of Activity under collective labour law will continue to apply unchanged under collective labour law also after the hive-down has taken effect.
- 11.4 Group-wide works agreements will continue to apply unchanged under collective labour law for the employees to be allocated to the CE Operational Activities and the MWFS Operational Activities after the hive-down has taken effect.

§ 12

Consequences of the hive-down for company co-determination and the Supervisory Board

- 12.1 At METRO AG, there is a Supervisory Board pursuant to the German Co-Determination Act (*Mitbestimmungsgesetz – "MitbestG"*); it consists of twenty members based on the principle of parity co-determination (ten Supervisory Board members each as representatives of the shareholders and of the employees, respectively). The hive-down has no consequences for the existence and the size of METRO AG's Supervisory Board. METRO AG will remain a company with a Supervisory Board consisting of twenty members subject to the principle of parity co-determination pursuant to the provisions of the MitbestG. The composition of the Supervisory Board as well as its members' term of office will not change as a consequence of the hive-down, either. In this respect, however, there will be effects as a result of the spin-off. These effects are described in § 23.1 of this Demerger Agreement.
- 12.2 MWFS AG currently has a Supervisory Board comprising three members. The Supervisory Board of MWFS AG is currently not subject to statutory employee co-determination. It is intended to extend the Supervisory Board of MWFS AG, prior to the Hive-Down Effective Date, to twenty members, all of whom shall be elected by the Annual General Meeting of MWFS AG. The hive-down has no consequences for the existence and the size of

MWFS AG's Supervisory Board. The composition of the Supervisory Board as well as its members' term of office will not change as a consequence of the hive-down, either. In this respect, however, there will be effects as a result of the spin-off. These effects are described in § 23.2 of this Demerger Agreement.

§ 13

Consequences for employees employed in the operational activities of subsidiaries

The hive-down has no consequences on the employment relationships and the employment conditions of employees employed in the subsidiaries of MWFS AG which are transferred by way of the hive-down or in MWFS AG's current subsidiaries or in the subsidiaries of METRO AG.

§ 14

Other measures envisaged with regard to employees and their representative bodies

- 14.1 As described in § 24.1 of this Demerger Agreement, METRO AG is currently planning an adjustment of its human resources planning and is in negotiations with its works council to achieve a reconciliation of interests.
- 14.2 Additional measures other than those described in §§ 9.1 to 14.1 of this Demerger Agreement are not envisaged in relation to the employees in connection with the hive-down.

C.

Spin-off

I.

Spin-off, Relevant Spin-Off Date, Spin-Off Balance Sheet, Spin-Off Assets

§ 15

Spin-off

- 15.1 METRO AG, as transferring entity, transfers by means of a spin-off by way of acquisition pursuant to § 123 para. 2 no. 1 UmwG the part of its assets specified in § 17 of this Demerger Agreement, together with all rights and obligations (hereinafter collectively referred to as "**Spin-Off Assets**"), in their entirety to MWFS AG as receiving entity in exchange for the granting of shares in MWFS AG to the shareholders of METRO AG pursuant to § 18 of this Demerger Agreement (spin-off preserving the proportion of company interests held).

- 15.2 Assets of METRO AG that are not allocated to the Spin-Off Assets pursuant to this Demerger Agreement or that are explicitly excluded from transfer in this Demerger Agreement (in particular the assets specified in § 4.12. lit. c) of this Demerger Agreement) shall not be transferred to MWFS AG by way of spin-off.

§ 16

Relevant Spin-Off Date and fiscal transfer effective date, Closing Balance Sheet

- 16.1 In the relationship between METRO AG and MWFS AG, the transfer of the Spin-Off Assets shall take place with economic effect as of 1 October 2016, 00:00 a.m. ("**Relevant Spin-Off Date**"). From this time onward, METRO AG and MWFS AG shall treat in their internal relationship any acts and transactions of METRO AG that concern the Spin-Off Assets to be made for the account of MWFS AG.
- 16.2 The fiscal transfer effective date for the spin-off shall be 30 September 2016, 12:00 p.m.
- 16.3 The Closing Balance Sheet of METRO AG pursuant to §§ 125 sent. 1, 17 para. 2 UmwG, which represents the basis for the spin-off, is the annual balance sheet of METRO AG as at 30 September 2016, 12:00 p.m., as described in § 3.3 of this Demerger Agreement and defined therein as Closing Balance Sheet. The annual balance sheet of METRO AG as per 30 September 2016, 12:00 p.m. was audited by the independent auditor KPMG AG Wirtschaftsprüfungsgesellschaft in the course of the annual financial statements, which were and received an unqualified audit opinion.
- 16.4 MWFS AG shall use the carrying amounts of the Spin-Off Assets recorded in the Closing Balance Sheet for its accounting under commercial law. The Spin-Off Assets shall be recognised at fair market value for income tax purposes.
- 16.5 In the period between the conclusion of this Demerger Agreement and the Spin-Off Effective Date (§ 25.2 of this Demerger Agreement), METRO AG shall manage and dispose of the Spin-Off Assets only in the course of its ordinary business and with the due diligence of a prudent business person and shall adhere to the provisions of this Demerger Agreement.

§ 17

Spin-Off Assets and Spin-Off Balance Sheet

- 17.1 The determination of the items to be allocated to the Spin-Off Assets shall be made on the basis of the spin-off balance sheet as per 1 October 2016, 0:00 a.m., derived from the Closing Balance Sheet (§ 16.3 of this Demerger Agreement) pursuant to **Annex 17.1 ("Spin-Off Balance Sheet")**.

- 17.2 The items of the Spin-Off Assets shall be transferred regardless of whether these are required or eligible to be recognised or whether these are actually recognised (in particular in the Spin-Off Balance Sheet).
- 17.3 The Spin-Off Assets shall include
- a) any and all shares in METRO Groß- und Lebensmitteleinzelhandel Holding GmbH (Local Court of Düsseldorf, HRB 40923);
 - b) the entire limited partnership interest in METRO Wholesale & Food Services Vermögensverwaltung GmbH & Co. KG (Local Court of Düsseldorf, HRA 24111); as well as
 - c) any and all shares in METRO Wholesale & Food Services Vermögensverwaltung Management GmbH (Local Court of Düsseldorf, HRB 78530);
- in each case including any associated rights and obligations, including, in particular, all profit participation rights.
- 17.4 The Spin-Off Assets shall also include the existing control and profit-and-loss transfer agreement between METRO AG, as controlling company, and METRO Groß- und Lebensmitteleinzelhandel Holding GmbH, as dependent company, dated 30 September 1991, as amended and restated on 19 February 2013, including any resulting rights and obligations, including, in particular, the loss assumption obligation for the 2015/16 financial year. The same shall apply with regard to other enterprise agreements which were or are entered into with companies listed in § 17.3 of this Demerger Agreement or their subsidiaries and such loss assumption declarations which were or are issued vis-à-vis such companies (in particular METRO Erste Erwerbsgesellschaft mbH).
- 17.5 In addition, the Spin-Off Assets shall comprise all business records that are to be allocated exclusively to the items of the Spin-Off Assets.
- 17.6 The additions and retirements of items to/from assets and liabilities occurring in the period between the Relevant Spin-Off Date and the Spin-Off Effective Date shall be accounted for when determining the Spin-Off Assets. This shall apply, in particular, with respect to surrogates of an asset *in rem* or under the law of obligations. Accordingly, the Spin-Off Assets shall include those items of assets and liabilities to be allocated to the Spin-Off Assets based on their origin and purpose that were added to or created in the Spin-Off Assets in the period between the Relevant Spin-Off Date and the Spin-Off Effective Date. Those items of the assets and liabilities that have been sold or otherwise transferred in the period between the

Relevant Spin-Off Date and the Spin-Off Effective Date or no longer exist at such point in time shall not be transferred to MWFS AG.

- 17.7 The assets of the CE Assets specified in § 4.12. lit. c) shall not be allocated to METRO AG to remain with METRO AG for the purposes of the CE Business Division, but for contribution into MGLEH (METRO Groß- und Lebensmitteleinzelhandel Holding GmbH) and the pertaining economic allocation to the MWFS Business Division. The corresponding contributions have already been made by METRO AG into MGLEH. To the extent that the assets listed in **Annex 4.12.3** (which was prepared as of the Relevant Hive-Down Date) no longer existed, in an amount of EUR 812,200,019.59 the contribution obligation of METRO AG assumed in the course of the contribution remained open, with the consequence that a payment liability of METRO AG vis-à-vis MGLEH exists in a corresponding amount (on which interest shall be payable at 0.53% p.a. from 30 September 2016, 12:00 p.m. / 1 October 2016, 0:00 a.m.).

II.

Consideration and capital measures; special rights and privileges

§ 18

Granting of shares, trustee and capital measures

- 18.1 By way of consideration for the transfer of the Spin-Off Assets to MWFS, the shareholders of METRO AG shall receive, in accordance with their respective interest (preserving the proportion of company interests held) one no-par value ordinary bearer share of MWFS AG for each no-par value ordinary bearer share of METRO AG, and one no-par value, non-voting preference bearer share of MWFS AG for each no-par value, non-voting preference bearer share of METRO AG. No additional cash payment shall be granted.
- 18.2 In total, the shareholders of METRO AG shall be granted 324,109,563 ordinary shares and 2,677,966 preference shares of MWFS AG. The shares of MWFS AG to be granted under § 18.1 of this Demerger Agreement will be the new shares to be created by means of the capital increase under § 18.4 of this Demerger Agreement.
- 18.3 The shares to be granted by MWFS AG will be entitled to a share in profits for the financial years from (and including) 1 October 2016.
- 18.4 For the implementation of the spin-off, MWFS AG shall increase its share capital by EUR 326,787,529 by issuing 324,109,563 no-par value ordinary bearer shares and 2,677,966 no-par value, non-voting preference bearer shares of MWFS AG ("**Spin-Off Capital Increase**"). Each new no-par value share shall account for EUR 1 in the amount of the share capital increase.

- 18.5 The contribution in kind is made by transfer of the Spin-Off Assets. To the extent that the value at which the contribution in kind made by METRO AG is received by MWFS AG, i.e. the commercial law carrying amount of the Spin-Off Assets at the Relevant Spin-Off Date, exceeds the amount of the share capital increase specified in § 18.4 of this Demerger Agreement, such excess amount shall be transferred to the capital reserve of MWFS AG pursuant to § 272 para. 2 no. 1 HGB.
- 18.6 METRO AG appoints Deutsche Bank Aktiengesellschaft, Frankfurt am Main, as trustee to receive the shares of MWFS AG to be granted and to deliver these to the shareholders of METRO AG. Possession of the shares to be granted will be provided to the trustee prior to the registration of the spin-off, and the trustee is instructed to provide such shares to the shareholders of METRO AG upon registration of the spin-off in the commercial register of METRO AG.

§ 19

Granting of special rights and benefits

Within the meaning of § 126 para. 1 no. 7 and 8 UmwG, those special rights and benefits that are described in more detail in § 30 and § 31 of this Demerger Agreement will be granted.

III.

Consequences of the spin-off for the employees and their representative bodies

Whereas in the course of the hive-down preceding the spin-off – as is described in Section B.IV – the MWFS Branch of Activity within the meaning of § 613a BGB will be transferred to MWFS AG and the CE Branch of Activity will remain with METRO AG, MWFS AG will leave the METRO Group due to the spin-off of the Spin-Off Assets to MWFS AG and become an autonomous, independent, listed company.

This Section C.III describes the consequences of the spin-off for the employees and their representative bodies as well as the measures envisaged in this context.

§ 20

Individual legal effects of the spin-off for the employees

- 20.1 The employment relationships of the employees of the MWFS Operational Activities, who will have been transferred to MWFS AG by means of the hive-down pursuant to § 613a BGB, will remain unaffected by the spin-off. Other than the effects described in §§ 20.2 and 20.3 of this Demerger Agreement, the spin-off will have no individual legal effects for the employees of MWFS AG.

Equally, the employment relationships of all employees of the CE Operational Activities will not be affected by the spin-off, either.

Nor will the spin-off have any individual legal effects on the employees of the companies of the future group of MWFS AG, which will be created upon the spin-off taking effect with MWFS AG as the new parent company. They will continue to be employees of their respective employer company; their employment relationships will not be affected by the spin-off.

The companies forming part of the Spin-Off Assets, i.e. METRO Groß- und Lebensmitteleinzelhandel Holding GmbH, METRO Wholesale & Food Services Vermögensverwaltung GmbH & Co. KG and METRO Wholesale & Food Services Vermögensverwaltung Management GmbH, do not employ any employees.

- 20.2 To the extent that any agreements of METRO AG or its group companies regarding bonus payments rely on financial indicators of METRO AG or of the METRO Group in order to determine the bonus factor, the indicators will be adjusted, taking into account the effects of the spin-off. To the extent that such agreements are works agreements, a corresponding adjustment will be made upon consultation with the competent works council.

The Long Term Incentive Programmes granted as of the Spin-Off Effective Date will, as is further described in § 31.1 of this Demerger Agreement and its Annex, be wound up early with effect as of the Spin-Off Effective Date, to the extent that the performance period has not expired, yet.

- 20.3 The effects of the hive-down for the commitments to company pension benefits made to employees of METRO AG and of the subsidiaries of METRO AG are described in § 9.5 of this Demerger Agreement. The spin-off will not affect the commitments to company pension benefits made to employees of METRO AG and of the subsidiaries of METRO AG. Such commitments shall be continued upon the spin-off taking effect, taking into account the vested periods of service.

§ 21

Consequences of the spin-off for the employees' representative bodies under works constitution law

- 21.1 The spin-off will have no effects on the existence, composition and term of office of the works councils existing at METRO AG and MWFS AG as well as at their group companies.

The works council that previously existed at METRO AG will, as is described in § 10.1 of this Demerger Agreement, continue to exist in the MWFS Operational Activities of MWFS AG as

a consequence of the division under works constitution law which occurs simultaneously with the hive-down taking effect. In the CE Operational Activities of METRO AG, a new works council may be elected. For the duration of the transitional mandate, the employees of the CE Operational Activities of METRO AG will be represented, as is described in § 10.1 of this Demerger Agreement, by the works council that continues to exist at the MWFS Operational Activities, as long as no new works council has been elected for the CE Operational Activities, but in no case for more than six months. In this respect, the spin-off will have no effects.

The spin-off will have no effects, either, on the general works councils existing at METRO AG and MWFS AG as well as at their group companies.

The effects of the hive-down for the representative body for severely disabled persons existing at METRO AG are described above in § 10.2 of this Demerger Agreement. The spin-off will have no effects on the representative bodies for young employees and trainees, the general representative bodies for young employees and trainees as well as on the representative bodies for severely disabled persons and on general representative bodies for severely disabled persons.

The effects of the hive-down for the economic committee existing at METRO AG are described above in § 10.4 of this Demerger Agreement. The spin-off will have no effects, either, on the general works councils existing at METRO AG and MWFS AG as well as at their group companies.

- 21.2 The group works council established at METRO AG will be dissolved with the spin-off taking effect, since due to the spin-off less than 50% of the employees employed at the group companies of METRO AG will be represented by works councils. A new group works council may be established at MWFS AG upon the spin-off taking effect.

Similarly, a group representative body for severely disabled persons as well as a group representative body for young employees and trainees may be established at MWFS AG, provided that the applicable statutory requirements are met.

- 21.3 The spin-off will have no effects on the existence and term of office of the the European Works Council existing at METRO AG, but on its composition, since the members of the European Works Council, whose employment relationship will be transferred to MWFS AG or who are employed at subsidiaries of MWFS AG, will cease to be members of the European Works Council. However, upon the spin-off taking effect, the European Works Council will no longer be in charge of the employees of MWFS AG and for the employees of its group companies. A new European Works Council may be established at MWFS AG upon the spin-off taking effect. The European Works Council at MWFS AG is intended to correspond to the

European Works Council currently existing at METRO AG in terms of composition, organisation and responsibilities, by means of concluding an agreement essentially corresponding to the Euroforum Agreement applicable to the European Works Council.

§ 22

Consequences for existing collective and works agreements

- 22.1 The spin-off will have not effects on the validity of collective agreements at METRO AG and MWFS AG, as described in §§ 11.1 and 11.2 of this Demerger Agreement. Nor will the spin-off have any effects on the validity of collective agreements at the group companies of METRO AG and MWFS AG.
- 22.2 The spin-off will have no effects on the works agreements applicable to the CE Operational Activities of METRO AG or to the operational activities of its group companies. The group works agreements in force at METRO AG at the Spin-Off Effective Date will remain in force under collective labour law upon the spin-off taking effect for the operational activities belonging to METRO Group.
- 22.3 The spin-off will have no effects on the works agreements applicable to the MWFS Operational Activities of MWFS AG or to the operational activities of its group companies. The group works agreements in force at METRO AG at the Spin-Off Effective Date will remain in force under collective labour law upon the spin-off taking effect for the operational activities of the MWFS group that will be created by means of the spin-off, to the extent that the arrangements made in the group works agreements do not require any further affiliation with the METRO Group.

§ 23

Consequences of the spin-off for company co-determination and the Supervisory Board

- 23.1 At METRO AG, there is a Supervisory Board pursuant to the provisions of the MitbestG based on the principle of parity co-determination. The spin-off has no consequences for the existence and the size of METRO AG's Supervisory Board. METRO AG will remain a company with a Supervisory Board consisting of twenty members subject to the principle of parity co-determination pursuant to the provisions of the MitbestG (ten Supervisory Board members each as representatives of the shareholders and of the employees, respectively).

The representatives of the employees on the Supervisory Board of METRO AG will be elected by the domestic employees of all companies and operational activities of METRO Group. MWFS AG and all other companies of the MWFS Group created by the spin-off will upon the

spin-off taking effect no longer be group companies of METRO AG, with the consequence that the employees of MWFS AG and any other domestic companies of the MWFS Group created by the spin-off will no longer be entitled to vote for and be elected to the Supervisory Board of METRO AG, but the Supervisory Board of MWFS AG. In this respect, the spin-off will affect the composition of the Supervisory Board: Six of the ten employee representatives on the Supervisory Board existing at METRO AG belong to the MWFS branch of activity, which will be transferred to MWFS AG. Upon the spin-off, one employee representative (Mr. Andreas Herwarth), who will be transferred to MWFS AG due to the hive-down, will leave the Supervisory Board, provided that he does not object to the transition of operational activities, as will all employees employed at subsidiaries of MWFS AG (Mr. Thomas Dommel, Mr. Werner Klockhaus, Mrs. Susanne Meister, Dr. Angela Pilkmann as well as Mr. Xaver Schiller), since due to the spin-off they no longer belong to METRO Group and are thus neither entitled to vote nor to be elected. Their positions on the Supervisory Board of METRO AG will be filled again, upon the spin-off taking effect. Upon the spin-off taking effect, it is intended that the court appointment of employee representatives from among the employees employed at the group companies of METRO AG is applied for. The Chairman of the Supervisory Board of METRO AG, Mr. Jürgen B. Steinemann, as well as the members of the Supervisory Board Mrs. Gwyn Burr as well as Mr. Mattheus P. M. (Theo) de Raad (all of whom are shareholder representatives) have resigned from their offices on the Supervisory Board with effect as of the Spin-Off Effective Date. The successors are to be elected by the Ordinary Shareholder's Meeting of METRO AG on 6 February 2017. The supervisory board of METRO AG will propose to this general meeting of shareholders – in addition to the reelection of Dr. Florian Funck and the election of Mrs. Regine Stachelhaus – to appoint Dr. Bernhard Düttmann, Mrs. Julia Goldin and Mrs. Jo Harlow as members replacing the aforementioned members leaving upon the spin-off taking effect, subject to the condition precedent of the spin-off taking effect.

- 23.2 MWFS AG currently has a Supervisory Board consisting of three members, who were appointed by the current sole shareholder, METRO Zwischenholding KG, in the course of the change of the legal form of MWFS AG into a German stock corporation. Since MWFS AG has up to now not employed any employees itself and the employees employed at its subsidiaries are not attributed to it, it currently does not have any supervisory board subject to statutory employee co-determination.

