

Excerpt from the deed of the notary public
Dr. Armin Hauschild, Düsseldorf,
dated December 14, 2020,
roll of deeds no. H 2408 / 2020

AGREEMENT IN PRINCIPLE

by and between

CECONOMY AG

and

Convergenta Invest GmbH

December 14, 2020

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RECITALS

- (A) CECONOMY AG is a German stock corporation having its registered office in Dusseldorf and registered with the commercial register (*Handelsregister*) of the local court of Dusseldorf (*Amtsgericht Düsseldorf*) under HR B 39473 and is Europe-wide leading in the field of consumer electronics (**CECONOMY**).
- (B) CECONOMY's share capital amounts to EUR 918,845,410.90 and is divided into 356,743,118 no-par value ordinary bearer shares (**CECONOMY Ordinary Shares**) and 2,677,966 no-par value preference shares (**CECONOMY Preference Shares**, and together with the CECONOMY Ordinary Shares, **CECONOMY Shares**). The notional value in the share capital for each ordinary and preference share is approximately EUR 2.5564. The CECONOMY Ordinary Shares with ISIN DE0007257503 and the CECONOMY Preference Shares with ISIN DE0007257537 are inter alia listed on the Regulated Market (*Prime Standard*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and admitted to trading on the Dusseldorf Stock Exchange (*Börse Düsseldorf*).
- (C) Convergenta Invest GmbH is a German investment and holding company having its registered office in Bad Wiessee and registered with the commercial register (*Handelsregister*) of the local court of Munich (*Amtsgericht München*) under HR B 188629 (**Convergenta**, and together with CECONOMY, **Parties**, and each a **Party**).
- (D) CECONOMY's main activities are concentrated – indirectly through the wholly owned subsidiary CECONOMY Retail GmbH (**CECONOMY Retail**) – in the fully consolidated subsidiary Media-Saturn-Holding GmbH, having its registered office in Ingolstadt and registered with the commercial register (*Handelsregister*) of the local court of Ingolstadt (*Amtsgericht Ingolstadt*) under HR B 1123 (**MSH**).
- (E) MSH has a share capital of DEM 70,000,000 divided into a total of 34 shares with serial numbers 1 to 34, each of which have different par values (together **MSH Shares**) and which are held by the Parties as follows:
- (a) CECONOMY Retail holds the MSH Shares with serial numbers 1 to 15 and 28 to 33 with a total nominal value of DEM 54,865,270, representing an interest of approximately 78.38 percent.
- (b) Convergenta holds the MSH Shares with serial numbers 16 to 27 with a total nominal value of DEM 15,134,680, representing a total interest of around 21.62 percent (together **C/M Shares**).
- (c) The share with serial number 34 with a par value of DEM 50 (**Ce/Co Share**) is jointly held by CECONOMY Retail and Convergenta (in the sense of joint ownership according to Section 18 German Limited Liability Companies Act (*GmbH-Gesetz – GmbHG*)), as follows:
- (i) CECONOMY Retail holds partial rights in this Ce/Co Share in a total amount of DEM 33, which is equivalent to an interest of 66.00 percent in this Ce/Co Share, and
- (ii) Convergenta holds partial rights in this Ce/Co Share in a total amount of DEM 17, which is equivalent to an interest of 34.00 percent in this Ce/Co Share

(this joint ownership of Convergenta in the Ce/Co Share together with the C/M Shares, **C/M Shareholding**).

- (F) CECONOMY, CECONOMY Retail and Convergenta are parties among other things to a shareholders' agreement dated May 11, 2020 (**Shareholders' Agreement**), which relates in particular to a loan agreement (as most recently amended and confirmed by the amendment agreement of May 12, 2020) between CECONOMY, the promotional bank Kreditanstalt für Wiederaufbau (**KfW**) and other financing banks on revolving credit lines up to an original total amount of EUR 2,680,000,000, with facilities in an amount of EUR 625,000,000 (**Facility A**), EUR 1,700,000,000 (**Facility B**) and EUR 355,000,000 (**Facility C**, and together with Facility A and Facility B, **Facilities**), whereby Facility A and Facility C are each to be provided by a syndicate of various banks and Facility B by KfW together with a banking syndicate (**Revolving Credit Facilities Agreement**).