It is intended that already prior to the Hive-Down Effective Date the Supervisory Board of MWFS AG is increased to twenty members, all of whom will be elected by the General Meeting of MWFS AG. Of these, ten members will be the future shareholder representatives and ten will be elected upon proposal of the employees of the MWFS Business Division. Upon the spin-off taking effect, MWFS AG will be subject to the provisions of the MitbestG, as it

will be the parent company of the MWFS Group that will be created by the spin-off and thus will employ more than 2,000 employees due to the attribution under § 5 para. 1 sent. 1 MitbestG. It will constitute a supervisory board subject to parity co-determination. Upon the spin-off taking effect, the Management Board will conduct so-called status proceedings (*Statusverfahren*) pursuant to §§ 97 et seqq. AktG. The Parties assume that upon the spin-off taking effect, pursuant to the regulations of the MitbestG, usually more than 20,000 employees will be deemed employees of MWFS AG and consequently the Supervisory Board will comprise twenty members pursuant to § 7 para. 1 sent. 1 no. 1 MitbestG, ten of whom will be Supervisory Board members representing the shareholders and ten will represent the employees. The Articles of Association of MWFS AG will be amended accordingly.

Upon registration of such amendment of the Articles of Association, the term of office of all twenty members of the Supervisory Board so extended will end by operation of law. The members of the Supervisory Board are to be newly appointed as follows: The ten Supervisory Board members representing the shareholders shall already be elected prior to the spin-off taking effect by the General Meeting of MWFS AG through METRO Zwischenholding KG as sole shareholder, subject to the condition precedent of the registration of the amendment of the Articles of Association upon completion of the status proceedings. After completion of the status proceedings, the ten Supervisory Board members representing the employees will initially be appointed by the court.

§ 24

Other measures envisaged as regards employees and their representative bodies

- 24.1 METRO AG intends to adjust the personnel planning and to reorganise certain areas. In accordance with §§ 111 et seqq. BetrVG, METRO AG deliberates on the implementation of the measures intended and negotiates a reconciliation of interests with the works council. The background for the adjustment of personnel planning is the division of the Group due to the hive-down and the spin-off, which division entails a reorganisation of various areas of the MWFS Business Division. In the course of the planned measure, it is intended according to the current planning that in almost all areas of the departments of the Chairman of the Management Board (CEO), of the Chief Financial Officer and of the Management Board member responsible for HR as well as in the areas MCC Finance, MCC Strategy, MCC HR, House of Learning and International expansion personnel will be reduced in a total extent of approx. 177 jobs (number of employees), approx. 25 of which can transfer to subsidiaries of MWFS AG and continue to be employed there.

In the course of the reorganisation of the areas, it is further intended that the employment relationships existing with approx. 10 to 13 employees will be transferred from METRO Finance B.V. to METRO AG (MWFS Business Division) as of 1 January 2017.

- 24.2 Implementation of the reduction in workforce and reorganisation of the relevant areas will primarily be conducted by means of cancellation agreements, early retirement schemes as well as transfers within the MWFS Business Division.
- 24.3 No measures other than those described in §§ 20.1 to 24.2 of this Demerger Agreement are considered in view of employees in connection with the spin-off.

D.

Common provisions for hive-down and spin-off

The following provisions regard both the hive-down and the spin-off.

I.

Procedure for the Transfer

§ 25

Taking effect, Effective Date

- 25.1 The transfer of the Hive-Down Assets will take place with effect *in rem* at the time of registration of the hive-down in the commercial register of METRO AG and thus with the hive-down taking effect ("**Hive-Down Effective Date**").
- 25.2 The transfer of the Spin-Off Assets will take place with effect *in rem* at the time of registration of the spin-off in the commercial register of METRO AG and thus with the spin-off taking effect ("**Spin-Off Effective Date**").
- 25.3 Possession of movable property forming part of the Hive-Down Assets or the Spin-Off Assets will be transferred to MWFS AG on the relevant Effective Date. To the extent that any movable property is in the possession of any third parties, the relevant claim to recover possession also forms part of the Hive-Down Assets or the Spin-Off Assets.

§ 26**Catch-all provision**

- 26.1 To the extent that specific items, which pursuant to the Demerger Agreement are meant to be transferred to MWFS AG due to the hive-down or spin-off by way of partial universal succession, are not already transferred to MWFS AG by operation of law with the relevant registration of the hive-down or spin-off, METRO AG shall transfer such items by way of singular succession to MWFS AG. In this case, the Parties shall put each other in such positions internally as they would be in if the item had been transferred externally as of the Relevant Hive-Down Date or the Relevant Spin-Off Date, respectively. The Parties shall, to the extent reasonably possible, take all measures necessary and appropriate for a transfer by way of singular succession and shall cooperate to the best of their ability, in order to obtain any necessary third-party consents or any permits under public law.
- 26.2 To the extent that the transfer of an item of the Hive-Down Assets or of the Spin-Off Assets to MWFS AG by way of singular succession is not possible externally pursuant to § 26.1 of this Demerger Agreement or only with unreasonable effort, METRO AG and MWFS AG shall put each other in a position internally as if the transfer had been made also externally at the Relevant Hive-Down Date or the Relevant Spin-Off Date, respectively; in particular, MWFS AG shall as from this date bear all economic burdens and shall receive the entire economic benefit of such item. METRO AG shall grant to MWFS AG an irrevocable power of attorney which is unlimited in terms of time to represent the latter with regard to the item not transferred and particularly to assert the rights that pursuant to this Demerger Agreement are to be transferred to MWFS AG. METRO AG shall immediately inform MWFS AG of any and all matters regarding such item. Administration of the item shall be conducted exclusively by MWFS AG or, to the extent that this is not possible due to actual or legal reasons, as instructed by MWFS AG. In no case shall METRO AG make dispositions in respect of such item that has not been transferred without the prior written consent of MWFS AG.
- 26.3 To the extent that specific items form part of the CE Assets pursuant to this Agreement, but are transferred to MWFS AG upon the hive-down taking effect due to legal reasons, MWFS AG shall transfer such items back to METRO AG by way of singular succession. § 26.1 and § 26.2 of this Demerger Agreement shall apply accordingly.
- 26.4 If any item has been allocated by mistake to the Hive-Down Assets, the Spin-Off Assets or the CE Assets, the above provisions in § 26.1 and § 26.2 of this Demerger Agreement shall apply accordingly. This shall not apply with regard to the items listed in the Annexes to § 4 of this Demerger Agreement; in this respect the allocation to the CE Assets shall be final.

- 26.5 By means of the above regulations, at least the transfer of beneficial ownership within the meaning of § 39 para. 2 sent. 1 German General Tax Code (*Abgabenordnung – AO*) of the items of the Hive-Down Assets and of the Spin-Off Assets is to be effected.
- 26.6 § 26 shall apply accordingly with respect to the contributions pursuant to § 6.4 and § 17.7 of this Demerger Agreement.

To the extent that it was not possible for the receivables of the CE Assets (or surrogates thereof) specified in § 4.12. lit. c) of this Demerger Agreement to be contributed, because the latter were used for the purposes of the MWFS Business Division, MWFS AG shall be obliged to grant compensation for value to METRO AG. The amount of this claim to compensation for value shall amount to EUR 812,200,019.59. Interest shall be paid on this claim to compensation for value from the Relevant Hive-Down Date (inclusive) at 0.53% p.a. and shall be due upon the hive-down taking effect. The Parties shall ensure that the claim of METRO AG to compensation for value against MWFS AG are caused to be extinguished by set off with the open liability of METRO AG from the open cash contribution obligation promptly after the hive-down has become effective.

The Parties assume that no surrogates of receivables of the CE Assets specified in § 4.12. lit. c) of this Demerger Agreement existed on the date of the contribution that could have been contributed. In the event that against expectations surrogates are identified before the set-off is completed, such surrogates shall still be contributed by METRO AG into MGLEH, against adjustment of the amount of the open cash contribution obligation and of the claim to compensation for value of METRO AG. After the set-off has been conducted, such surrogates shall promptly be paid out by METRO AG to MWFS AG.

§ 27

Obligations to cooperate

- 27.1 METRO AG and MWFS AG shall make all declarations, execute all deeds and perform any other acts that may still be necessary or appropriate in connection with the transfer of the Hive-Down Assets or the Spin-Off Assets.
- 27.2 Each Party shall retain the business documents allocated to it under this Demerger Agreement (whether saved as hard copies or as electronic copies) during the statutory retention periods also for the other Party, and shall ensure that the other Party may access and make copies of such business documents or, as the case may be, access documents and data that are saved in electronic form. This shall also apply to business documents held by any company affiliated with any Party upon the spin-off taking effect. Regarding the details of im-

plementation, the Parties shall come to an agreement until the spin-off taking effect. Any statutory requirements, such as under data protection law, shall be met.

- 27.3 In case of any administrative proceedings or litigation (with regard to tax field audits, tax litigation and other tax matters, Section D of the Group Separation Agreement (§ 34 of this Demerger Agreement) applies), which relate to the CE Assets, the Hive-Down Assets or the Spin-Off Assets or where any Party or its affiliated enterprises are otherwise specifically able to provide support due to the common past as parts of METRO GROUP, the Parties shall support each other up until 31 December 2032. In particular, they shall provide to each other any and all information and documents that are necessary or appropriate to meet administrative requirements or to provide evidence to any authorities or courts, and shall mutually work towards providing appropriate support through their employees and the employees of their relevant affiliated companies.
- 27.4 As provided for in § 5.9 of this Demerger Agreement, the Hive-Down Assets shall also comprise any litigation and other procedural legal relationships, including any rights and obligations connected therewith. To the extent that according to the provisions of the applicable procedural rules any further steps are necessary for the complete transfer of party status from METRO AG to MWFS AG (such as consent of the other process participant(s)), the Parties shall work towards taking these steps being taken and MWFS AG replacing METRO AG as a party in the litigation and other procedural legal relationships subject to this provision.
- 27.5 If in the cases of § 27.4 of this Demerger Agreement no change of party is made, METRO AG shall continue to conduct proceedings by means of representative action. Proceedings shall be conducted for the account of MWFS AG. Internally, current conduct of proceedings shall be assumed by MWFS AG. METRO AG shall not conduct any procedural acts (particularly settlement, waiver, acknowledgement, confession, withdrawal or amendment of actions) without the prior consent of MWFS AG. MWFS AG shall indemnify METRO AG with regard to any liabilities and costs resulting from any litigation and other procedural legal relationships that are subject to this provision. METRO AG shall support MWFS AG in the course of process management, aiming at minimising the economic loss arising from proceedings for MWFS AG.
- 27.6 The claims of METRO AG asserted in the proceedings mentioned in **Annex 4.9.1** shall form part of the CE Assets, but are to be allocated, to the extent shown in **Annex 27.6**, to the MWFS Business Division. With regard to the claims to be allocated to the MWFS Business Division, the conduct of proceedings (including any earnings from or in connection with litigation financing or insurance, as the case may be) shall be conducted on behalf of MWFS AG.

Internally, the Parties shall consult each other in advance on the conduct of proceedings by METRO AG. To the extent that this affects or may affect the claims to be allocated to the MWFS Business Division, METRO AG shall not, in relation to the claims asserted by it in these proceedings, take any procedural measures (in particular, settlement, waiver, acknowledgement, confession, withdrawal or amendment of actions) without the prior consent of MWFS AG. To the extent that the claims to be allocated to the MWFS Business Division are concerned, the provisions in § 27.5 of this Demerger Agreement regarding liabilities and costs shall apply accordingly. This shall also apply to any costs and liabilities arising from litigation financing or insurance, as the case may be. If it cannot be determined to what extent the claims to be allocated to the MWFS Business Division are affected, the allocation of costs and liabilities between MWFS AG and METRO AG shall be made according to the proportion of the claims of METRO AG that are asserted in the relevant proceedings and are to be allocated to the MWFS Business Division to the remaining claims of METRO AG asserted.

§ 28

Exclusion of claims

Any claims and rights of MWFS AG against METRO AG due to the condition and existence of the items transferred by METRO AG pursuant to the Demerger Agreement as well as of the Hive-Down Assets or the Spin-Off Assets as a whole, regardless of their nature and regardless of the legal basis, shall herewith be expressly excluded, to the extent legally permissible. This shall also apply, in particular, to any claims under pre-contractual or contractual breaches of duty and to breaches of legal obligations as well as to rights which may lead to the cancellation or restitution of this Demerger Agreement.

§ 29

Protection of creditors and internal compensation

To the extent that no other distribution of burdens and liabilities from or in connection with Hive-Down Assets or Spin-Off Assets derives from this Demerger Agreement, the following provisions shall apply:

- 29.1 If and to the extent that METRO AG is held liable by creditors for liabilities, obligations or contingent liabilities which under the provisions of the Demerger Agreement are transferred to MWFS AG due to the provisions in § 133 UmwG or any other provisions, or is held liable for liabilities under future statutory obligation relationships which arise in connection with previous or future business activities of the MWFS Business Division, MWFS AG shall indemnify METRO AG on first demand with regard to the relevant obligation. The same shall apply in case METRO AG is held liable by such creditors for granting security.

- 29.2 If and to the extent that MWFS is held liable by creditors for liabilities, obligations or contingent liabilities which under the provisions of the Demerger Agreement are not transferred to MWFS AG due to the provisions in § 133 UmwG or any other provisions, or is held liable for liabilities under future statutory obligation relationships which arise in connection with previous or future business activities of the CE Business Division, METRO AG shall indemnify MWFS AG on first demand with regard to the relevant obligation. The same shall apply in case MWFS AG is held liable by such creditors for granting security.
- 29.3 To the extent that any joint and several liability of any Party exists under § 133 para. 2 UmwG for the fulfilment of obligations pursuant to § 125 in conjunction with § 23 UmwG which are to be borne by the other Party pursuant to § 30.1 of this Demerger Agreement, the above provisions of this § 29 shall apply accordingly.

II.

Granting of special rights and benefits

§ 30

Granting of special rights within the meaning of § 126 para. 1 no. 7 UmwG

- 30.1 As consideration for the transfer of the Hive-Down Assets, METRO AG shall be granted, among other things, preference shares. The holders of preference shares of METRO AG shall be granted preference shares as consideration for the transfer of the Spin-Off Assets.

To fulfil the obligations under § 125 sent. 1 in conjunction with § 23 UmwG, the following measures are intended: The preference shares of MWFS AG are equipped with the preference described in **Annex 30.1**. The preference of the preference shares of METRO AG shall remain unchanged. MWFS AG shall be obliged to fulfil the obligations set forth in § 125 sent. 1 in conjunction with § 23 UmwG, to the extent that the design of preference shares is concerned. METRO AG shall be obliged to fulfil these obligations, to the extent that the design of the preference shares of METRO AG is concerned.

- 30.2 Only as a precautionary measure it is stated that METRO AG has granted to the members of the Management Board of METRO AG, to senior executives of METRO AG as well as to management bodies and senior executives of METRO GROUP share-based remuneration rights under a long-term incentive programme, the so-called Performance Share Plan 2009 to 2013, as described in more detail in **Annex 30.2**. At the time of conclusion of this Demerger Agreement only the rights granted in 2013 (Tranche 2013 of the Performance Share Plan) still exist. Should these rights still exist at the Spin-Off Effective Date, they shall be settled with effect as of the Spin-Off Effective Date in accordance with the provisions described in **Annex 30.2**.

- 30.3 Other than the above, no further rights will be granted to individual shareholders or holders of special rights within the meaning of § 126 para. 1 no. 7 UmwG, and no measures are intended for such persons within the meaning of said provision.

§ 31

Granting of special benefits within the meaning of § 126 para. 1 no. 8 UmwG

- 31.1 The members of the Management Board of METRO AG, senior executives of METRO AG as well as management bodies and senior executives of METRO GROUP belong to the group of persons entitled to the Long-Term Incentive Programmes that were granted by METRO AG. The tranches of the Long-Term Incentive Programmes granted as of the Spin-Off Effective Date for which the Performance Period has not yet expired shall be settled early with effect as of the Spin-Off Effective Date. The settlement shall have the effects described in **Annex 31.1** for the members of the Management Board of METRO AG, of the Management Board of MWFS AG and of the Supervisory Board of MWFS AG participating in the Long-Term Incentive Programmes.
- 31.2 Only as a precautionary measure it is stated that prior to the spin-off taking effect the Chairman of the Management Board of METRO AG, Mr. Olaf Koch, as well as the members of the Management Board of METRO AG, Mr. Pieter C. Boone and Mr. Heiko Hutmacher, are intended to be appointed as members of the Management Board of MWFS AG, the appointment of the member of the Management Board of MWFS AG, Mr. Christian Baier, is to be extended and Mr. Olaf Koch is to be appointed as Chairman of the Management Board of MWFS AG. Upon the spin-off taking effect, Mr. Olaf Koch, Mr. Pieter C. Boone and Mr. Heiko Hutmacher will leave the Management Board of METRO AG and Mr. Pieter Haas, member of the Management Board of METRO AG, will be appointed as Chairman of the Management Board of METRO AG. The appointment of Mr. Heiko Hutmacher as member of the Management Board of METRO AG has been extended until 30 September 2020. It is intended that the appointment of Mr. Mark Frese as member of the Management Board of METRO AG be extended in January 2016 until 31 December 2020.

With regard to the function for which Mr. Pieter Haas is responsible from the Relevant Hive-Down Date in respect of the CE Branch of Activity and his future role as Chairman of the Management Board of METRO AG after the spin-off has become effective with economic effect as of 1 October 2016, the target remuneration as management board member of Mr Haas was changed from a total of EUR 3.0mn p.a. to EUR 3.8mn p.a. In this respect, the basic remuneration was increased from EUR 900,000 to EUR 1.14mn p.a. The target amount of the performance-related remuneration was increased from EUR 900,000 to EUR 1.14mn p.a. and the target amount of the long-term remuneration from EUR 1.2mn to

EUR 1.52mn p.a. The target remuneration of the member of the Management Board of MWFS AG, Mr. Christian Baier, under his current employment agreement with METRO AG was increased with effect as of 1 October 2016 from EUR 1.34mn to EUR 2.05mn p.a. In this respect, the basic remuneration was increased from EUR 470,000 to EUR 700,000 p.a. The target amount of the performance-related remuneration was increased from EUR 320,000 to EUR 540,000 p.a. and the target amount of the long-term remuneration from EUR 550,000 to EUR 810,000 p.a.

- 31.3 Only as a precautionary measure it is stated that the member of the Supervisory Board of METRO AG, Mr. Jürgen A. Fitschen, is intended to be elected as Chairman of the Supervisory Board of METRO AG upon the spin-off taking effect. The Chairman of the Supervisory Board of METRO AG, Mr. Jürgen B. Steinemann, Deputy Chairman of the the Supervisory Board of METRO AG, Mr. Werner Klockhaus, as well as the members of the Supervisory Board of METRO AG, Mrs. Gwyn Burr, Mrs. Susanne Meister and Dr. Angela Pilkmann as well as Dr. Florian Funck, Mr. Peter Küpfer, Mr. Mattheus P. M (Theo) de Raad, Dr. Fredy Raas as well as Messrs. Thomas Dommel, Andreas Herwarth and Xaver Schiller are to be appointed as members of the Supervisory Board of MWFS AG already prior to the spin-off taking effect. Mr. Jürgen B. Steinemann is to be elected as Chairman of the Supervisory Board of MWFS AG. Reference is made to the details in § 23.1 of this Demerger Agreement on the leaving of office of members of the Supervisory Board of METRO AG as of the Spin-Off Effective Date.
- 31.4 In connection with the stock exchange listing of the shares of MWFS AG, the Parties intend to take out customary insurance for the risks typically entailed in a stock exchange listing. Insurance protection will also extend, inter alia, to the members of the Management Board and of the Supervisory Board of METRO AG and MWFS AG. The Parties shall consult with each other on the content of such insurance cover in terms of personal scope and substance, on the coverage amount, the insurance premium and the internal allocation thereof.
- 31.5 Other than the above, no special benefits within the meaning of § 126 para. 1 no. 8 UmwG will be granted to members of the Management Board or of the Supervisory Board of the companies participating in the hive-down and spin-off or to any auditor of financial statements or demerger auditor.