Facility A has a term up to January 30, 2024. Facility B has an initial term up to December 30, 2021, with the possibility of an extension of one year until December 30, 2022 with the consent of KfW and the relevant lenders, if certain conditions are met. Facility C has an initial term up to June 30, 2022, with the possibility of an extension of one year until June 30, 2023; if Facility B is extended, Facility C will be extended automatically, and otherwise under certain conditions with the consent of the lenders concerned in relation to their participation. All Facilities have not been utilized to date.

- (G) CECONOMY and Convergenta intend to reorganize the shareholder base of MSH, and in this context to transfer all shares held by Convergenta in MSH, joint ownerships in MSH Shares as well as other rights and claims in relation to MSH Shares in their entirety to CECONOMY and to grant to Convergenta as consideration (i) new ordinary shares in CECONOMY, (ii) convertible bonds and (iii) a cash consideration, in each case as defined in the provisions of this Agreement in Principle (**Agreement in Principle**) (*Grundsatzvereinbarung*) (together **Transaction**).
- (H) The Parties documented the results of their previous discussions regarding the key aspects of the Transaction on November 20, 2020 in a Memorandum of Understanding (**MoU**), which is legally non-binding in relation to the Transaction, and agreed to implement the contents of this MoU without undue delay in a comprehensive transaction documentation (including this Agreement in Principle).

NOW, THEREFORE, the Parties agree as follows:

1. TRANSACTION

CECONOMY and Convergenta agree subject to satisfaction (or waiver, to the extent permitted) of the conditions precedent set forth in clause 10.1 below to the transfer of the C/M Shareholding held by Convergenta to CECONOMY in return for (i) the issuance of 125,800,000 new no-par value ordinary bearer shares to Convergenta, (ii) the issuance of convertible bonds in the amount of EUR 151,000,000 by CECONOMY to Convergenta and (iii) a total cash consideration of EUR 130,000,000 payable by CECONOMY to Convergenta, all as determined in more detail in the provisions of this Agreement in Principle.

2. TRANSACTION MODULES

2.1 Resolutions of the annual general meeting

In order to implement the Transaction, the management board and supervisory board of CECONOMY will propose to the annual general meeting that they adopt in particular the following resolutions with a view to the acquisition of the C/M Shareholding:

(a) Capital Increase through Contribution in Kind

CECONOMY's share capital of currently EUR 918,845,410.90, divided into 356,743,118 no-par value ordinary bearer shares and 2,677,966 no-par value non-voting preference shares, each such share with a notional value in the share capital of approximately EUR 2.56, will be increased by EUR 321,602,593.27 to EUR 1,240,448,004.17 by issuing 125,800,000 new no-par value ordinary bearer shares (no-par value shares), each such share with a notional value in the share capital of approximately EUR 2.56 and with full dividend rights from October 1, 2020 (**New Shares**), in return for a contribution in kind (**Capital Increase through Contribution in Kind**). The New Shares will be issued at the lowest issue price. The difference between the issue price of the New Shares and any higher equity investment value of the non-cash contributions is to be allocated to the capital reserves in accordance with Section 272(2) no. 4 German Commercial Code (*Handelsgesetzbuch – HGB*) as far as possible.

The statutory subscription rights of CECONOMY's shareholders to subscribe for the New Shares is excluded. The New Shares will be issued for the purpose of acquiring the C/M Shareholding.