III.

Provisions under company and stock exchange law regarding MWFS AG

§ 32

Amendments of the Articles of Association and authorisations

- 32.1 METRO AG undertakes to ensure that prior to the spin-off taking effect the Articles of Association of MWFS AG will be amended in such manner as to contain, upon the spin-off taking effect and upon completion of the status proceedings referred to in § 23.2 of this Demerger Agreement, the provisions in the version enclosed as **Annex 32.1**.
- 32.2 METRO AG undertakes to ensure that prior to the spin-off taking effect the General Meeting of Shareholders of MWFS AG will resolve on the authorisation to acquire and use own shares pursuant to § 71 para. 1 no. 8 of the German Stock Corporation Act (*Aktiengesetz – "AktG"*), as attached in **Annex 32.2**.
- 32.3 METRO AG undertakes to ensure that prior to the spin-off taking effect the General Meeting of Shareholders of MWFS AG will resolve on the authorisation to issue convertible/warrant bonds under § 221 AktG, as attached in **Annex 32.3**.

§ 33

Stock exchange listing

- 33.1 The Parties undertake to make all declarations, execute all deeds and make all acts that are still necessary or appropriate to achieve that upon the spin-off taking effect all shares of MWFS AG (including existing shares, shares created in the course of the Hive-Down Capital Increase and shares created in the course of the Spin-Off Capital Increase) are immediately admitted to trading on the Regulated Market of the Frankfurt Stock Exchange and additionally on the section of the Regulated Market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange as well as on the regulated market of the Luxembourg Stock Exchange. In particular, MWFS AG shall, for the purposes of the stock exchange listing, prepare and publish a securities prospectus to be approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) and further marketing documents as well as any other documents, or make them accessible for investors in connection with the stock exchange listing. In this regard, on the one hand, certain costs will be incurred and, on the other, there is the risk of possible prospectus liability.

- 33.2 All damages and any other pecuniary losses incurred in connection with the implementation of the stock exchange listing that are based on the securities prospectus and/or other marketing documents as well as other documents actually or allegedly containing information that is incorrect, incomplete or otherwise misleading (so-called prospectus liability) shall be split proportionately between METRO AG and MWFS AG in a proportion of 15% and 85%.

This allocation includes, in particular, the liability for warranties and indemnity of MWFS AG towards the banks accompanying the transaction. It shall also apply to costs and expenses (including disbursements) of any Party, incurred by such Party for the purposes of audit, defence, prevention or settlement of any so-called prospectus liability (including the assertion of any counter-claims and cross-actions as well as the assertion of claims against third parties), if and to the extent that such costs and expenses are necessary or appropriate in the view of a diligent and conscientious manager whose undertaking would have to bear such costs and expenses itself. The Parties shall mutually indemnify each other accordingly. No indemnification may be demanded if and to the extent that any Party has received actual compensation under any insurance. § 254 BGB and any similar provisions and legal principles of any nature shall be inapplicable as between the Parties, and any related objection and remedy of any Party against the other Party is herewith expressly excluded.

- 33.3 MWFS AG shall bear any other costs and expenses incurred or still to be incurred due to or in connection with the stock exchange listing and its preparation. To the extent that these are not already borne by MWFS AG particularly due to the hive-down, but are, for example, part of the CE Assets or arise only after the hive-down taking effect, MWFS AG shall indemnify METRO AG.

E.

Further agreements

I.

Group Separation Agreement and services

§ 34

Group Separation Agreement

In view of the group separation of METRO GROUP resulting from the consummation of this Demerger Agreement, METRO AG and MWFS AG herewith agree on the provisions herewith enclosed as **An-**

nex 34 ("Group Separation Agreement"). The Group Separation Agreement shall form an integral part of this Demerger Agreement (§ 38.5 of this Demerger Agreement).

§ 35

Provision of services

- 35.1 The MWFS Business Division and the CE Business Division have been providing certain services to each other since the Relevant Hive-Down Date at arm's length remuneration conditions. Such services shall be invoiced between the Parties. Certain services are intended to be continued also after the hive-down taking effect.
- 35.2 The Parties undertake to conclude a service agreement immediately upon the hive-down taking effect for the services provided up until the hive-down taking effect and another one for the services to be provided in the future. Said service agreements shall apply to the time from the Relevant Hive-Down Date and shall contain arm's length remuneration conditions.

II.

Miscellaneous

§ 36

Relationship between hive-down and spin-off

The hive-down and spin-off of assets of METRO AG as agreed in this Demerger Agreement are intended to legally implement the group division of the METRO GROUP. The hive-down shall not take place without the spin-off following thereafter and the spin-off shall not take place without the previous hive-down. The Parties shall work towards the hive-down and the spin-off being registered in the commercial register in such manner that the shortest possible time period will pass between the Hive-Down Effective Date and the Spin-Off Effective Date.

§ 37

Costs and taxes

- 37.1 The costs of the hive-down and the spin-off shall be allocated as follows: METRO AG shall bear all costs of its General Meeting and all costs for advisers, to the extent that their advisory relationships form part of the CE Assets. All other costs of the hive-down and of the spin-off, in particular the costs arising from the notarisation of this Demerger Agreement and its implementation, including costs arising from litigation and procedural relationships, to the extent relating to the hive-down or the spin-off, the costs of notifications to and registrations in the commercial register as well as the costs of the joint demerger report, the demerger audit,

the further audits in connection with capital increases, post-formation acquisition and the intended stock exchange listing including the preparation of the latter (§ 33.3 of this Demerger Agreement), shall be borne by MWFS AG. Apart from that, each Party shall bear the costs incurred by itself or incurred in the assets allocated to it.

- 37.2 Provisions regarding the allocation of taxes are set forth by the Parties in Section D of the Group Separation Agreement (§ 34 of this Demerger Agreement).

§ 38

Final provisions

- 38.1 This Demerger Agreement is subject to approval by the respective General Meetings of the Parties.
- 38.2 If the hive-down has not taken effect by 31 October 2017, either Party may withdraw from this Demerger Agreement by written statement to the other Party.
- 38.3 The Parties shall establish a special body for the conciliation of any disputes arising from or in connection with this Demerger Agreement ("**Conciliation Committee**"). The Conciliation Committee shall include two members to be designated in writing by METRO AG towards MWFS AG and two members to be designated in writing by MWFS AG towards METRO AG. Any Party may exchange the members designated by it at any time by designating another member in writing. The Parties shall endeavour to amicably settle all disputes arising from or in connection with the Demerger Agreement.
- 38.4 The place of venue shall be Düsseldorf.
- 38.5 The Annexes to this Demerger Agreement shall form an integral part of this Agreement.
- 38.6 Any claims under this Demerger Agreement shall be subject to limitation upon expiry of 31 December 2032, unless stipulated otherwise in this Agreement.
- 38.7 Amendments and supplements to this Demerger Agreement, including the abolition of this provision itself, must be in writing, except where any stricter form is required.
- 38.8 In the event that one or more provision/s of this Demerger Agreement is/are or become/s void, invalid or unenforceable, in whole or in part, this shall not affect the validity or enforceability of the Demerger Agreement or its other provisions. In place of the void, invalid or unenforceable provision, such provision shall apply which comes closest in form, content, time, measure and scope to what the Parties intended according to the economic rationale and

purpose of the void, invalid or unenforceable provision. The same shall apply with regard to any gaps in this Agreement.

Material content of the annexes to the Hive-Down and Spin-Off Agreement

The annexes referred to in the Hive-Down and Spin-Off Agreement have the following material content:

- Annex 0.4 contains a list of certain former company interests of METRO GROUP that are to be allocated to the MWFS Business Division. The company interests are described in more detail by features such as company number pursuant to the group database, company name, registered office, country, register court and/or registration number.
- Annex 0.5 contains a list of certain former company interests of METRO GROUP to be allocated the CE Business Division which are described in more detail by the following features: company number pursuant to the group database, company name, registered office, country, register court and registration number.

Annexes 4.1.e) through 4.12.3 describe assets forming part of the CE Assets, in particular in the form of lists or balance sheets.

- Annex 4.1.e) contains a list of enterprise agreements between METRO AG as controlling enterprise and dependent enterprises of the CE Business Division which are described in more detail, in particular, by the identity of the dependent enterprise and by the agreement date.
- Annex 4.2.c) contains a list of the employees of METRO AG in the CE Business Division as of the Relevant Hive-Down Date. The designation of the employees is provided exclusively in form of the personnel number pursuant to payroll accounting. The employment relationships with these employees form part of the CE Assets.

- Annex 4.3.b) contains a list of fixtures (for example computers, monitors and telephones) of the CE Business Division owned by METRO AG. The individual objects are described in more detail by means of the asset number pursuant to accounting, the serial number (if any) as well as the asset designation and the cost centre.
- Annex 4.3.c) states a lease agreement on premises and a service agreement on facility management, which are to be allocated to the CE Business Division. The agreements are described in more detail by information regarding the contractual parties, the agreement designation, the subject matter of the agreement and the agreement date.
- Annex 4.3.d) contains a list of agreements on car leasing, which are to be allocated to the CE Business Division. The agreements are described in more detail by information regarding the lessor, the lessee, the agreement number and the agreement date.
- Annex 4.4.a) contains a list of software licenses which are to be allocated to the CE Business Division. The software licenses are described in more detail by information regarding the brief designation of the licensor, the licensee, the designation of the software, the cost centre, the asset number, in some cases the licence date as well as either the licence number or the user number of the person to whom the software license is allocated.
- Annex 4.5.a) contains a list of the bank accounts of METRO AG which are to be allocated to the CE Business Division. The bank accounts are described in more detail by information regarding the account holder, the account bank, the currency in which the account is maintained and the International Bank Account Number (IBAN).
- Annex 4.5.b) describes collateral provided by a third party by information regarding the guarantee number pursuant to accounting, the collateral provider, the beneficiaries, the purpose, the debtor, the start and end of term as well as an internal agreement number of METRO AG which is to be allocated to the CE Business Division.
- Annex 4.5.e) lists two tax receivables (reimbursement claims because of corporation tax paid in excess and solidarity tax paid in excess) which in part are to be allocated to the CE Business Division, including information regarding the creditor of the receivable (METRO AG), the debtor of the receivable and the legal basis. In addition, the Annex determines the amount of the respective partial amount of the individual tax receivable which is to be allocated to the CE Assets. Besides, the Annex lists a claim for crediting of capital gains tax (including solidarity tax) recognised in the balance sheet which is to be allocated to the CE Business Division, and contains a provision ac-

ording to which the economic allocation is made pursuant to §§ 6.5 and 26 of the Division Agreement in conjunction with §§ 5 through 10 of the Group Separation Agreement.

- Annex 4.6.a) lists contingencies for which provisions were made and which are to be allocated to the CE Business Division. The liabilities are described in more detail by the designation of the provision pursuant to the CE Balance Sheet and a brief description of the contingency. In addition, the amount of the provision as a the Relevant Hive-Down Date is stated.
- Annex 4.6.e) lists a tax liability (tax withholding liability including salary tax and church tax) which is recognised in the balance sheet and which in part is to be allocated to the CE Business Division, including information regarding the creditor, the debtor (METRO AG) and the legal basis. In addition, the Annex determines the amount of the partial amount of the tax liability which is to be allocated to the CE Assets.
- Annex 4.6.f) lists uncertain tax liabilities which are not recognised in the balance sheet and which in each case in part are to be allocated to the CE Business Division, including information regarding the creditor, the debtor (METRO AG) and the legal basis. In addition, the Annex determines the percentage amount of the part of the tax liability which is allocated to the CE Assets (in each case a partial amount of 25% of the total amount).
- Annex 4.7.a) contains a list of agreements and other obligatory and legal relationships which are to be allocated to the CE Business Division. These agreements are described in more detail by information regarding the contractual party or counterparty of METRO AG or the agreement number in the METRO contract management system, the (agreement) designation, the (agreement's) subject matter and the (agreement) date.
- Annex 4.8 contains a list of associations, groups and organisations. The memberships therein are to be allocated to the CE Business Division. They form part of the CE Assets.
- Annex 4.9.1 lists two litigation proceedings of METRO AG concerning both the MWFS Business Division and the CE Business Division, including information regarding plaintiff, defendants, subject matter, court and file reference/case number.
- Annex 4.9.2 lists litigation proceedings with regard to which METRO AG received a third-party notice and which is to be allocated to the CE Business Division, including information regarding plaintiff, defendant, subject matter, court and file reference/case number.

- Annex 4.9.3 lists agreements relating to the proceedings listed in Annex 4.9.1, including information on the contractual counterparty of METRO AG, the agreement designation, the subject matter of the agreement and the agreement date.
- Annex 4.10.d) contains a list of legal relationships under public-law which are to be allocated to the CE Business Division. The legal relationships are described in more detail by the designation/nature of the legal relationship, the authority/body corporate with which the legal relationship exists, the subject matter of the legal relationship, in some cases the file reference number as well as the date.
- Annex 4.11.a) contains the CE Balance Sheet derived from the Closing Balance Sheet as per 1 October 2016, 00.00 a.m. The CE Balance Sheet shows the assets recognised in the balance sheet which form part of the CE Assets.
 - Annex 4.12.1 lists two claims of METRO AG which are allocated to the CE Assets as so-called neutral assets to remain with METRO AG, and it governs the allocation of the legal relationships underlying the claims. On the one hand, this concerns a receivable from an affiliated enterprise under a service agreement, which is allocated to the CE Assets including interest, but without the relevant agreement. On the other hand, this concerns a partial amount of approx. EUR 204.3mn, incl. interest, of a repayment receivable in an amount of EUR 450mn under a shareholder loan by METRO AG to MWFS AG, including the underlying agreements.
- Annex 4.12.2 lists an additional partial receivable (approx. EUR 232.7mn) of the repayment receivable described in the description of Annex 4.12.1, which is allocated to the CE Assets as a so-called neutral asset for contribution into MWFS AG.
- Annex 4.12.3 lists so-called neutral assets which are allocated to the CE Assets for contribution into MGLEH. The Annex contains lists with as well as descriptions of repayment receivables under loans receivable and loans to affiliated enterprises, payment receivables from time deposits vis-à-vis banks as well as other receivables from affiliated enterprises and a bank (e.g. trade receivables or receivables from offsetting arrangements or current account) which are allocated to the CE Assets. The receivables from affiliated enterprises and banks from borrowings, loans or time deposits are described in more detail, in particular, by information regarding the borrower or the bank, the agreement date, the start and end of term of the loan or, respectively, the time deposit and an internal agreement number of METRO AG. Besides, in the case of the loans receivable and loans, the fair market value and the amount of the interest (included in the fair value) as at the Relevant Hive-Down Date are stated. The other receivables are described in more detail by information regarding the debtor, number of supporting document, date of supporting document and amount of the receivable, or by information regarding the debtor, agreement designation, set-

tlement statement (in some cases) and the amount of the receivable. In addition, a further part of the repayment receivable described in the description of Annex 4.12.1 (approx. EUR 13mn) is allocated to the CE Assets. In each case, the allocation includes interest. The agreements underlying the loans receivable, time deposits and loans, but not any existing framework agreements, form part of the CE Assets, while the other receivables are allocated including any ancillary rights, but not including the underlying contractual relationship.

Annexes 5.1.a) through 5.10.a) describe assets forming part of the Hive-Down Assets, in particular in the form of lists or balance sheets.

- Annex 5.1 contains a list of companies. The interests held in these companies by METRO AG form part of the Hive-Down Assets. The companies are described in more detail by information regarding the company name, register data, the registered office and the business address. In addition, the amount of the company interest as of the Relevant Hive-Down Date is stated.
- Annex 5.1.b) describes a loan granted that is attributable to the Hive-Down Assets by information regarding the lender (METRO AG), the borrower, the initial nominal amount, the agreement date, the start and end of term as well as an internal agreement number of METRO AG. In addition, the fair value of the loan as at the Relevant Hive-Down Date is stated.
- Annex 5.2.a) contains a list of the employees of METRO AG in the MWFS Business Division as of the Relevant Hive-Down Date. The designation of the employees is provided exclusively in form of the personnel number pursuant to payroll accounting. The employment relationships with these employees form part of the Hive-Down Assets.
- Annex 5.3.b) contains a list of lease agreements and states a facility management agreement. Each of these agreements is to be allocated to the MWFS Business Division. The agreements are described in more detail by information regarding the contractual parties, the agreement designation, the subject matter of the agreement, the agreement date and the date of any supplementary agreements.
- Annex 5.3.c) contains a list of agreements on car leasing, which are to be allocated to the MWFS Business Division. The agreements are described in more detail by information regarding the lessor, the lessee, the agreement number and the agreement date.
- Annex 5.3.d) contains lists of rights in real property and equivalent rights. The Annex is divided into hereditary building rights and rights to real property. The hereditary building rights are described in more detail by the necessary information on the hereditary building right land register

(Local Court, land register district, land register folio number of the hereditary building right land register, as the case may be: volume number, serial number of the hereditary building right in the inventory) and on the land register of the encumbered real property (Local Court, land register district, land register folio number, volume number (if any), serial number of the encumbered property in the inventory, current number of the hereditary building right in Section II). The rights to real property are described in more detail by their designation or a brief description as well as the necessary information on the land register (Local Court, land register district, land register folio number, volume number (if any), serial number of the encumbered real property in the inventory, department and serial number of the encumbrance).

- Annex 5.4.a) contains a list of trademarks. The legal positions of METRO AG in these trademarks form part of the Hive-Down Assets. The individual trademarks are described in more detail by some or all of the following information: Trademark, country, picture of the logo, application number, registration number, status (registered or applied for), nature of the right and international classes.
- Annex 5.5.a) contains a list of bank accounts of METRO AG which are to be allocated to the MWFS Business Division. The bank accounts are described in more detail by information regarding the account holder (METRO AG), the account bank, the currency in which the account is maintained and either the International Bank Account Number (IBAN) or the account number and the Bank Identifier Code (BIC).
- Annex 5.5.b).1 contains lists of collateral, joint obligations and liabilities of METRO AG which are to be allocated to the MWFS Business Division. The Annex is divided into (i) guarantees for rent, (ii) other collateral, joint obligations and liabilities as well as (iii) guarantees for bonds of Metro Finance B.V. The guarantees for rent are described in more detail, by information regarding the collateral provider (METRO AG), the purpose (location of the rental object), the debtor and the end of term; the other collateral, joint obligations and liabilities by information regarding the collateral provider (METRO AG), the internal agreement number, the start and end of term. The guarantees for bonds of Metro Finance B.V. are described in more detail by information regarding the collateral provider (METRO AG), the internal agreement number of the guarantees, the start and end of term of the secured bonds, the original issue volume, the International Securities Identification Number (ISIN) as well as the outstanding nominal amount of the bonds as at the Relevant Hive-Down Date.
- Annex 5.5.b).2 lists two comfort letters issued by METRO AG as patron providing information regarding the beneficiary, the debtor, the subject matter and the agreement date.