(b) Convertible bonds

CECONOMY will issue convertible bonds in an aggregate principal amount of EUR 151,000,000.00, divided into 1,510 bearer bonds ranking pari passu among themselves, each with a nominal value of EUR 100,000 (**Convertible Bonds**), in return for a contribution in kind. The Convertible Bonds grant their holders conversion rights to initially a total of up to 27,859,778 new no-par value ordinary bearer shares (no-par value shares), each such share with a notional value in the share capital of approximately EUR 2.56 (**Conversion Shares**), for the issuance of which conditional capi-

tal is to be created. The initial conversion price will be EUR 5.42 for each Conversion Share.

The statutory subscription rights of CECONOMY's shareholders to subscribe for the Convertible Bonds is excluded. The Convertible Bonds will be issued for the purpose of acquiring the C/M Shareholding.

(c) Contribution in Kind

As non-cash contribution for the Capital Increase through Contribution in Kind and the issuance of the Convertible Bonds, Convergenta is required to contribute the C/M Shareholding to CECONOMY (**Contribution in Kind**).

(d) Subscription and takeover

Convergenta will be exclusively allowed to subscribe for the New Shares and to take over the Convertible Bonds.

(e) Cash component

In addition to the issuance of the New Shares and Convertible Bonds, CECONOMY is required to make a cash payment totaling EUR 130,000,000.00, payable in two tranches, as consideration for contribution of the C/M Shareholding to Convergenta (**Cash Component**). The Capital Increase through Contribution in Kind and the issuance of the Convertible Bonds will be made by way of a mixed Contribution in Kind in view of this additional payment obligation of CECONOMY extending beyond the granting of the New Shares and Convertible Bonds.

(f) Conditional Capital

CECONOMY's share capital will be conditionally increased by up to EUR 89,476,079.21 by issuing up to 35,000,000 new no-par value ordinary bearer shares of CECONOMY (no-par value shares), each such share with a notional value in the share capital of approximately EUR 2.56 (**Conditional Capital**). The purpose of the Conditional Capital is solely to grant shares to the holders of Convertible Bonds in accordance with (b) above.

2.2 Subscription and issuance

(a) Subscription of New Shares

Convergenta hereby signs the subscription form as shown in Schedule 2.2(a) (in duplicate) relating to the New Shares and hereby hands it over to the officiating notary for safekeeping subject to the irrevocable proviso that this subscription form may not be released to CECONOMY before satisfaction (or waiver, to the extent permitted) of the conditions precedent set forth in clause 10.1 below and that, where applicable, certified copies of extracts containing the subscription form may only be issued upon satisfaction (or waiver, to the extent permitted) of the conditions precedent set forth in clause 10.1 below. CECONOMY is required to provide the officiating notary with evidence of satisfaction of the condition in writing. Convergenta may instruct the officiating notary in writing to release documents to CECONOMY at any time. The sup-

plementary provision in clause 4.2 of the Contribution Agreement (as defined below) remains unaffected.

(b) Takeover of the Convertible Bonds

As shown by the Convertible Bonds Subscription Agreement (as defined in clause 4 below), Convergenta has declared that it will take over the Convertible Bonds. The effectiveness of the Convertible Bonds Subscription Agreement is subject to satisfaction (or waiver, to the extent permitted) of the conditions precedent set forth in clause 10.1 below.

3. CONTRIBUTION AGREEMENT

CECONOMY and Convergenta enter into the Share Purchase, Contribution and Transfer Agreement (*Anteilserwerbs-, Einbringungs- und Übertragungsvertrag*) (**Contribution Agreement**) (*Einbringungsvertrag*) contained in Section II of this deed, the effectiveness of which is subject to satisfaction (or waiver of, to the extent permitted) of the conditions precedent set forth in clause 10.1 below and the further conditions set out in the Contribution Agreement. CECONOMY will recognize the C/M Shareholding at acquisition cost under German commercial law and at market value under German tax law. The difference between the issue price of the New Shares and any possible higher contribution value of the non-cash contribution will be allocated to the capital reserves in accordance with Section 272 (2) no. 4 German Commercial Code to the extent permissible. No premium is owed.