- Annex 5.5.c) contains a list of collateral, joint obligations and liabilities assumed by third parties which are to be allocated to the MWFS Business Division. The rights and obligations of METRO AG arising under or in connection with these rights form part of the Hive-Down Assets. The individual collateral, joint obligations and liabilities are described in more detail by information regarding the collateral provider, the start of term, the end of term and the internal agreement number.
- Annex 5.5.f).1 contains lists of certain receivables of METRO AG which are to be allocated to the MWFS Business Division. The Annex is divided into (i) receivables of METRO AG from MWFS Associated Companies from profit and loss transfer agreements which are described in more detail by information regarding the creditor of the receivable (METRO AG), the debtor of the receivable and the legal basis, (ii) receivables from transfer pricing of METRO AG which are described in more detail by information regarding the creditor of the receivable (METRO AG), the debtor of the receivable and a description of the legal basis of the receivable, and (iii) further trade receivables described in more detail by information regarding the debtor, the number of the supporting document and the date of the supporting document. In addition, the Annex states the amount of the respective receivables as at the Relevant Hive-Down Date.
- Annex 5.5.f).2 describes a partial receivable (approx. EUR 219.46) of the repayment receivable of METRO AG against MWFS AG described in the description of Annex 4.12.1.
- Annex 5.5.g) lists two tax receivables (among other things, reimbursement claims because of corporation tax paid in excess and solidarity tax paid in excess and because of VAT paid in excess) which in whole or in part are to be allocated to the MWFS Business Division, including information regarding the creditor of the receivable (METRO AG), the debtor of the receivable and the legal basis. In addition, the Annex determines the (partial) amount of the respective tax liability which is to be allocated to the Hive-Down Assets.
- Annex 5.6.a) lists certain liabilities which are to be allocated to the MWFS Business Division). The list contains two liabilities from control and profit and loss transfer agreements, one liability from a voluntary loss assumption declaration and one liability from financial offsetting. The liabilities are described in more detail by information regarding the creditor, the debtor (METRO AG) and the legal basis. In addition, the amount of the liability as of the Relevant Hive-Down Date is stated.
- Annex 5.6.b) contains a list of bonds and states related programmes. The liabilities from the bonds listed and from any and all bonds that were or still will be issued under the programmes specified form part of the Hive-Down Assets. The individual bonds are described in more detail by information regarding the issuer, maturity, initial issue volume, outstanding nominal amount at the

Relevant Hive-Down Date, coupon, International Securities Identification Number (ISIN) and German Securities Identification Code (WKN), and the programmes by their designation and information regarding the date of the information memorandum or prospectus, respectively.

- Annex 5.6.c) contains a list of bonded loans. The bonded loans are described in more detail by information regarding the borrower (METRO AG), the original lender, the designation, the date, the initial nominal amount and the outstanding nominal amount at the Relevant Hive-Down Date.
- Annex 5.6.d) contains lists of agreements with banks which are to be allocated to the MWFS Business Division. In addition to two syndicated loans which are described in more detail by information regarding the borrower (METRO AG), the designation (EUR 1,000,000,000 Revolving Credit Facility Agreement and EUR 1,525,000,000 Revolving Credit Facility Agreement), the date of the conclusion of the agreement and of the end of term, seven KfW loans are specified which are described in more detail by information regarding the borrower (METRO AG), the lender, the initial nominal amount, the outstanding nominal amount at the Relevant Hive-Down Date, the interest rate, the designation, the start and the end of term.
- Annex 5.6.e) contains lists of tax liabilities recognised in the balance sheet which in whole or in part are to be allocated to the MWFS Business Division. The Annex is divided into (i) corporation tax (including solidarity tax), (ii) trade tax, (iii) value added tax, (iv) real estate transfer tax, (v) tax withholding liabilities (including salary tax and church tax) and (vi) assumed tax liabilities. The individual tax liabilities are described in more detail by information regarding the creditor, the debtor (METRO AG) and the legal basis. In addition, the Annex determines the (partial) amount of the tax liability which is to be allocated to the Hive-Down Assets.
- Annex 5.6.f) contains lists of uncertain tax liabilities not recognised in the balance sheet which in whole or in part are to be allocated to the MWFS Business Division. The Annex is divided into (i) corporation tax and solidarity tax, (ii) trade tax, (iii) real estate transfer tax and (iv) value added tax. The individual tax liabilities are described in more detail by information regarding the creditor, the debtor (METRO AG) and the legal basis. In addition, the Annex determines the part of the tax liability which is to be allocated to the Hive-Down Assets (in some cases the liability is allocated in the full amount, in some cases in an amount of 75%).
- Annex 5.7.a) contains a list of agreements and other obligatory and legal relationships which are to be allocated to the MWFS Business Division. These relationships are described in more detail by some or all of the following information: contractual party or counterparty of METRO AG or the agreement number in the METRO contract management system, the (agreement) designation, the (agreement's) subject matter and the (agreement) date.

- Annex 5.8 contains a list of associations, groups and organisations. The memberships therein are to be allocated to the MWFS Business Division. They form part of the Hive-Down Assets.
- Annex 5.9 contains lists of litigation proceedings which are to be allocated to the MWFS Business Division. The Annex is divided into labour court proceedings and other litigation. The labour court proceedings are described in more detail by information regarding the defendant (METRO AG), (in some cases) further defendants from METRO GROUP, the subject matter of the litigation, the court as well as the file reference number. The other litigation proceedings are described in more detail, among other things, by information regarding the plaintiff(s), the defendant, the subject matter of the litigation, the court as well as the file reference number.
- Annex 5.10.a) contains the Hive-Down Balance Sheet derived from the Closing Balance Sheet as per 1 October 2016, 00.00 a.m. The Hive-Down Balance Sheet shows the assets recognised in the balance sheet which form part of the Hive-Down Assets.
- Annex 17.1 contains the Spin-Off Balance Sheet derived from the Closing Balance Sheet as per 1 October 2016, 00.00 a.m. The Spin-Off Balance Sheet shows the assets recognised in the balance sheet which form part of the Spin-Off Assets.
- Annex 27.6 describes the extent to which the proceedings listed in Annex 4.9.1, without prejudice to the legal allocation to the CE Assets, are allocated economically to the MWFS Business Division with the legal consequences set forth in § 27.6 of the Hive-Down and Spin-Off Agreement.
- Annex 30.1 contains a description of the features of the preference of the preference shares of METRO Wholesale & Food Specialist AG.

Annex 30.2 contains a description of the share-based remuneration rights granted to the members of the Management Board of METRO AG, the top-level executives of METRO AG as well as the members of management bodies and top-level executives of METRO GROUP under a long-term remuneration programme, as well as a description of the settlement provisions for these rights in the event that these rights still exist at the Spin-Off Effective Date. Annex 30.2 reads as follows:

Annex 30.2

Description Performance Share Plan and settlement provisions

In the 2013 financial year, the last and only currently still outstanding tranche of the Performance Share Plan („PSP“) established in 2009 and scheduled for five years was issued to members of the Management Board of METRO AG as well as selected executives. Upon exercise of the rights from this tranche, a payment in cash will be made. For this purpose, upon expiry of the performance period of at least three and no more than 4.25 years the final number of Performance Shares to be paid out will be determined based on the relative performance of the METRO AG share compared to the arithmetic mean of the share indices DAX 30 and Euro STOXX Retail - Total Return. The last exercise date for the 2013 tranche of the PSP is 1 July 2017. Each Performance Share carries an entitlement to a cash payment in the amount of the three-month average share price of the METRO AG share before the respective time of payment. As a precondition for the payment of the Performance Shares, the entitled parties are obliged to build up an investment in METRO AG shares financed by themselves and to hold such investment until the expiry of the three-year vesting period. The self-financed investment applies to the entire term of the Performance Share Plan.

In the event that the spin-off has not yet taken effect prior to the end of the performance period of the PSP 2013 tranche, the tranche can be terminated according to plan. In the event that the spin-off has already taken effect before the end of the performance period of the PSP 2013 tranche, an unchanged continuation of the PSP within METRO AG or, respectively, within MWFS AG is not possible in a meaningful way. From the spin-off taking effect, a continuation of this tranche based on the components specified in the plan rules for the measurement of success would not be appropriate, since the PSP 2013 tranche is based primarily on the METRO AG share and the share price of the METRO share will reduce significantly as a result of the spin-off.

Therefore, in this case, it is intended that the PSP 2013 tranche be settled at its fair value and paid out in cash. For this purpose, the date of the spin-off taking effect will be deemed to be the final time of exercise.

As per that date, the fair value will be determined by external experts in accordance with an acknowledged financial mathematics method with the same method and subject to the same assumptions subject to which this tranche is currently measured for the determination of the accounting provisions in the respective quarterly financial statements and coordinated with the independent auditor. The

amount to be paid out under the PSP 2013 tranche will be determined exact to a day as per the date of the spin-off taking effect in accordance with the method provided for in the plan and described above. The settlement of the payment amounts so determined will occur no later than two months after the spin-off taking effect.

Annex 31.1 contains a description of the effects of the settlement of those tranches of the Long-Term Incentive Programme granted as of the Spin-Off Effective Date for which the performance period has not yet been completed for the members of the Management Board of METRO AG, of the Management Board of MWFS AG and of the Supervisory Board of MWFS AG participating in the Long-Term Incentive Programmes. Annex 31.1 reads as follows:

Annex 31.1

Special benefits in connection with the settlement of Long-Term Incentive Programmes

1. There are the following long-term remuneration programmes, some with share-based components (so-called Long-term Incentive Programmes), on which the spin-off has effects if these programmes have not yet been terminated according to plan at the point in time of the spin-off taking effect:
 - **Performance Share Plan ("PSP"):** In the 2013 financial year, the last and only currently still outstanding tranche of the Performance Share Plan (PSP) established in 2009 and scheduled for five years was issued to members of the Management Board of METRO AG as well as selected executives. Upon exercise of the rights under this tranche, a payment in cash will be made. For this purpose, upon expiry of the performance period of at least three and no more than 4.25 years the final number of Performance Shares to be paid out will be determined based on the relative performance of the METRO AG share compared to the arithmetic mean of the share indices DAX 30 and Euro STOXX Retail - Total Return. The last exercise date for the 2013 tranche of the PSP is 1 July 2017. Each Performance Share carries an entitlement to a cash payment in the amount of the three-month average

share price of the METRO AG share before the respective time of payment. As a precondition for the payment of the Performance Shares, the entitled parties are obliged to build up an investment in METRO AG shares financed by themselves and to hold such investment until the expiry of a three-year vesting period. The self-financed investment applies to the entire term of the Performance Share Plan.

- **Sustainable Performance Plan ("SPP"):** In the 2013/14 financial year, a tranche of the SPP with a three-year performance-period was issued for the Management Board of METRO AG as well as selected executives. The amount of the payments under the SPP is primarily dependent on a component based on the shareholder return as well as on a sustainability component. A payment of the Total Shareholder component of the SPP will only occur if the final share price of the METRO ordinary share is not lower than the initial share price at the point in time of the issuing (EUR 29.73). If this condition is not fulfilled, a claim for payment exists only if within a period of three years after expiry of the performance period the XETRA closing price of the METRO ordinary share is higher or the same as the initial share price for more than 40 consecutive stock exchange trading days.
 - **Sustainable Performance Plan Version 2014 ("SPP 2014"):** Since the 2014/15 financial year, the SPP was issued to the Management Board of METRO AG as well as selected executives in an modified form (SPP 2014). In addition to the two components of the SPP, it takes into account as a third component the result per share. Of the SPP 2014, two tranches were issued, the 2014/15 tranche with a performance period of three years and the 2015/16 tranche with a performance period of four years.
2. Upon the spin-off taking effect, the tranches 2014/15 (the performance period will expire 40 stock exchange trading days after the 2018 annual general meeting of shareholders) and 2015/16 (the performance period will expire 40 stock exchange trading days after the 2020 annual general meeting of shareholders) of the SPP 2014 will not yet have terminated and, therefore, will not have been settled according to plan; in the case of the spin-off taking effect in the first six months of 2017, this may possibly apply also to the 2013/14 tranche of the SPP (the performance period for the component based on the shareholder return will expire 40 stock exchange trading days after the 2017 annual general meeting of shareholders) as well as for the 2013 tranche of the PSP (the last exercise date is 1 July 2017) (collectively the "**Affected LTI Tranches**").

The following members of the Management Board of METRO AG and of the Management Board and of the Supervisory Board of MWFS AG hold the following rights in respect of the Affected LTI Tranches, which are shown with the granted target amounts resulting in the case of 100% target achievement (with the proviso that the specific target achievement in the PSP

2013 tranche may be between 0 and 500% and in the case of the 2013/14 SPP tranches as well as the 2014/15 and 2015/16 tranches of the SPP 2014 between 0 and 250%):

Members of the Management Board of METRO AG (in EUR mn)

	PSP 2013	SPP 2013/14	SPP 2014/15	SPP 2015/16	Total
O. Koch	EUR 1.60	EUR 1.60	EUR 1.60	EUR 1.60	EUR 6.400
P. Boone	EUR 0.10	---	EUR 0.165	EUR 0.96	EUR 1.225
M. Frese	---	EUR 1.20	EUR 1.20	EUR 1.20	EUR 3.600
P. Haas	EUR 0.96	EUR 0.96	EUR 1.20	EUR 1.20	EUR 4.320
H. Hutmacher	---	EUR 1.20	EUR 1.20	EUR 1.20	EUR 3.600
Total	EUR 2.66	EUR 4.96	EUR 5.365	EUR 6.16	EUR 19.145

Members of the Management Board of MWFS AG (in EUR mn)

	PSP 2013	SPP 2013/14	SPP 2014/15	SPP 2015/16	Total
C. Baier	---	---	EUR 0.165	EUR 0.55	EUR 0.715
C. Kämper	---	---	EUR 0.04	EUR 0.04	EUR 0.08
C. Ziggel	---	---	EUR 0.06	EUR 0.06	EUR 0.12
Total	---	---	EUR 0.265	EUR 0.65	EUR 0.915

Members of the Supervisory Board of MWFS AG (in EUR mn)

	PSP 2013	SPP 2013/14	SPP 2014/15	SPP 2015/16	Total
M. Bouschel- jong	---	---	EUR 0.1	EUR 0.1	EUR 0.2
H.-D. Hinker	---	---	EUR 0.06	EUR 0.06	EUR 0.12
H. Sachs	---	---	EUR 0.165	EUR 0.165	EUR 0.37
Total	---	---	EUR 0.325	EUR 0.325	EUR 0.69

3. As a consequence of the spin-off, the MWFS Business Division will be transferred to MWFS AG and MWFS AG will leave the METRO Group. An unchanged application of the components for the measurement of success (Key Performance Indicators, "KPIs") specified in the relevant Plan Rules would not be appropriate. The Affected LTI Tranches are based on KPIs relating to METRO GROUP in its current composition, for example the sustainability, the result per ordinary share of METRO AG, the shareholder return in respect of the ordinary shares of METRO AG or the relative development of the share price. Therefore, the Long-term Incentive Programmes are in part to be wound up and in part to be adjusted to the new situation.
- a. *Settlement of the tranches of the PSP, SPP and the vested tranches of the SPP 2014 in cash*

For the PSP 2013 tranche, the date of the spin-off taking effect shall be deemed the final time of exercise – provided that the last exercise date for this tranche (1 July 2017) has not yet occurred at the point in time of the spin-off taking effect. For the SPP 2013/14 tranche, a settlement at the fair value will be conducted – provided that this tranche is not yet terminated at the point in time of the spin-off taking effect.

With regard to the two tranches of the SPP 2014 that still have a longer running term, a distinction is made between rights that have vested and those that have not vested at the point in time of the spin-off taking effect. These tranches have "vested" to such extent as their respective performance period has already expired at the point in time of the spin-off taking effect. By way of an analogy to the settlement arrangements provided for in the plan rules in the event of a delisting and of a change of control, for the already vested parts of the tranches of the SPP 2014 a payment of the fair value will be made in cash on a pro rata temporis basis, i.e. in proportion of the completed period of time of the respective performance period to the overall duration in the respective performance period. For the still continuing tranches the fair value is

determined as per the date of the spin-off taking effect by external experts in accordance with accepted methods of financial mathematics.

According to the above, for the members of the Management Board of METRO AG and of the Management Board and of the Supervisory Board of MWFS AG the following payment amounts apply. For this purpose, 31 March 2017 was assumed as the date of the spin-off taking effect. With regard to the degree of fulfilment, the most current valuation opinions on the Affected LTI Tranches by an external experts were used. Both the date of the spin-off taking effect and the degree of fulfilment of the payment conditions are subject to change. Accordingly, the final payment amount may deviate from the fair value of the Affected LTI Tranches projected below:

Members of the Management Board of METRO AG (in EUR mn; rounded two decimal places)

	PSP 2013	SPP 2013/14	SPP 2014/15	SPP 2015/16	Total
O. Koch	EUR 1.52	EUR 1.77	EUR 1.79	EUR 0.66	EUR 5.74
P. Boone	EUR 0.10	---	EUR 0.19	EUR 0.40	EUR 0.69
M. Frese	---	EUR 1.33	EUR 1.34	EUR 0.50	EUR 3.17
P. Haas	EUR 0.91	EUR 1.06	EUR 1.34	EUR 0.50	EUR 3.81
H. Hutmacher	---	EUR 1.33	EUR 1.34	EUR 0.50	EUR 3.17
Total	EUR 2.53	EUR 5.49	EUR 6.00	EUR 2.56	EUR 16.58

Members of the Management Board of MWFS AG (in EUR mn; rounded two decimal places)

	PSP 2013	SPP 2013/14	SPP 2014/15	SPP 2015/16	Total
C. Baier	---	---	EUR 0.18	EUR 0.23	EUR 0.41
C. Kämper	---	---	EUR 0.04	EUR 0.02	EUR 0.06
C. Ziggel	---	---	EUR 0.07	EUR 0.03	EUR 0.10
Total	---	---	EUR 0.29	EUR 0.28	EUR 0.57

Members of the Supervisory Board of MWFS AG (in EUR mn; rounded two decimal places)

	PSP 2013	SPP 2013/14	SPP 2014/15	SPP 2015/16	Total
M. Bouscheljong	---	---	EUR 0.11	EUR 0.04	EUR 0.15
H.-D. Hinker	---	---	EUR 0.07	EUR 0.03	EUR 0.10
H. Sachs	---	---	EUR 0.18	EUR 0.07	EUR 0.25
Total	---	---	EUR 0.36	EUR 0.14	EUR 0.50

b) Transfer of the parts not yet vested of the SPP 2014/15 and SPP 2015/16 tranches (adjustment)

Those parts of the 2014/15 and the 2015/16 tranches of the SPP 2014 which at the point in time of the spin-off taking effect have not yet vested will be transferred to a new Long-Term Incentive Programme of the respective company, i.e. of METRO AG or MWFS AG, respectively. The transfer will be made at the corresponding, *pro rata temporis* target amount. In this respect, those parts of the target values that were already granted by METRO AG, but have not vested until the spin-off taking effect, will be granted anew by METRO AG (CE Business Division) or MWFS AG (MWFS Business Division), respectively, with a reference to other key indicators (hereinafter the "LTI-Roll Over"). Assuming the spin-off takes effect on 31 March 2017, for the members of the Management Board of METRO AG and of the Management

Board and of the Supervisory Board of MWFS AG the target amounts specified below will be transferred to the new Long-Term Incentive-Programmes in the course of the LTI-Roll Over. Depending on the actual date of the spin-off taking effect, the target amounts to be transferred will change accordingly:

Members of the Management Board of METRO AG (in EUR mn; rounded two decimal places)

	SPP 2014/15	SPP 2015/16	Total
O. Koch	EUR 0.53	EUR 1.20	EUR 1.73
P. Boone	EUR 0.06	EUR 0.72	EUR 0.78
M. Frese	EUR 0.40	EUR 0.90	EUR 1.30
P. Haas	EUR 0.40	EUR 0.90	EUR 1.30
H. Hutmacher	EUR 0.40	EUR 0.90	EUR 1.30
Total	EUR 1.79	EUR 4.62	EUR 6.41

Members of the Management Board of MWFS AG (in EUR mn; rounded two decimal places)

	SPP 2014/15	SPP 2015/16	Total
C. Baier	EUR 0.06	EUR 0.41	EUR 0.47
C. Kämper	EUR 0.01	EUR 0.03	EUR 0.04
C. Ziggel	EUR 0.02	EUR 0.05	EUR 0.07
Total	EUR 0.09	EUR 0.49	EUR 0.58

Members of the Supervisory Board of MWFS AG (in EUR mn; rounded two decimal places)

	SPP 2014/15	SPP 2015/16	Total
M. Bouscheljong	EUR 0.03	EUR 0.08	EUR 0.11
H.-D. Hinker	EUR 0.02	EUR 0.05	EUR 0.07
H. Sachs	EUR 0.06	EUR 0.12	EUR 0.18
Total	EUR 0.11	EUR 0.25	EUR 0.36

For the 2014/15 tranche of the SPP 2014, the LTI-Roll Over is to provide for the return on capital employed (RoCE) as KPI and is to end in 2018 in both enterprises in accordance with the existing tranche. For the 2015/16 tranche of the SPP 2014, the LTI-Roll Over provides for the earnings per share (EPS) as KPI. Since in the future the performance period is intended to be a uniform three years, the tranche will end in both enterprises already 40 stock exchange trading days after the respective annual general meeting of shareholders in 2019, instead of 2020 as provided under the previous conditions.

The LTI-Roll Over will occur on the basis of corresponding, pro rata temporis target amounts which will be determined exact to a day as of the point in time of the spin-off taking effect. The transfer is not intended to result in any favouring of one of the Management Board or Supervisory Board members of METRO AG or MWFS AG.

Annex 32.1 contains the future articles of association of METRO Wholesale & Food Specialist AG. They read as follows:

Annex 32.1

**Articles of association MWFS AG
after the spin-off taking effect and completion of the status proceedings**

METRO Wholesale & Food Specialist AG

Articles of Association

I.**GENERAL PROVISIONS****§ 1****Name, Registered Office, Financial Year**

- (1) The name of the Company is Firma METRO Wholesale & Food Specialist AG.
- (2) The registered office is located in Düsseldorf.
- (3) The financial year commences on 1 October and ends on 30 September of the following calendar year.

§ 2**Purpose of the Company**

- (1) The purpose of the Company encompasses the management and promotion of trading and service enterprises engaging particularly in the following areas:
 - Trading businesses of all kinds related to the operation of retailing enterprises, mail order, wholesale trade and sales channels based on new electronic media;
 - Manufacturing and development of products that may be the object of commerce and of services;
 - Execution of real-estate transactions of all kinds including property development;
 - Services, in particular in connection with trading, the restaurant and catering business, consumer goods and logistics as well as trade-related digital business models;
 - Brokering of financial services for, through or by affiliates and subsidiaries;
 - Asset management.
- (2) The Company may perform all and any acts and actions, and transact any businesses, which appear or are deemed expedient to the Company's purpose or are directly or indirectly related thereto. The Company may also itself directly engage in any of the business areas stated in para. 1 herein above. Any such business as requires specific governmental permits, licenses or approvals may not be transacted until after such permits, licenses or approvals have been granted. The Company may establish, form, acquire, manage or purchase equity interests,

whether by minority shareholding or otherwise, in, or sell or dispose of, any such enterprises in Germany and abroad active in the business areas specified in para. 1 herein above. The Company may group its shareholdings under its uniform control or confine itself to the management of such affiliates/shareholdings.

§ 3

Notices

Notices of the Company will be published in the Federal Gazette [*"Bundesanzeiger"*].

II.

CAPITAL STOCK AND SHARES

§ 4 Capital Stock and Shares

- (1) The capital stock amounts to 363,097,253 euros.
- (2) The capital stock is divided into 360,121,736 ordinary shares and 2,975,517 non-voting preference shares.
- (3) The ordinary shares and the preference shares are made out to the bearer.
- (4) The non-voting preference shares have preference in the payment of dividends pursuant to § 21 of these Articles of Association.
- (5) The Company reserves to itself the right to resolve on the issuance of further preference shares which, in respect of the distribution of profits or the Company's assets, may rank prior to, or pari passu with, the already existent non-voting preference shares.
- (6) The form of physical share certificates, dividend warrants and renewal coupons shall be determined by the Management Board with the Supervisory Board's approval. The Company may issue multiple share certificates evidencing several shares (global certificates). The shareholders right to demand issuance of certificates for their shares in the Company and the dividend warrants and renewal coupons shall be excluded, except to the extent that the issuance of such certificates is required under the rules of a stock exchange on which the Company's shares are listed.
- (7) The Management Board is authorised, with the consent of the Supervisory Board, to increase the capital stock of the Company on one or more occasions on or before 28 February 2022 by issuing new ordinary bearer shares in exchange for contributions in cash or in kind up to a

maximum amount of 181,000,000 euros (authorised capital). As a general rule, the shareholders are to receive subscription rights in this respect. The new Shares may also be assumed by credit institutions, or by enterprises that are equivalent pursuant to § 186 (5) sent. 1 German Stock Corporation Act, that are designated by the Management Board, subject to the obligation to offer them to the shareholders for subscription.

However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude the shareholders' subscription right in the following cases:

- for the compensation of fractional amounts;
- if the shares are issued in exchange for contributions in kind for the purpose of corporate mergers or for the acquisition of companies, divisions of companies, operational activities, branches of activity or interests in companies;
- in the event of a capital increase in exchange for cash contributions to the extent necessary to grant subscription rights to new ordinary shares to the holders of warrant or convertible bonds issued by the Company or such affiliates in which the Company holds at least 90 percent of the shares, directly or indirectly, in the scope to which they would be entitled upon exercise of the warrant or conversion right or fulfilment of the warrant or conversion obligation, or upon exercise of a substitution right of the Company as shareholder;
- in the event of a capital increase in exchange for cash contributions, if the aggregate nominal value of such capital increases does not exceed 10 percent of the Company's capital stock and the issue price of the new shares is not substantially lower than the stock exchange price of the ordinary shares of the Company with the same features that are already listed. The limit of 10 percent of the capital stock is diminished by the portion of the capital stock attributable to the Company's treasury shares which during the term of the authorised capital (i) are used or disposed of as treasury shares with an exclusion of the shareholders' subscription rights in application, mutatis mutandis, of § 186 (3) sent. 4 German Stock Corporation Act, or (ii) are issued from contingent capital to satisfy warrant or convertible bonds which themselves were or are issued without subscription rights in application, mutatis mutandis, of § 186 (3) sent. 4 German Stock Corporation Act.

The portion of the capital stock attributable to shares that are being issued in exchange for contributions in cash and/or in kind during the term of this authorisation with an exclusion of the shareholders' subscription rights may not exceed 20 percent of the Company's capital stock.

The Management Board is authorised, with the consent of the Supervisory Board, to determine further details of the capital increases.

- (8) The capital stock is conditionally increased by up to 16,339,376 euros, divided into up to 16,339,376 ordinary bearer shares (contingent Capital). The conditional capital increase shall only be executed insofar as the holders of warrant or conversion rights or those with conversion or warrant obligations arising from warrant or convertible bonds issued or guaranteed by the Company or an affiliate of the Company in terms of § 18 German Stock Corporation Act, in which the Company holds at least 90 percent of the shares, directly or indirectly, based on the authorisation adopted by the general meeting of **[■■■■date to be added]** 2017, exercise their warrant or conversion rights or, insofar as they are obligated for conversion or to exercise warrants, fulfil their obligation for conversion or for exercise of warrants, or insofar as the Company exercises an option to provide ordinary shares of the Company in lieu of paying the cash amount due, in whole or in part. The conditional capital increase shall not be executed insofar as a cash settlement is provided or treasury shares or shares of another listed company are used for the fulfilment.

The respective warrant or conversion price to be determined for each ordinary share must, also in the case of a variable conversion ratio/warrant or conversion price, either equal at least 80 percent of the average closing price of the ordinary shares of the Company in Xetra trading on the Frankfurt Stock Exchange (or a functionally comparable successor system to the Xetra system) on the ten exchange trading days prior to the date the resolution is adopted by the Management Board regarding the issuance of the warrant or convertible bonds or – in the event subscription rights are granted – at least 80 percent of the average closing price of the ordinary shares of the Company in Xetra trading on the Frankfurt Stock Exchange (or a functionally comparable successor system to the XETRA system) during the subscription period, with the exception of the days of the subscription period required for timely announcement of the warrant or conversion price pursuant to § 186 (2) sent. 2 German Stock Corporation Act.

The new ordinary shares take part in profit from the beginning of the financial year in which they are created based on the exercise of warrant or conversion rights or the fulfilment of warrant or conversion obligations. The Management Board is authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

III.**MANAGEMENT BOARD****§ 5****Composition**

- (1) The Management Board shall have not less than two members.
- (2) The actual number of Management Board members will be determined by the Supervisory Board.

§ 6**Business Management and Representation**

- (1) The members of the Management Board shall conduct and manage the business of the Company in accordance with the law, these Articles of Association and the Management Board's Code of Procedure.
- (2) The company shall be legally represented by two management board members or by one management board member jointly with an executive holding a general power of attorney (*Prokurist*).
- (3) The Supervisory Board may release individual members of the Management Board from the prohibition of multiple representation pursuant to § 181 2nd alt. German Civil Code in individual cases.

IV.**SUPERVISORY BOARD****§ 7****Composition, Term of Office**

- (1) The Supervisory Board shall have 20 members, 10 of whom will be elected by the employees.
- (2) The Supervisory Board members are elected for the period up to that General Meeting which votes on the formal approval of the actions of the members of the Supervisory Board in the fourth financial year after commencement of the Supervisory Board's term of office. The financial year in which the term of office commences is not included in this count. Supervisory

Board members may be re-elected. The General Meeting may also determine a shorter term of office at the elections.

- (3) Any member of the Supervisory Board may at any time step down from office by giving one month's written notice to the Chairman of the Supervisory Board or to the Management Board without stating grounds or reasons. The Chairman of the Supervisory Board – or the Vice Chairman in the event of the Chairman of the Supervisory Board stepping down from office – may consent to a shortening of this period or a waiver of the observance of the period. This shall not affect the right to step down from office for good cause.

§ 8

Chairman and Vice Chairman

- (1) The Supervisory Board will elect a Supervisory Board Chairman and Vice Chairman from among its members with the majority prescribed by law.
- (2) Should the Chairman or his deputy (Vice Chairman) step down from the Supervisory Board or resign from office, the Supervisory Board shall promptly proceed to the election of a successor to this office.

§ 9

Convocation of Meetings of the Supervisory Board

- (1) Supervisory Board meetings shall be convened by the Chairman at 14 days' notice in writing, by telex, cable, fax or by means of electronic or other media. In urgent cases, the Chairman may reduce the term of notice and convene a meeting orally or by telephone.
- (2) The invitation shall be accompanied by an itemised agenda. Agenda items not communicated in due time may effectively be resolved at the meeting as long as no Supervisory Board member objects to such procedure.

§ 10

Resolutions of the Supervisory Board

- (1) Resolutions shall be adopted by the Supervisory Board at meetings. The Chairman may accept the participation of Supervisory Board members in a meeting and adoption of resolutions by way of a telephone or video conference. If ordered by the Chairman of the Supervisory Board, resolutions may also be passed outside of meetings by submitting votes in writing, by

telephone, fax, electronically or in an equivalent form. For the adoption of resolutions outside of meetings, the following provisions shall apply analogously.

- (2) The Supervisory Board shall be deemed to have a quorum if, after inviting all its members, not less than one half of all its mandatory members participate in the adoption of the resolution. Members who are joining by way of telephone or video conference shall be deemed to be attending. A member shall also be deemed to participate in the adoption of a resolution if it abstains from a vote. At any rate, not less than three members shall participate in a vote.
- (3) Absent Supervisory Board members may participate in the passing of resolutions by submitting votes through other Supervisory Board members that were transmitted in writing, by fax, electronically or in a comparable form (voting messages).
- (4) Resolutions of the Supervisory Board are adopted with a simple majority of the votes cast, unless otherwise stipulated by mandatory law. An abstention shall not be deemed a vote.
- (5) The Chairman will determine the order in which the agenda items shall be dealt with, as well as the mode and order of voting.
- (6) Minutes shall be prepared of the meetings and resolutions of the supervisory board which are to be signed by the chairman of the meeting or - in the case of adoptions of resolutions outside of meetings - by the person overseeing the adoption of the resolution.

§ 11

Committees

- (1) The Supervisory Board may establish one or more committees from among its members. To the extent permitted by law, certain Supervisory Board powers of decision may be delegated to such committees.
- (2) Each committee may appoint a Chairman from among its members unless such Chairman is appointed by the Supervisory Board itself.
- (3) For the procedures to be adopted by the committees, the provisions of §§ 9, 10 shall apply analogously. Should any voting result in a tie, the Chairman shall have two votes in a second ballot on the same item if it again results in a tie. Such second vote, too, may be cast in writing analogously to § 10 (3).

§ 12**Code of Procedure, Declarations of Intent**

- (1) The Supervisory Board shall establish its own Code of Procedure in accordance with the law and these Articles of Association.
- (2) The Chairman or, should he be unable to do so, the Vice Chairman, shall be authorised to make the declarations of intent on behalf of the Supervisory Board that are necessary to implement the resolutions of the Supervisory Board and its committees.

§ 13**Remuneration of the Supervisory Board**

- (1) The members of the Supervisory Board shall receive a fixed annual remuneration. This fixed remuneration shall amount to 80,000 euros for each member.
- (2) The Chairman of the Supervisory Board shall receive triple, his deputy and the chairmen of the committees shall each receive double and the other members of the committees shall each receive one and a half times the amount stipulated in para. (1). This shall not apply with regard to the chairmanship and the membership in the committee pursuant to § 27 para. 3 MitbestG. The remuneration for a membership or the chairmanship in a committee shall only be paid if at least two meetings or other adoptions of resolutions of this committee have taken place in the respective financial year. If a member of the Supervisory Board holds several of the offices specified in sent. 1 at the same time, he shall receive only the remuneration for one office, in the case of different remunerations for the office with the highest remuneration.
- (3) The remuneration shall be payable at the end of the respective financial year.
- (4) Supervisory Board members who served on the Supervisory Board only for part of the financial year, shall receive one twelfth of the remuneration for each month of service or any part of such month. This shall apply accordingly with regard to memberships in a committee, the chairmanship or the deputy chairmanship in the Supervisory Board or the chairmanship in a committee.
- (5) The company shall reimburse to the members of the Supervisory Board the expenses incurred from their holding of the office as well as a any VAT payable on the remuneration and the reimbursement of expenses.

§ 14**Amendments, Confidentiality**

- (1) The Supervisory Board is authorised to decide on such amendments to these Articles of Association as relate to their wording only.
- (2) Even after their resignation from office, Supervisory Board members shall not disclose to third parties any of the confidential information, data and secrets of the Company that may have come to their attention during their term of office. In the event that a Supervisory Board member intends to pass on to a third party any information for which it cannot be safely precluded that such information is confidential or relates to secrets of the Company, such member will be obligated prior to any disclosure to consult the Chairman for comment thereon.

V.**GENERAL MEETING****§ 15****Venue, Convening**

- (1) The General Meeting shall be held at the Company's registered office, at the location of a German stock exchange or in another city in the Federal Republic of Germany with more than 500,000 inhabitants.
- (2) The convening must be made public at least 30 days prior to the date by the end of which the shareholders have to register for attendance (§ 16 (1)). In this regard, the day of publication shall not be included in the calculation.

§ 16**Right to Attend**

- (1) Holders of ordinary shares are entitled to attend the General Meeting and to exercise their voting rights, holders of preference shares are entitled to attend the General Meeting – and, in the cases provided for by statutory law, also to exercise their voting rights – if they have registered for the General Meeting in advance. The Company must receive the registration at the address specified in the invitation to the General Meeting in text form, and in the German or English language, at least six days prior to the General Meeting, not including the date of receipt and the date of the General Meeting.

- (2) The right to attend the General Meeting and to exercise voting rights must be verified. For this purpose, a proof of share ownership issued by the depository institution maintaining the securities account is required in text form in the German or English language. The verification of share property must relate to the beginning of the twenty-first day prior to the date of the General Meeting and must be received by the Company at the address specified in the invitation to the General Meeting at least six days prior to the General Meeting, not including the date of receipt and the date of the General Meeting. Only persons/entities who have provided verification in due form and time will be regarded as shareholders vis-à-vis the Company for attendance at the General Meeting and the exercise of voting rights.
- (3) The Management Board may allow and define procedures for shareholders to participate in the General Meeting even without attending or appointing a proxy, and to exercise all or some of their rights in whole or in part by means of electronic communication.

§ 17

Chairmanship

- (1) The Chairman of the Supervisory Board, or another Supervisory Board member designated by him, shall preside over the General Meeting. In the event that neither the Chairman of the Supervisory Board nor the Supervisory Board member designated by him takes the chair, the members of the Supervisory Board present at the General Meeting shall elect the person who is to preside over the meeting.
- (2) The Chairman presides over the meeting, determines the order of business to be transacted at the meeting and decides on the mode and form of voting. He may permit video and audio broadcasts of the General Meeting. The voting result may also be determined by deducting the number of ayes or nays and abstentions from the total number of votes of shareholders with voting rights.
- (3) The Chairman has the right to set an appropriate time limit for the shareholders' right to ask questions and speak. In particular, he has the right to set a time frame for the shareholders' right to ask questions and speak for the entire General Meeting, on individual agenda items and for individual speakers.

§ 18

Voting Right

- (1) One ordinary share confers one vote.

- (2) Voting rights may be exercised by proxy. Unless a lesser requirement is provided by law, proxies may only be issued, revoked and documented vis-à-vis the Company in text form. The provisions in § 135 German Stock Corporation Act shall remain unaffected. A lesser requirement may be determined in the invitation to the General Meeting.
- (3) The Management Board may allow and define procedures for shareholders to cast their votes even without attending the General Meeting, in writing or by means of electronic communication (postal vote).
- (4) Except as otherwise provided by the law, preference shares do not confer votes.

§ 19 Majority Requirements

Unless mandatory statutory provisions stipulate otherwise, resolutions will be adopted by the General Meeting by simple majority of votes cast; in cases where a majority of the capital stock is prescribed, the simple majority of the capital stock represented thereat will suffice to pass a resolution. This shall not apply to resolutions pursuant to § 103 (1) AktG (dismissal of members of the Supervisory Board).

VI.

ANNUAL FINANCIAL STATEMENTS

§ 20

Annual Financial Statements and Appropriation of Profits

- (1) Within the first three months of a financial year, the Management Board shall draw up the annual financial statements and the management report for the past financial year and present them without undue delay upon completion to the Supervisory Board. At the same time, the Management Board shall present to the Supervisory Board the proposal for the appropriation of the balance sheet profit it intends to make to the General Meeting.
- (2) The Supervisory Board shall appoint the independent auditor for the audit of the annual financial statements.
- (3) On adopting the annual financial statements, the Management Board and the Supervisory Board shall be authorised to transfer to the other reserves retained from earnings all or part of such net income as remains after appropriation of the required amounts to the legal reserve and after deducting any loss carried forward. The transfer of more than one half of the net income to the other reserves shall not be permissible to the extent that such reserves would after such transfer exceed fifty percent of the capital stock.

- (4) When deciding on the appropriation of balance sheet profits, the General Meeting may adopt a resolution for a distribution in kind instead of or in addition to a cash distribution.
- (5) In the event of a capital increase, the participation in profits of new shares may be determined in derogation of § 60 (2) sent. 3 German Stock Corporation Act.
- (6) After the close of a financial year, subject to the Supervisory Board's consent, the Management Board may distribute an interim dividend to the shareholders pursuant to § 59 German Stock Corporation Act.

§ 21

Distribution of Profits

- (1) Holders of non-voting preference shares will receive from the annual balance sheet profits an advance dividend of 0.17 euros per preference share.
- (2) Should the balance sheet profits available for distribution not suffice in any one financial year to pay the advance dividend, the arrears (excluding any interest) shall be paid from the balance sheet profits of future financial years in an order based on age, i.e. in such manner that any older arrears are paid off prior to any more recent ones and that the preferred dividends payable from the profit of a financial year are not distributed until all of any accumulated arrears have been paid.
- (3) After the advance dividend has been distributed, the holders of ordinary shares will receive a dividend of 0.17 euros per ordinary share. Thereafter, an extra dividend which does not have to be paid in arrears will be paid to the holders of non-voting preference shares which per preference share shall amount to 10 percent of such dividend as, in accordance with section 4 herein below, will be paid to the holders of ordinary shares, inasmuch as such dividend equals or exceeds 1.02 euros per ordinary share.
- (4) The holders of non-voting preference shares and of ordinary shares will equally share in any additional profit distribution in the proportion of their shares in the capital stock.

VII.
FINAL PROVISIONS

§ 22
Other Information

- (1) The capital stock of the Company was contributed in an amount of 204,517,000 euros by means of the transformation of the Company into an *Aktiengesellschaft* (stock corporation). The capital stock was reduced subsequently by 171,838,248 euros.
- (2) The costs of the change of the legal form as formation expenses shall be borne by the Company up to an amount of 100,000 euros.

Annex 32.2 contains the future authorisation for METRO Wholesale & Food Specialist AG to acquire and to use treasury shares pursuant to § 71 para. 1 no. 8 of the German Stock Corporation Act. It reads as follows:

Annex 32.2

Future authorisation to acquire treasury shares

- a) The Company is authorised, until 28 February 2022, to acquire shares of the Company, regardless of their class, in an extent of up to 10 percent of the capital stock existing at the point in time of this authorisation becoming effective or – if this value is lower – of the capital stock existing at the point in time of the exercise of this authorisation. Together with treasury shares that may have been acquired for other reasons and that are either held by the Company or have to be attributed to the Company under §§ 71 a et seqq. German Stock Corporation Act, shares acquired based on this authorisation may at no time exceed ten percent of the Company's capital stock at such point in time. In each individual case, the acquisition is to be con-

ducted, at the choice of the Management Board, aa) through the stock exchange or bb) by means of a purchase offer addressed to all shareholders.

- aa) To the extent that the acquisition is conducted through the stock exchange, the purchase price per share (without ancillary acquisition costs) paid by the Company may not exceed or fall short of, by more than 10 percent, the arithmetic mean of the auction closing prices of shares of the same class of the Company in Xetra trading (or a functionally comparable successor system to the Xetra system) at the Frankfurt Stock Exchange on the last three exchange trading days before the commitment to acquire.
- bb) To the extent that the acquisition is conducted through a purchase offer addressed to all shareholders, the purchase price per share (without ancillary acquisition costs) offered and paid by the Company may not exceed or fall short of, by more than 10 percent, the arithmetic mean of the auction closing prices of shares of the same class of the Company in Xetra trading (or a functionally comparable successor system to the Xetra system) at the Frankfurt Stock Exchange on the last three exchange trading days before the date of the publication of the offer. In the event that a significant change in the share price occurs after the publication of the offer, the offer may be adjusted. In this case, the relevant reference period is the three exchange trading days before the date of the publication of the adjustment; the 10-percent-limit for the exceeding or falling short is to be applied to this amount. In the event that the purchase offer is oversubscribed, the acquisition may be conducted in accordance with the proportion of the shareholdings held by the tendering shareholders to each other (shareholding quotas) or in accordance with the proportion of the tendered shares (tendering quotas). In addition, for the avoidance of calculational fractions of shares commercial rounding may be applied. A preferential acceptance of small numbers of shares (up to 50 tendered shares per shareholder) may be provided for.

The authorisation may be exercised, in compliance with statutory requirements, for any legally permissible purpose, in particular in pursuit of one or several of the purposes specified in lit. b). No trading in treasury shares is permitted.

- b) The Management Board is authorised to use the shares of the Company acquired on the basis of the authorisation in lit. a) for the following purposes:
 - aa) Disposal of shares of the Company (i) through the stock exchange or (ii) through an offer to all shareholders;
 - bb) Listing of shares of the Company on foreign stock exchanges on which they have not been admitted for trading so far. The initial price of these shares may not fall short, by

more than 5 percent, of the arithmetic mean of the auction closing prices of the already listed shares of the Company with the same features in Xetra trading (or a functionally comparable successor system to the Xetra system) at the Frankfurt Stock Exchange on the last five exchange trading days before the date of the stock exchange listing, not including ancillary acquisition costs;

- cc) Transfer of shares of the Company to third parties against consideration in kind in the course of corporate mergers or for the acquisition of enterprises, parts of enterprises, business establishments, company interests or other assets;
- dd) Disposal of shares of the Company in a manner other than through the stock exchange or by way of an offer to all shareholders, provided that the disposal is made against cash payment and at a price not significantly falling short of the stock market price of the already listed shares of the Company with the same features at the point in time of the disposal. This authorisation is limited to the disposal of shares representing, on aggregate, a pro-rata amount of no more than 10 percent of the capital stock at the point in time of the becoming effective of this authorisation or – if that value is lower – at the point in time of the exercise of this authorisation. This limit of 10 percent of the capital stock is to be diminished by such portion of the capital stock (i) attributable to shares of the Company which during the term of this authorisation are issued with an exclusion of the shareholders' subscription rights in application, directly or *mutatis mutandis*, of § 186 (3) sent. 4 German Stock Corporation Act, or (ii) attributable to shares of the Company which are issued or have to be issued to satisfy warrant or convertible bonds which themselves were issued with an exclusion of subscription rights in application, *mutatis mutandis*, of § 186 (3) sent. 4 German Stock Corporation Act during the term of this authorisation;
- ee) Delivery of shares to the holders of warrant or convertible bonds of the Company or its Group companies as defined in § 18 German Stock Corporation Act in accordance with the warrant or convertible bond conditions; this shall also apply to the delivery of shares as a result of the exercise of subscription rights which in the case of a disposal of treasury shares by means of an offer to all shareholders or in the case of a capital increase with subscription rights may be granted to the holders of warrant or convertible bonds of the Company or its Group Companies as defined in § 18 German Stock Corporation Act, to the extent to which the holders of the warrant or convertible bonds would be entitled to a subscription right for shares of the Company upon exercise of the warrant or conversion right or fulfilment of the warrant or conversion obligation. On aggregate, the shares transferred as a result of this authorisation may not represent a pro-rata amount of more than 10 percent of the capital stock at the point in time of this

authorisation becoming effective or – if this value is lower – at the point in time of the exercise of this authorisation, provided that the shares are used for the fulfilment of warrant or conversion rights or warrant and conversion obligations which were granted or created in application, *mutatis mutandis*, of § 186 (3) sent. 4 German Stock Corporation Act. This limit of 10 percent of the capital stock is to be diminished by such portion of the capital stock attributable to shares of the Company which during the term of this authorisation are issued or disposed of in application, directly or *mutatis mutandis*, of § 186 (3) sent. 4 German Stock Corporation Act;

- ff) Implementation of a so-called *scrip dividend*, in the course of which shares of the Company are used (also in part or in the form of an option) for the fulfilment of the dividend entitlements of the shareholders;
- gg) Redemption of shares of the Company without a further resolution of the General Meeting. The redemption may also be conducted without a capital reduction by increase of the pro-rata amount of the other no-par value shares in the capital stock of the Company. In this case, the Management Board is authorised to adjust the number of no-par value shares in the Articles of Association.

All of the authorisations stated above for the acquisition and for the utilisation of treasury shares acquired as a result of this authorisation may be exercised in whole or in part, once or several times, individually or jointly by the Company or its Group companies as defined in § 18 German Stock Corporation Act or for its or their account by third parties. All of the authorisations stated above may be exercised for the acquisition and for the utilisation of both ordinary shares and preference shares or for the acquisition and for the utilisation merely of ordinary shares or merely of preference shares. The utilisation of treasury shares pursuant to the authorisations in lit. bb), cc), dd), ee), ff) and gg) requires the consent of the Supervisory Board. In case of a utilisation of treasury shares pursuant to the authorisations in lit. aa) (i), bb), cc), dd) and ee), the subscription right of the shareholders is excluded. In case of utilisation of treasury shares pursuant to the authorisation in lit. aa) (ii) by way of an offer to all shareholders, which is made in observance of the principle of equal treatment (§ 53a AktG), the Management Board is authorised to exclude the shareholders' subscription right for fractional amounts. In addition, the Management Board is authorised to exclude the subscription right in the case of a utilisation of treasury shares pursuant to the authorisation in lit. ff).

- c) This authorisation will only take effect upon registration of the spin-off of various assets from METRO AG to the Company pursuant to the Hive-Down and Spin-Off Agreement of 13 December 2016, deed no. A 1959/2016 of Notary Public Dr. Paul Rombach, into the commercial register of METRO AG.

Annex 32.3 contains the future authorisation for METRO Wholesale & Food Specialist AG to issue convertible / warrant bonds pursuant to § 221 of the German Stock Corporation Act. It reads as follows:

Annex 32.3

Future authorisation for the issuance of convertible / warrant bonds

- a) Creation of an authorisation for the issue of warrant or convertible bonds and for the exclusion of the subscription right for these warrant or convertible bonds

The Management Board is authorised, with the approval of the Supervisory Board, to issue warrant or convertible bonds made out to the bearer (together the “Bonds”), once or several times, on or before 28 February 2022, with a total nominal amount of up to 1,500,000,000 euros and to grant or impose, as applicable, warrant rights or obligations to/on the holders of warrant bonds or, respectively, conversion rights or obligations to/on the holders of convertible bonds for ordinary shares of the Company made out to the bearer with a proportionate amount of the registered capital stock of up to a total of 16,339,376 euros, subject to the more detailed provisions of the Bond conditions.

The Bonds may also be issued by an affiliate of the Company as defined in § 18 German Stock Corporation Act in which the Company directly or indirectly holds at least 90 percent of the shares. In that case, the Management Board is authorised, with the approval of the Supervisory Board, to grant a guarantee for these Bonds on behalf of the Company and to grant or impose to/on their holders, as applicable, warrant or conversion rights or obligations for ordinary shares of the Company made out to the bearer.

The statutory subscription right is granted to the shareholders in such manner that the Bonds are issued to a financial institution or a syndicate of financial institutions, subject to the obliga-

tion to offer them to the shareholders for subscription. Where Bonds are issued by an affiliate of the Company as defined in § 18 German Stock Corporation Act in which the Company directly or indirectly holds at least 90 percent of the shares, the Company has to ensure the granting of the statutory subscription right for the shareholders of the Company in accordance with the preceding sentence.

However, the Management Board is authorised, with the approval of the Supervisory Board, to exclude the shareholders' subscription right for fractional amounts resulting from the subscription ratio and also to exclude the subscription right to such extent as is necessary in order to be able to grant those to/on whom previously issued warrant or conversion rights or, respectively, obligations have been granted or imposed, a subscription right to such extent as they would be entitled to upon as shareholders upon exercising their warrant or conversion rights or, respectively, fulfilling their warrant or conversion obligation.

The Management Board is further authorised, with the approval of the Supervisory Board, to exclude the shareholders' subscription right in its entirety for Bonds issued with warrant or conversion rights or warrant or conversion obligations which are issued against cash payment, provided that the Management Board, upon a duly conducted examination, comes to the conclusion that the issue price of the Bonds is not significantly lower than their hypothetical market price determined in accordance with generally accepted, especially financial mathematical, methods. This authorisation for the exclusion of the shareholders' subscription right applies to Bonds carrying a warrant or conversion right or a warrant or conversion obligation for shares with a total proportionate amount of the capital stock which may not exceed 10 percent of the capital stock, at the point in time of the becoming effective of this authorisation or – if that value is lower – at the point in time of the exercise of this authorisation. This 10 percent limit is to be diminished by such portion of the capital stock (i) attributable to shares of the Company which during the term of this authorisation are issued or disposed of with an exclusion of the shareholders' subscription rights in application, directly or *mutatis mutandis*, of § 186 para. 3 sent. 4 German Stock Corporation Act, or (ii) attributable to shares of the Company which are issued or have to be issued to satisfy warrant or convertible bonds which themselves were issued (on the basis of other authorisations) with an exclusion of subscription rights in application, *mutatis mutandis*, of § 186 para. 3 sent. 4 German Stock Corporation Act during the term of this authorisation.

In the case of an issuance of Bonds granting a warrant or conversion right or imposing a warrant or conversion obligation, the warrant or conversion price is to be determined in accordance with the provisions in § 4 (8) of the Articles of Association.

In the case of Bonds carrying warrant or conversion rights or warrant or conversion obligations, the warrant or conversion price may be adjusted in accordance with the terms and conditions of the Bonds in order to preserve the value if there is an economic dilution of the value of the warrant or conversion rights or warrant or conversion obligations, provided that such adjustment is not already provided for by statutory law. In addition, the Bond conditions may stipulate an adjustment of the warrant or conversion rights or warrant or conversion obligations, respectively, in the case of a capital reduction or other extraordinary measures or events (such as unusually high dividends or an acquisition of control by third parties). In the event of an acquisition of control by a third party, an adjustment of the warrant or conversion price may be provided for to the extent this is customary in the market. Furthermore, the conditions of the Bonds may provide that the conversion ratio and/or the warrant or conversion price are variable and that the warrant or conversion price will be stipulated within a predetermined range, depending on the development of the share price during the term. In this respect, too, the issue price may not fall short of the minimum issue price pursuant to the provisions in § 4 (8) of the Articles of Association.

The Bond conditions may provide, in the event of a conversion or exercise of the warrant, for the right of the Company to pay, instead of the granting of shares, a cash amount which for the number of shares otherwise to be delivered corresponds to the volume-weighted average stock market price of the ordinary shares of the Company in Xetra trading (or a functionally comparable successor system to the Xetra system) at the Frankfurt Stock Exchange during an appropriate period of days before or after the declaration of the conversion or the exercise of the warrant which is to be determined by the Management Board. The Bond conditions may also provide that at the choice of the Company the conversion is made, instead of new shares from contingent capital, into already existing ordinary shares of the Company or shares of another listed company or that the warrant right or the warrant obligation may be fulfilled by delivery of such shares.

The Bond conditions may also provide for a warrant or conversion obligation at the end of their term (or at another point in time) or for the right of the Company to grant to the creditors of the Bonds, upon the final maturity of the Bonds carrying warrant or conversion rights (this also includes maturity by virtue of a termination), in whole or in part, shares of the Company or shares of another listed company instead of the payment of the amount in cash due. The proportionate amount of the capital stock of the ordinary shares of the Company to be issued upon conversion or exercise of the warrant may not exceed the nominal value of the Bonds. §§ 9 para. 1, 199 para. 2 German Stock Corporation Act have to be observed.

The Management Board is authorised, with the approval of the Supervisory Board, to determine or, as the case may be, to determine in agreement with the corporate bodies of the affli-

ate of the Company as defined in § 18 German Stock Corporation Act issuing the Bonds, the additional details relating to the issue and the terms and conditions of the Bonds including, in particular, the interest rate, issue price, term and denomination, the dilution protection provisions as well as the warrant or conversion period.

- b) Authorisation of the Supervisory Board to amend § 4 (8) of the Articles of Association (contingent capital)

The Supervisory Board is authorised to make amendments to § 4 (8) of the Articles of Association in accordance with the respective utilisation of the contingent capital. The same shall apply in the event that the authorisation for the issue of warrant or convertible bonds has not been utilised after the term of the authorisation has expired, as well as in the event that the contingent capital has not been utilised after the periods for the exercise of warrant or conversion rights or, respectively, for the fulfilment of warrant or conversion obligations have expired.

- c) This authorisation will only take effect upon registration of the spin-off of various assets from METRO AG to the Company pursuant to the Hive-Down and Spin-Off Agreement of 13 December 2016, deed no. A 1959/2016 of Notary Public Dr. Paul Rombach, into the commercial register of METRO AG.

Annex 34 contains the Group Separation Agreement concluded between METRO AG and METRO Wholesale & Food Specialist AG containing provisions regarding the division of the company group of METRO GROUP occurring by virtue of the consummation of the Hive-Down and Spin-Off Agreement. The Group Separation Agreement is part of the Hive-Down and Spin-Off Agreement and has the following wording:

Annex 34

Group Separation Agreement

Group Separation Agreement

by and between

METRO AG, Düsseldorf, ("METRO AG")

and

**METRO Wholesale & Food Specialist AG, Düsseldorf,
("MWFS AG"; together with METRO AG referred to as the "Parties"
and each individually referred to as a "Party")**

A.
Preamble

METRO AG and MWFS AG today entered into a Demerger Agreement on the splitting up of the existing METRO GROUP into METRO AG and MWFS AG, of which this Group Separation Agreement is part.

With this Group Separation Agreement, the Parties wish to make provisions for various legal relationships between the Parties and their Group Companies for the period after the hive-down and spin-off take effect.

Now, therefore, the Parties agree on the following Group Separation Agreement:

Definitions used in the Demerger Agreement are intended to have the same meaning in this Group Separation Agreement, unless the term in question is otherwise defined herein.

The CE Business Division and the MWFS Business Division are also each referred to as a "**Business Division**".

"**Group Company**" shall mean companies which on the Effective Date are or become a group company of one of the Parties within the meaning of § 18 para. 1 of the German Stock Corporation Act (*Aktiengesetz – AktG*).

"**Tax Transfer Effective Date**" shall be 30 September 2016, 12:00 p.m.

"**Relevant Date**" shall be 1 October 2016, 0:00 a.m.

"**Effective Date**" shall be the effective date of the spin-off.

B.**Separation of the Business Divisions****§ 1****Dissolution of Cross-Collateral Securities**

- 1.1 If, on the Effective Date, one of the Parties or one of its Group Companies ("**Collateral Providers**") is providing collateral security for liabilities of the other Party or one of its Group Companies ("**Principal Debtor**") ("**Cross-Collateral Securities**"), the Parties shall endeavour to arrive at a redemption of such Cross-Collateral Securities. The Party of the Business Division of the Principal Debtor shall fully indemnify the Collateral Provider from any claims arising from the Cross-Collateral Security, and the other Party shall ensure, to the extent of the indemnity, that the Collateral Provider does not assert any recourse claims of its own against the Principal Debtor, to ensure that a double burden is not placed on the Principal Debtor's Business Division. The obligations arising from this § 1.1 shall not lapse as a result of the disposal of an interest in the Principal Debtor.
- 1.2 If METRO Kaufhaus und Fachmarkt Holding GmbH ("**MKFH**") is the Principal Debtor, a Cross-Collateral Security within the meaning of § 1.1 of this Group Separation Agreement shall only be deemed to exist if the secured liabilities are not covered by MWFS AG's obligation of indemnification in § 4.2 of this Group Separation Agreement.

§ 2**Insurance payments and compensation of third party claims**

- 2.1 If circumstances arise or become known for one of the Parties or one of its Group Companies ("**Injured Party**") after the Relevant Date, for which the other Party or one of its Group Companies ("**Insurance Creditor**") is entitled to a compensation claim under an insurance policy that covers the period prior to the Relevant Date ("**Insurance Claim**"), the Parties shall ensure that the Insurance Claim benefits the Injured Party commercially, as follows.
- a) The Parties undertake to ensure that the Insurance Claim is asserted vis-à-vis the insurance company, if necessary with the cooperation of the Injured Party and the Insurance Creditor. The Party of the Business Division of the Injured Party shall bear the costs and expenses of asserting the claim against the insurance company and shall indemnify the Insurance Creditor in this respect.
 - b) The Party of the Business Division of the Insurance Creditor shall ensure that payments made by the insurance company in respect of the Insurance Claim are paid to

the Injured Party. The Party of the Business Division of the Injured Party shall ensure that compensation claims to which the Injured Party is entitled against third parties with respect to the damage for which the Insurance Claim exists are assigned by the Injured Party to the Insurance Creditor to the extent payment has been made to the Injured Party.

- 2.2 If a Party or one of its Group Companies suffers a loss, but the other Party or one of its Group Companies is entitled to claim for compensation in this respect against a third party, the latter Party shall assign such claim for compensation to the former Party or cause such assignment at the other Party's request.

C.

Liability

§ 3

Mutual indemnity

- 3.1 If claims are made against METRO AG or one of its Group Companies based on statutory liability or common law liability for liabilities, obligations or contingent liabilities created prior to the Effective Date by companies that are to be allocated to the MWFS Business Division, MWFS AG shall indemnify METRO AG or the affected Group Company from the respective obligation upon first demand by METRO AG.
- 3.2 If claims are made against MWFS AG or one of its Group Companies based on statutory liability or common law liability for liabilities, obligations or contingent liabilities created prior to the Effective Date by companies that are to be allocated to the CE Business Division, METRO AG shall indemnify MWFS AG or the affected Group Company from the respective obligation upon first demand by MWFS AG.
- 3.3 § 3.1 or § 3.2 of this Group Separation Agreement shall not apply to the relationship between METRO AG and MWFS AG to the extent § 29 of the Demerger Agreement applies.
- 3.4 Furthermore, the provisions made in § 3.1 and § 3.2 of this Group Separation Agreement shall not apply to the Tax matters governed by Section D of this Group Separation Agreement.
- 3.5 The indemnification obligation of METRO AG specified in § 3.2 of this Group Separation Agreement shall not apply to any liability of MWFS AG or its Group Companies for MKFH, if the underlying liability, obligation or contingent liability of MKFH is covered by the indemnification obligation of MWFS AG specified in § 4.2 of this Group Separation Agreement.

- 3.6 To the extent that MWFS is held liable on the basis of § 25 HGB of the German Commercial Code (*Handelsgesetzbuch*) or any similar provisions by creditors for liabilities, obligations or contingent liabilities which under the provisions of the Demerger Agreement are not transferred to MWFS AG, or is held liable for obligations under future statutory obligation relationships which arise in connection with previous or future business activities of the CE Business Division, METRO AG shall indemnify MWFS AG.

§ 4

Indemnification in relation to MKFH

- 4.1 MKFH currently only holds company interests of the CE Business Division, but previously also held interests in companies attributable to the MWFS Business Division. In the light of this, the Parties agree to indemnification in accordance with the following provisions.
- 4.2 MWFS AG shall indemnify MKFH from all liabilities, obligations and contingent liabilities on first demand, to the extent they are attributable to the MWFS Business Division. This indemnification shall not extend to:
- a) any of MKFH's pension liabilities (including those which have been transferred to MKFH or which the latter has taken over), regardless of which Business Division they are attributable to, including any liability for a shortfall of funds regarding the pension obligations of METRO Unterstützungskasse e.V. or other liabilities or obligations to pension funds; as well as
 - b) liabilities arising out of or in connection with the acquisition, holding, disposal or otherwise with METRO Innovations Holding GmbH (Local Court of Düsseldorf, HRB 71063) or former company interests or other assets of METRO Innovations Holding GmbH that have been transferred to companies forming part of the CE Assets.
- 4.3 If MKFH holds or receives recourse claims or other equivalent assets in connection with circumstances for which an indemnification is granted pursuant to § 4.2 of this Group Separation Agreement, METRO AG shall ensure that such claims or assets are delivered to MWFS AG by MKFH.
- 4.4 The provisions agreed to in this § 4 shall not apply to the Tax matters governed by Section D of this Group Separation Agreement.

D.
Taxes

§ 5
Internal allocation of Taxes

- 5.1 Subject to § 5.2 (Transaction taxes) and § 5.3 (Value added tax) below, Taxes shall be allocated as follows:
- a) Taxes relating to the period up to and including the Tax Transfer Effective Date ("**Pre-Relevant Date Taxes**", and the relevant period the "**Pre-Relevant Date Period**") shall, as a general rule, be borne by MWFS AG. METRO AG shall only bear Pre-Relevant Date Taxes if they result from circumstances that can be clearly and directly attributed to the CE Business Division.
 - b) Taxes relating to the period after the Tax Transfer Effective Date ("**Post-Relevant Date Taxes**", and the relevant period the "**Post-Relevant Date Period**") shall be borne by the Party whose Business Division they are to be attributed to pursuant to the provisions of the Demerger Agreement.
 - c) With regard to such assessment, imposition or other fiscal calculation periods that begin before the Tax Transfer Effective Date and end after it, the Tax shall be determined as if the respective assessment, imposition or other fiscal calculation period had ended on the Tax Transfer Effective Date (delimitation by time periods).
- 5.2 "**Transaction Taxes**" shall mean Taxes owed under fiscal law by a MWFS Company and/or a CE Company due to the conclusion and implementation of the Demerger Agreement and the preparatory actions, including all pre-structuring steps, including those Taxes arising due to an infringement of any blocked periods within the meaning of § 22 para. 1 and para. 2 of the German Conversion Tax Act (*Umwandlungssteuergesetz – UmwStG*) that may arise as a result of the hive-down, regardless of whether those Taxes are assessed or levied for Pre- or Post-Relevant Date Periods. Transaction Taxes shall be allocated as follows:
- a) Transaction Taxes listed in **Appendix 5.2.a)** of this Group Separation Agreement ("**Calculated Transaction Taxes**") shall be borne by MWFS AG.
 - b) Transaction Taxes which are not covered by § 5.2 lit. a) of this Group Separation Agreement ("**Unexpected Transaction Taxes**") shall in principle be borne by MWFS AG at 75% and by METRO AG at 25%. In deviation from the Tax share speci-

fied in sentence 1, with regard to the Unexpected Transaction Taxes listed below in (i) to (iii) the following shall apply:

(i) The Taxes which the Parties anticipate due to the contribution of a limited partnership interest of just under 92.9% of the fixed capital/liability capital in MP KG by METRO AG into MWFS AG and the conclusion of an option agreement regarding the remaining limited partnership interest (just over 6.61 % of the fixed capital/liability capital) held by METRO AG in MP KG shall be deemed part of the Calculated Transaction Taxes. If, contrary to the view of the Parties, further Taxes arise due to these processes, such Taxes shall also be deemed Unexpected Transaction Taxes, of which each of the Parties shall bear 50%. This Tax liability scheme shall take precedence over the partnership agreement of MP KG. It shall also apply to Taxes which, pursuant to the partnership agreement of MP KG, the Parties are required to reimburse.

(ii) Each Party shall be responsible for bearing Unexpected Transaction Taxes alone, provided it caused them, in the following cases: (x) in the event of a violation of the obligation specified in § 3.4 of the Demerger Agreement (failure to file an application for the roll-over of the carrying amount); or (y) in cases of a violation of a blocked period within the meaning of § 22 of the German Transformation Tax Act (*Umwandlungsteuergesetz – UmwStG*) by conduct after the hive-down takes effect; Taxes due to a violation of a blocked period which can be attributed to conduct (act, tolerating or omission) up until this point in time (in particular the valuations, including the valuation assumptions, on which the determination of the new shares to be issued at congruent value as part of the hive-down and spin-off, as well as follow-up measures based on such valuations), shall be deemed not to have been caused by either Party (in this case the liability for Taxes pursuant to § 5.2 lit. b) sent. 1 of this Group Separation Agreement shall apply).

It shall constitute causation by one of the Parties within the meaning of the foregoing (x) and (y), if and to the extent that the Tax was caused by conduct (act, tolerating or omission) by this Party or an event falling within the sphere of risk of such Party (this shall include decisions by its shareholders, in particular those on the appropriation of the net profit within the meaning of § 174 AktG, those pursuant to the UmwG or those concerning an exclusion of minority shareholders). If both of the Parties jointly caused the Taxes, they shall pay the Taxes in accordance with the rationale of § 254 of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*) in proportion to the respective causal contributions.

(iii) METRO AG shall pay any dividend withholding tax that arises in case the transaction results in a hidden profit distribution by MWFS AG to METRO AG with respect to income tax.

- 5.3 There is a VAT allocation scheme in place between METRO AG as the controlling company and some of the MWFS and CE Companies as the controlled companies. The Parties agree that the tax group for VAT purposes and the existing VAT allocation scheme shall continue for as long as possible and, at latest, shall end with regard to future periods when the spin-off takes effect. For VAT periods up until the termination of the tax group, the allocation scheme shall be maintained and continued, even after the spin-off takes effect. The above contributions shall also include any interest on arrears or tax refunds. Claims between METRO AG and the controlled companies under the allocation scheme shall take precedence over the provisions in § 5.1, § 5.2, § 6 and § 7 of this Group Separation Agreement.

§ 6

Tax indemnity

- 6.1 MWFS AG shall indemnify METRO AG from all Taxes incurred by the CE Companies, to the extent that MWFS AG is liable to pay these Taxes pursuant to § 5 of this Group Separation Agreement.
- 6.2 METRO AG shall indemnify MWFS AG from all Taxes incurred by the MWFS Companies, to the extent that METRO AG is liable to pay these Taxes pursuant to § 5 of this Group Separation Agreement. Claims pursuant to § 6.1 and § 6.2 of this Group Separation Agreement are hereinafter referred to as "**Indemnity Claim**" or jointly "**Indemnity Claims**".
- 6.3 An Indemnity Claim shall be excluded if and to the extent that
- a) the relevant Tax has been paid up until (and including) the Tax Transfer Effective Date;
 - b) the relevant Tax corresponds to Tax benefits (e.g. due to an increase in the depreciation volume or a reduction in capital gains) ("**Offsetting Effects**") for the creditor of the Indemnity Claim or the creditor's (CE or MWFS) companies. The Offsetting Effects shall only be taken into consideration if and to the extent that they have materialised in accordance with the Cash Tax Principle. If the debtor of the Indemnity Claim does not pay the relevant Tax in full (100%), but only in part (e.g. 75%, 50% or 25%), the relevant cash-relevant Offsetting Effects for the creditor shall only reduce the latter's Indemnity Claim to the corresponding extent (e.g. by 75%, 50% or 25% of the Indemnity Claim); or

- c) the creditor of the Indemnity Claim has failed to fulfil an obligation pursuant to § 8.2 lit. a) or b) or § 9 of this Group Separation Agreement after the spin-off has taken effect and the relevant Tax could have been avoided without such violation (for clarification: (compensation) claims between the Parties due to failures to fulfil obligations pursuant to § 8.2 lit. a) or b) or §9 of this Group Separation Agreement before the spin-off takes effect shall be excluded). The debtor of the Indemnity Claim shall bear the burden of proof as to whether and to what extent the Tax could have been avoided; it must be granted access to all documents, data and information on all procedural steps taken by the creditor required for establishment of the facts, unless and to the extent that this access is unreasonable in relation to the total value of the Indemnity Claim, on the one hand and, on the other hand, taking into account the creditor's due conduct of business. The Indemnity Claim shall not be excluded to the extent the breach of duty was due to a written instruction given by the debtor of the Indemnity Claim or his advisors.
- 6.4 In the event of an Indemnity Claim pursuant to § 6.2 for the Taxes listed in § 5.2 lit. b) under (iii) of this Group Separation Agreement, MWFS AG or any other MFWS Company shall grant METRO AG an interest-free loan in the same amount as the Indemnity. This loan must be repaid (i) as soon as METRO AG has been credited the relevant dividend withholding tax, or, if sooner, (ii) no later than twelve (12) months after the loan was granted. Notwithstanding the foregoing, METRO AG shall endeavour to receive and maintain a certificate pursuant to § 44a para. 5 of the German Income Tax Act (*Einkommensteuergesetz* – EStG).

§ 7

Payment of Tax Refunds and Offsetting Effects

- 7.1 If and to the extent that a CE Company receives a Tax reimbursement of a Tax which MWFS AG has to bear pursuant to § 5 of this Group Separation Agreement (in particular for Pre-Relevant Date Periods), METRO AG shall pay the amount concerned to MWFS AG (less any Taxes on interest on Tax refunds in accordance with the Cash Tax Principle).
- 7.2 If and to the extent that a MWFS Company receives a Tax reimbursement of a Tax which METRO AG has to bear pursuant to § 5 of this Group Separation Agreement, MWFS AG shall pay the amount concerned to METRO AG (less any Taxes on interest on Tax refunds in accordance with the Cash Tax Principle). Claims pursuant to § 7.1 and § 7.2 of this Group Separation Agreement are hereinafter referred to as "**Reimbursement Claim**" or jointly "**Reimbursement Claims**".

- 7.3 A Reimbursement Claim shall be excluded if the Tax that is reimbursed is a Tax for which generally there is, or would have been, an Indemnity Claim, but which was excluded pursuant to § 6.3 of this Group Separation Agreement, or which was unenforceable pursuant to § 10.10 of this Group Separation Agreement or which was not satisfied for any other reason.
- 7.4 The debtor of the liability claim shall inform the creditor in writing within ten (10) business days of receipt of the reimbursed Tax of such receipt.
- 7.5 If a Tax reduction in accordance with the Cash Tax Principle ("**Cash Tax Reduction**") on Offsetting Effects is not received by the creditor of the Indemnity Claim or the creditor's (CE or MWFS) Companies until after the relevant Indemnity Claim is due, it shall pay a portion of such Cash Tax Reduction to the debtor which is equivalent to the quota at which the debtor of the Indemnity Claim bears Taxes.
- 7.6 To the extent that METRO AG is required to pay an Unexpected Transaction Tax pursuant to § 5.2 of this Group Separation Agreement and such Tax corresponds to an Offsetting Effect for (i) an MWFS Company or (ii) another company (in particular – for the avoidance of doubt – increased Tax carrying amounts for one of these companies due to a lack of continuation of the carrying amounts for the hive-down or a violation of § 22 UmwStG), which led to a Cash Tax Reduction for these companies, MWFS AG shall pay a portion of such Cash Tax Reduction to METRO AG which is equivalent to the quota at which the latter bears Taxes; even in the event that the Cash Tax Reduction is not realised by MWFS AG, but (another) MWFS Company or another company, for the assessment of the amount of the payment of Cash Tax Reductions to METRO AG the relevant Cash Tax Reductions shall always be taken into account in full, i.e. irrespective of an interest or the participation quota of MWFS AG or the MWFS Company in the (other) MWFS Company or other company, but in accordance with the Tax liability rate. If the Offsetting Effects have led to a Cash Tax Reduction for a company which is not a MWFS Company (sent. 1 alt. (ii)), the claim pursuant to sentence 1 shall only exist if the circumstances which result in the Cash Tax Reductions not being realised by a MWFS Company but by another company (e.g. the sale of a MWFS Company or a contribution into a company which is not a MWFS Company), have occurred within seven (7) years of the Tax Transfer Effective Date; if these circumstances occur after more than seven (7) years of the Tax Transfer Effective Date, the claim shall only exist if and to the extent that (i) in the period up until the circumstances occurred, Cash Tax Reductions were realised by a MWFS Company (for the avoidance of doubt: in this respect, sentence 1 applies) and/or (ii) in the period from when the circumstances occurred (x) Offsetting Effects were realised by a MWFS Company in a cash-effective way other than due to Cash Tax Reductions (e.g. as a result of profit distributions) (with the proviso that for the calculation of the payment of Cash Tax Reductions to METRO AG the relevant Cash Tax Reductions in the amount of the par-

ticipation or the participation quota of MWFS AG or the MWFS Company in the other company shall be taken into account), and/or (y) a MWFS Company has received a consideration in cash or cash equivalents (e.g. in cash or in the form of shares) for the (future) Cash Tax Reductions for the other company (for the avoidance of doubt, with reference to § 10.6: the same Cash Tax Reduction shall, economically, in no event be taken into account twice). Claims pursuant to § 7.5 and § 7.6 of this Group Separation Agreement are hereinafter referred to individually as an "**Offsetting Effect Claim**" and jointly as "**Offsetting Effect Claims**".

- 7.7 As soon as an Offsetting Effect Claim is conceivable (e.g. as a result of a Tax indemnity or the incurring of an Unexpected Transaction Tax), the potential debtor of an Offsetting Effect Claim shall inform the creditor annually within twelve (12) months after the end of a financial year as to whether and, if so, to what extent such Offsetting Effects materialised. If Offsetting Effects can be realised at a company which is not the debtor of the Offsetting Effect Claim, and this may lead to a claim pursuant to § 7.6, the potential debtor of the Offsetting Effect Claim shall be responsible for ensuring that it has sufficient rights to information and/or rights to inspect also towards third parties in order to fulfil the obligation pursuant to this § 7.7; in the case of § 7.6 sent. 2 sub-clause 2 lit. (ii), the potential debtor of the Offsetting Effect Claim shall provide the creditor of the Offsetting Effect Claim with details about the specific calculation modalities (such as determination of the purchase price) by way of appropriate proof, if and to the extent that the debtor is aware of these calculation modalities; the creditor shall be entitled to having these supporting documents checked by an auditor. In this regard, the Offsetting Effects shall be presented separately as to whether or not they have already resulted in a Cash Tax Reduction. Together with this information, the potential debtor of an Offsetting Effect Claim shall send a written confirmation by a German auditing firm, which confirms that the debtor has duly complied with its notification obligation. To the extent permitted by law, the creditor shall be entitled to have the information verified at its own expense by a German auditing firm to the extent this is reasonable. The Parties shall consult among themselves once every three (3) years from the date of notarisation of the Demerger Agreement as to whether and subject to what conditions a one-time settlement payment of such offsetting effects which have not yet triggered a Cash Tax Reduction by the respective time of consultation is appropriate.

§ 8

Value Added Tax

- 8.1 The Parties expect that the conclusion and implementation of the Demerger Agreement is a non-taxable transfer of an entire business within the meaning of §§ 1 para. 1a, 15a para. 10 of the German Value Added Tax Act (*Umsatzsteuergesetz* – UStG). In the event that the Tax

authorities are of the opinion that this is not a transfer of an entire business and that the process is not exempt from VAT due to the VAT group that currently exists between the Parties, the Parties undertake to take all necessary and reasonable measures to avoid a legally binding VAT assessment for METRO AG. If VAT is levied nevertheless, this shall constitute an Unexpected Transaction Tax, to which in principle the general rules contained in this Section D apply, even if and to the extent that MWFS AG owes the VAT pursuant to § 13b UStG.

8.2 If this unexpected VAT is levied on METRO AG, MWFS AG shall indemnify METRO AG for 75% thereof in application of these general rules in accordance with § 6 of this Group Separation Agreement. With regard to such VAT levied on METRO AG, the following shall apply in addition:

- a) § 9 of this Group Separation Agreement shall apply, subject to the proviso that (i) any Tax assessment notice concerning such VAT shall be sent to MWFS AG promptly, but no later than two (2) business days after receipt of such notice, and (ii) the Parties conduct any Relevant Tax Proceedings (in particular, Tax field audits) jointly with a view to achieving the most extensive degree of coordination with the Tax authorities concerning the form and content of an obligation granting the right to deduct input tax. METRO AG undertakes not to waive any VAT exemption pursuant to § 9 UStG.
- b) METRO AG irrevocably agrees to billing using a credit note procedure for the VAT concerned. MWFS AG shall issue a credit note. METRO AG shall be obliged to agree to the credit within five (5) business days after receipt of such note; objection shall only be admissible upon submission of comprehensive, specific explanation of the reasons and upon presentation of its own invoice. If METRO AG does not agree or if it objects with insufficient justification and/or without submission of an invoice of its own, it shall be obliged to compensate MWFS AG for the resulting damages, although this shall be limited to 75% of the total amount of the levied VAT. For the avoidance of doubt: The maturity of METRO AG's Indemnity Claim against MWFS AG for 75% of the VAT pursuant to § 8.2 in conjunction with §§ 6, 10.7 of this Group Separation Agreement shall not depend on when MWFS AG submits the credit in accordance with lit. b).
- c) MWFS AG undertakes (i) to claim the input tax deduction immediately and (ii) to pay 25% of the input tax to METRO AG within five (5) business days of receiving it. If METRO AG's Indemnity Claim pursuant to § 6.3 lit. c) of this Group Separation Agreement lapses or becomes unenforceable due to the limitation period, this obligation shall extend to 100% of the input tax. In this case, too, MWFS AG shall still be obliged to cooperate with METRO AG in order to realise the input tax deduction to the

commercial benefit of METRO AG; § 9, in particular § 9.3 lit. a) and b) of this Group Separation Agreement shall apply mutatis mutandis. To the extent MWFS AG fails to comply with written instructions given by METRO AG in this case, in violation of § 9.3 lit. a) and b) of this Group Separation Agreement, MWFS AG shall be obliged to pay compensation to METRO AG for all damages arising as a result, but limited to the amount of the VAT levied.

§ 9

Cooperation on Tax Matters

- 9.1 The Parties shall, when it comes to Tax matters which may result in an obligation for one of the Parties pursuant to § 6 or § 7 of this Group Separation Agreement ("**Relevant Tax Matters**"), cooperate closely with the objective of keeping the Tax burden on both of the Parties as well as the other CE and MWFS Companies as low as possible, while complying with all legal regulations or of obtaining a reimbursement of Taxes; they shall also ensure, to the extent legally permissible, that their affiliated companies within the meaning of §§ 15 et seqq. AktG participate in such cooperation. This cooperation shall include, in particular, mutual assistance in providing proof (including such as is required in accordance with § 22 para. 3 UmwStG or proof of residency in accordance with conventions for the avoidance of double taxation) which has to be provided to the Tax authorities.
- 9.2 To the extent that a Tax return (including modifications thereof) by a CE Company refers to a Relevant Tax Matter, METRO AG shall ensure that the draft of any such Tax return by MWFS AG is presented at least forty (40) business days before the submission deadline, for it to be reviewed. MWFS AG shall inform METRO AG whether it agrees with the Tax return, or whether any changes are required, within twenty (20) business days; otherwise consent shall be deemed to have been given. METRO AG guarantees that the Tax return will only be submitted with the approval of MWFS AG. If the Parties are unable to agree on the contents of the Tax return, the Party which pays over 50% of the relevant Tax shall decide. If both Parties are equally liable for the relevant Tax and the Parties are unable to reach agreement on the contents of the Tax return, METRO AG, as the Party which formally leads the Tax proceedings within the meaning of Tax law, shall decide. If both of the Parties are liable for parts of the Tax, the Party with the right for final decision must take into account the legitimate Tax interests of the other Party, giving adequate consideration to the Tax liability quota and shall also require the consent of the other Party, with such consent only to be withheld by the other Party on reasonable and fiscally legitimate reasons.
- 9.3 In addition, the cooperation on Relevant Tax Matters shall, in particular, comprise the following obligations:

- a) In any Relevant Tax Matter, METRO AG shall forward copies of all Tax assessment notices, taxation assessments, letters from the Tax authorities relating to Tax field audits (audit orders, auditor enquiries, provisional and final audit findings, provisional and final audit reports) and letters from the authorities and, as the case may be, from the competent court in other tax-related administrative or court proceedings ("**Relevant Tax Proceedings**") to MWFS AG within five (5) business days of receipt.
- b) If and to the extent that MWFS AG has to pay the Tax in full, the Relevant Tax Proceedings shall be conducted under the leadership of MWFS AG, i.e., METRO AG shall ensure and guarantee that (i) MWFS AG and/or its consultants who are bound to professional secrecy are granted the opportunity to participate in the Relevant Tax Proceedings, (ii) at the request of MWFS AG each Tax assessment or any other decision by the Tax authorities or judgement rendered by the courts are contested or appealed against or judicial remedies filed, and (iii) the written instructions given by MWFS AG relating to the Relevant Tax Proceedings are followed, unless the instructions contradict applicable law. If MWFS AG gives notice in writing that it intends to conduct Relevant Tax Proceedings either itself or with its own consultants at its own expense, METRO AG guarantees that MWFS AG and/or its consultants appointed by it, who are bound to professional secrecy, are promptly authorised to represent the CE Companies in these Relevant Tax Proceedings. Without the prior written permission or written agreement of a MWFS Company, METRO AG shall not make or undertake any acknowledgement or settlement with a court or the Tax authorities and shall ensure that no such actions are performed by any other CE Companies. If MWFS AG has not, in response to a written request from METRO AG to this effect, given notice in writing that it wishes to conduct the Relevant Tax Proceedings itself or with its own consultants within twenty (20) business days, and has not given any other written instructions (in particular regarding key communication and correspondence with the Tax authorities), the CE Companies may, at their own discretion, settle the relevant Tax or conduct the Relevant Tax Proceedings themselves; in the latter case, the Parties shall agree on the distribution of the costs.
- c) If and to the extent that both Parties are liable to pay the Tax, the Relevant Tax Proceedings shall be conducted jointly by both of the Parties. § 9.3 lit. b) of this Group Separation Agreement shall apply accordingly with the proviso that the Parties shall first propose all interactions towards the financial authorities and the courts to the other Party with the objective of facilitating a common coordinated approach. If no agreement can be reached within a period of fifteen (15) business days of receipt of the written proposal by the other Party, the following procedure shall be applied. The right of final decision and right of instruction shall generally rest with the Party that is

liable to pay over 50% of the Tax, although such Party must take the legitimate Tax interests of the other Party into account, giving adequate consideration to the Tax liability quota and shall also require the consent of the other Party, with such consent only to be withheld by the other Party on reasonable and fiscally legitimate reasons. If and to the extent that both Parties are equally liable for the relevant Tax, the decision shall be made (i) on the lodging or withdrawal of legal remedies, court actions and appeals as well as on taking any other action, if and to the extent that such action changes the material legal position under fiscal law by an Arbitration Board pursuant to § 9.3 lit. d) of this Group Separation Agreement, at the request of one of the Parties, and (ii) in all other cases by the Party which, pursuant to the rules of fiscal procedural law, is formally conducting the Relevant Tax Proceedings. A legal remedy, an action or an appeal must first be filed and the grounds stated, even without an agreement, if and to the extent that the time limit for filing a remedy or the statement of grounds would otherwise be missed.

- d) The Arbitration Board shall be a three-member panel. Each Party shall be entitled to appoint an arbitrator. The arbitrators appointed by the Parties shall designate the presiding arbitrator of the tribunal. If the arbitrators appointed by the Parties are unable to agree on the presiding arbitrator within ten (10) business days of their appointment, the presiding arbitrator shall be chosen by the spokesperson of the board of the Institut der Wirtschaftsprüfer e.V. (Institute of Certified Public Accountants) in Düsseldorf. Both Parties shall be bound to cooperate to the extent considered necessary by the Arbitration Board, in particular for the provision of information to the Arbitration Board. The costs of the arbitration proceedings shall be borne by the Parties in proportion to their economic share of the relevant Taxes, Offsetting Effects and Tax refunds.

9.4 The obligations set forth in § 9.2 and § 9.3 of this Group Separation Agreement shall apply accordingly in the reverse case that an MWFS Company is the taxable person or involved party in Relevant Tax Proceedings under fiscal regulations.

9.5 In addition, the Parties undertake to take all reasonable action in order to resolve any group Tax structures between the MWFS Companies and the CE Companies, which are disputed by the Tax authorities, with effect for Tax purposes. In this respect, the Parties shall provide each other with mutual assistance with regard to Tax group relationships for income Tax purposes in the event that a change to the commercial balance sheets of one of the Tax group subsidiaries for the periods of the termination of the Tax group is required (because the Tax authorities object to an error within the meaning of § 14 para. 1 sent. 1 no. 3 sent. 4 of the German Corporation Tax Act (*Körperschaftsteuergesetz* – KStG) and request that the commercial balance sheets be amended accordingly), and take appropriate measures where

required (including subsequent payments for profit and loss transfer) in order to safeguard the fiscal recognition of the Tax group; the Parties shall further take any other action that is deemed necessary or appropriate in connection with § 14 para. 1 sent. 1 no. 3 sent. 4 and 5 KStG. In this respect, the above-mentioned measures shall not cause any economic effects between the Parties. The Parties hereby undertake to mutual compensation in such manner that the Parties are in such a position after the compensation as they would have been in without the measures to safeguard the Tax group. Furthermore, MWFS AG undertakes to refrain from any measures with retrospective effect that would lead to non-recognition of the Tax group relationships that exist up until the Tax Transfer Effective Date.

- 9.6 The provisions set forth in § 9.2, § 9.3 and § 9.4 of this Group Separation Agreement shall apply for the first time from the Tax Transfer Effective Date. For the period between the the Tax Transfer Effective Date and the Effective Date, actions by and declarations vis-à-vis employees of METRO AG who are allocated to the MWFS Branch of Activity shall be deemed actions by and declarations vis-à-vis MWFS AG for the purposes of this § 9.
- 9.7 Subject to deviating provisions in § 5 to § 9 (inclusive) of this Group Separation Agreement, the Parties as well as the other MWFS and CE Companies shall bear the internal costs and the costs of their advisors in connection with Relevant Tax Matters themselves. All other costs and fees relating to Relevant Tax Matters incurred by MWFS or CE Companies shall be borne by the Parties in accordance with the corresponding share of the relevant Taxes, Offsetting Effects or refunded Taxes attributable to them.
- 9.8 If and to the extent that an application for suspension of enforcement has been granted, the Party which made the application for suspension of enforcement shall be responsible for the collateral that may be required in this respect and shall also bear any suspension interest connected with such suspension of enforcement; § 6 of this Group Separation Agreement shall apply accordingly.
- 9.9 The Parties shall mutually agree on the details of their cooperation in Tax procedures in accordance with this § 9 also after the spin-off has taken effect and shall record the outcome of the agreement in writing, if appropriate.

§ 10

General Provisions in Respect of Taxes

- 10.1 "**Taxes**" within the meaning of this Group Separation Agreement shall mean (i) all federal taxes, government taxes, EU taxes or local taxes, including incidental tax levied thereon, as defined in § 3 of the German Tax Code (*Abgabenordnung – AO*) or in any other similar regulation in accordance with applicable foreign law, (ii) tax deduction amounts, (iii) customs du-

ties, (iv) all amounts due according to tax sharing agreements or systems; (v) statutory liability debts for taxes and (vi) all fines or penalties imposed directly related to these taxes pursuant to (i) to (v); input tax paid shall also be deemed Tax, if and to the extent that it is not refunded by the Tax authorities. For the avoidance of doubt: The term "**Tax**" shall not cover deferred Taxes or loss carry-forwards, interest carry-forwards or other similar items.

- 10.2 METRO AG and its affiliated companies within the meaning of §§ 15 et seqq. AktG existing on the Effective Date or thereafter, as well as their respective legal successors, are also referred to in this Section D as "**CE Companies**". MWFS AG and its affiliated companies on the Effective Date or thereafter, within the meaning of §§ 15 et seqq. of the AktG, as well as their respective legal successors, are also referred to in this Section D as "**MWFS Companies**".
- 10.3 Claims under § 6 and § 7 of this Group Separation Agreement shall be calculated on the basis of the Cash Tax Principle. "**Cash Tax Principle**" shall mean that these claims shall only arise as soon as and to the extent that Taxes, refunded Taxes or Offsetting Effects have actually become effective in terms of payment for the Party concerned. A reduction or an increase in loss carry-forwards, interest carry-forwards or other similar items is not to be taken into account when calculating the claims pursuant to § 6 and § 7 of this Group Separation Agreement. The calculation shall be made based on the assumption that the tax-related fact leading to the claim is always the component of revenue which was last added to the income or deducted from it (not the average burden, but the marginal burden); if loss carry-forwards are partly based on Offsetting Effects and partly not, these losses shall count as proportionately extinguished, in the event that they are extinguished as a result of loss dissolution provisions (in particular pursuant to § 8c KStG). According to this Cash Tax Principle, Offsetting Effects shall also only be taken into account, as reducing or justifying the claim, to the extent that they would otherwise actually have reduced the Tax payable with payment effect. Claims pursuant to § 6 and § 7 of this Group Separation Agreement are neither ruled out nor substantiated by balance sheet items (receivables, liabilities and provisions).
- 10.4 If and to the extent that the emergence or the fulfilment of a claim pursuant to § 6 and § 7 of this Group Separation Agreement results in a Tax for the creditor, this Tax shall not, in principle, be taken into account when calculating the amount of the claim. Such Tax is to be taken into account as an exception if and to the extent that the claim is based on a procedural error by the debtor within the meaning of § 8.2 and § 9 of this Group Separation Agreement. In this case, the amount of the claim shall be calculated by means of an iterative calculation process in such a way that the creditor is ultimately put in the same position by the difference between the repayment amount and the Tax on the repayment amount as if the Tax had not been incurred on the repayment amount.

- 10.5 An Indemnity pursuant to § 6 of this Group Separation Agreement shall be granted only in proportion to the share which the creditor of the Indemnity Claim holds directly and/or indirectly in the concerned company where the Tax arises.
- 10.6 Counting relevant items twice and thus economically favouring one of the Parties when calculating claims pursuant to § 6 and § 7 of this Group Separation Agreement shall be avoided (prohibition of double benefits).
- 10.7 Indemnity Claims shall fall due ten (10) business days after the creditor informs the debtor of the claim in writing and the related payment amount, accompanied by copies of the relevant Tax assessment as well as including such documents that verifiably demonstrate the reason for and the amount of the relevant Tax as well as the claim, but no sooner than three (3) business days before the relevant Tax is due for payment to the Tax authorities.
- 10.8 Reimbursement Claims shall fall due three (3) business days after the creditor has given notice pursuant to § 7.4 of this Group Separation Agreement, but no later than twenty (20) business days after receipt of the refunded Tax or the Offsetting Effect by the debtor, who shall be in default thereafter without a reminder.
- 10.9 Offsetting Effect Claims shall fall due ten (10) business days after the creditor has given notice pursuant to § 7.7 of this Group Separation Agreement. If the obligation to provide information is not met in time or not within twenty (20) business days after receipt of a reminder, the Offsetting Effect Claims shall fall due and the debtor shall be in default without a further reminder.
- 10.10 Claims pursuant to § 6 and § 7 of this Group Separation Agreement shall expire six (6) months after and to the extent that the relevant Tax assessment has become formally and materially final, but not (i) earlier than upon expiry of six (6) months after the spin-off takes effect or (ii) in the event of a Reimbursement Claim or an Offsetting Effect Claim earlier than upon expiry of six (6) months after notification is given by the creditor pursuant to § 7.4 and § 7.7 of this Group Separation Agreement.
- 10.11 If one of the Parties is required to provide information, notify or issue instructions to the other Party pursuant to this section D, these shall be addressed to a contact who the Parties shall mutually appoint in writing. If such information, notifications or instructions are to be made in writing, § 126 BGB shall apply, subject to the proviso that a fax or a scan of a signed letter sent by electronic mail shall also fulfil this requirement; this shall also apply to the designation of a contact person. All instructions in exercise of a right of final decision must be submitted in writing.

E.**Holding periods, non-competition clause, lending****§ 11****Holding periods (so-called lock-up) with respect to shares in MWFS AG**

- 11.1 METRO AG undertakes vis-à-vis MWFS AG not to Dispose of any of the shares in MWFS AG granted as part of the Hive-Down Capital Increase before the end of the day seven years and one day after the Tax Transfer Effective Date, without prior consent from MWFS AG. To "**Dispose**", in the preceding sense, shall include, regardless of whether directly or indirectly, any sale, any marketing, any transfer, any obligation to transfer, any pledge or any other encumbrance, any disposition (whether in whole or in part, for instance with regard to the voting rights or the commercial opportunities and risks, and whether legally or commercially, *in rem* or under the law of obligations) and any other conduct (act, tolerating or omission) by METRO AG which is economically comparable to one or more of the above activities and/or which may constitute a violation of the blocked periods pursuant to § 22 UmwStG arising due to the hive-down. It shall not constitute a Disposal within the meaning of the immediately preceding sentence if it is not caused by the conduct (act, tolerating or omission) of METRO AG.
- 11.2 The obligation in § 11.1 of this Group Separation Agreement shall apply accordingly to all other shares in MWFS AG directly or indirectly held by METRO AG on the Effective Date, but only up until the end of the day six months after the first day of trading of the shares in MWFS AG on the Frankfurt Stock Exchange.
- 11.3 In the event of a violation by METRO AG of its obligations arising from § 11.1 of this Group Separation Agreement, the legal consequences regarding the bearing of the resulting Taxes shall be governed exclusively by Section D of this Group Separation Agreement. Any further claims, e.g. claims for damages between the Parties, regarding the Taxes caused by a violation shall be excluded.

§ 12**Non-Competition Clause**

The Parties undertake not to compete, either directly or indirectly, for a period of two years from the Effective Date. This shall not apply to current activities on the Relevant Date as well as the further development of existing activities.

§ 13

Lending

- 13.1 If and to the extent that METRO AG has expressed a respective need by 31 March 2017, the Parties shall ensure (a) that MWFS AG or one of the MWFS associate companies (METRO Finance B.V., for example) as lender together with METRO AG (CE Business Division) as borrower (i) concludes a loan agreement for a loan of EUR 40mn with a term of eleven months from the conclusion of the agreement and (ii) concludes a loan agreement for a loan of up to EUR 15mn with a term ending on 31 March 2017 and (b) that all necessary implementation steps still outstanding to this end are carried out.
- 13.2 The conditions, particularly the interest rate, shall be negotiated between the Parties in accordance with arm's length conditions.
- 13.3 The fact that the conditions are in accordance with 'arm's length' shall be demonstrated and documented in a suitable way. For this purpose, it shall be assumed that the spin-off has already taken effect, in other words, assuming the borrower to be METRO AG without the MWFS Business Division that is transferred as a result of the Demerger Agreement.

F.

Other Provisions

§ 14

Confidentiality

- 14.1 Information available to one of the Parties or their Group Companies about the other Party or its Group Companies due to the existing membership of the Business Divisions in the group up until the spin-off taking effect or which is made available at a later date due to the right to obtain information under this Agreement or the Demerger Agreement, are referred to below as "**Confidential Information**", irrespective of whether they relate to METRO AG, MWFS AG, the Group Companies or third parties.
- 14.2 Such information shall not constitute Confidential Information
- a) which was already public knowledge or becomes a matter of public knowledge, unless this is based on a breach of an obligation of confidentiality under this Agreement; or
 - b) to which a Party or one of its Group Companies has or had legitimate access through a third party without restriction regarding its use or disclosure; or

- c) which was developed by one of the Parties independently after conclusion of this Agreement, without reference to any Confidential Information.

14.3 Each Party shall be obliged to the other Party and its Group Companies

- a) to keep the Confidential Information secret at all times and not to disclose any Confidential Information to anyone outside their own Business Division without prior written consent of the respective other Party;
- b) to prevent unauthorised disclosure of and access to Confidential Information for unauthorised third parties;
- c) to take all the necessary steps to avoid a violation of the rules laid down by the German Data Protection Act (*Bundesdatenschutzgesetz – BDSG*); and
- d) to promptly notify the other Party if it comes to its attention that Confidential Information has been disclosed to a third party without authorisation.

The steps taken by a Party to ensure the protection of its own Confidential Information shall be deemed a standard of due care for the obligation pursuant to § 14.3 lit. b) of this Group Separation Agreement.

The Group Companies, associated companies, employees, advisors, independent auditors as well as funding sources (including their advisors) of a Business Division shall not be deemed to be outside the Business Division or to be a third person, to the extent they need the Confidential Information for their activities for the Business Division.

14.4 Each Party shall ensure that its Group Companies adhere to the provisions of § 14.3 of this Group Separation Agreement.

14.5 If a Party or one of its Group Companies is required to disclose this information by law, on the basis of a statutory regulation, stock exchange regulations or any other government regulations or any contractual obligation agreed prior to the conclusion of this Agreement, or if it is required to disclose this information by the authorities in a way that is not evidently unlawful, the Party or the respective Group Company may disclose Confidential Information to this extent to the authorised recipients.

§ 15
Fulfilment of Claims

- 15.1 This Agreement inures to the benefit of and obliges only the Parties. Claims and liabilities arising under this Agreement shall only be asserted and fulfilled between the Parties.
- 15.2 Each Party guarantees that its Group Companies will adhere to the provisions of this Agreement and in particular shall not assert any claims against Group Companies of the other Party, to the extent this violates the provisions of this Group Separation Agreement.
- 15.3 Claims arising under this Agreement may only be transferred, except to Group Companies of one of the Parties, with the consent of the other Party.

Annex 5.2.a) referred to in the Group Separation Agreement has the following essential content:

Annex 5.2.a) contains a list of the so-called calculated transaction taxes, which are described in more detail by the designation of the respective type of tax (e.g. real estate transfer tax), a description of the structuring measure in the course of the preparatory measures for the division of the company group that triggered the tax as well as the amount of the respective calculated transaction tax.

Düsseldorf, December 2016

METRO AG

THE MANAGEMENT BOARD

Hotline for the Annual General Meeting of METRO AG

In the event of any queries you may contact the Hotline for the Annual General Meeting of METRO AG from Monday, 2 January 2017 onwards, at

Phone: +49(0)211/68861720

on workdays from Monday to Friday between 9:00 a.m. and 6:00 p.m. CET.

CCD Stadthalle Düsseldorf – Parking places P3 + P5