4. CONVERTIBLE BONDS

CECONOMY and Convergenta enter into the agreement regarding the issuance of EUR 151,000,000 Convertible Bonds (including the draft Terms and Conditions attached as a Schedule) (**Convertible Bonds Subscription Agreement**) (*WSV-Begebungsvertrag*) contained in Section III of this deed, the effectiveness of which is subject to satisfaction (or waiver of, to the extent permitted) of the conditions precedent set forth in clause 10.1 below and the further terms and conditions set out in the Convertible Bonds Subscription Agreement.

5. VALUATION

5.1 Business valuation

In connection with the preparation and consummation of the Transaction, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft was engaged before the present date to carry out a business valuation as at the date of the annual general meeting deciding on the resolutions under clause 2.1 above based on the current Standard IDW S1 of the Institute of Public Auditors in Germany in relation to MSH and CECONOMY in order to ensure that the lowest issuing price is achieved in the Capital Increase through Contribution in Kind and the issuance of the Convertible Bonds and that the issuing price (including the exchange ratio used) is reasonable within the meaning of Section 255 (2) German Stock Cor-

poration Act (*Aktiengesetz – AktG*). Following the annual general meeting that has adopted the resolutions referred to under clause 2, CECONOMY will provide Convergenta with a copy of this expert report.

5.2 Court-appointed auditors of the Contribution in Kind

On December 1, 2020, CECONOMY requested the local court of Dusseldorf (*Amtsgericht Düsseldorf*) to appoint auditors to review the Contribution in Kind in relation to the Capital Increase through Contribution in Kind and the Convertible Bonds (including the Conditional Capital used to service them) and suggested that Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft be appointed as such auditors.

6. OBLIGATIONS OF THE PARTIES

6.1 Profit distribution for fiscal year 2019 / 2020

(a) CECONOMY's entitlement to distributions

Upon written request by CECONOMY, CECONOMY and Convergenta will ensure that a profit distribution at MSH is resolved for the fiscal year 2019 / 2020 to the value of EUR 60,000,000 as permitted under clause 2.2 et seqq. of the Shareholders' Agreement before the Closing Date (as defined in the Contribution Agreement) and that the share of 78.38% of this accruing to CECONOMY Retail shall be distributed to it. Any share in profits exceeding the amount of EUR 60,000,000 is to be transferred to the profit carried forward. The duty to approve the annual financial statements of MSH for the fiscal year 2019 / 2020 remains unaffected.

(b) Convergenta's entitlement to distributions

Convergenta hereby agrees to not to assert claims for payment of profit distributions up to the Closing Date (as defined in the Contribution Agreement) or until the right to rescind the Contribution Agreement has been effectively exercised and to assign these to CECONOMY under the Contribution Agreement subject to condition precedent of occurrence of the Closing Date (as defined in the Contribution Agreement), without any additional compensation being paid besides the consideration provided for in the Contribution Agreement. The Parties will ensure that (i) MSH does not make any such payments of profit distributions to Convergenta before the occurrence of the Closing Date (as defined in the Contribution Agreement) or until the right to rescind the Contribution Agreement has been effectively exercised and (ii) dividend withholding tax (plus any tax surcharges) is remitted in accordance with the statutory rules and the Parties are issued a tax certificate to this effect as defined in Section 45a German Income Tax Act (*Einkommensteuergesetz – EStG*).

(c) Corporate income tax and trade tax

CECONOMY will indemnify Convergenta against any effective burdens arising from corporate income tax (*Körperschaftsteuer*) and trade tax (*Gewerbesteuer*) (including "solidarity surcharges" for the costs of German reunification (*Solidaritätszuschlag*))

and taxes accruing on the payment of these taxes themselves or being increased as a result thereof) against provision of written evidence for which Convergenta is directly liable due to the resolution on the profit distribution, the assignment of the claim to a profit distributions or its withdrawal or any other realization, taking into account any offsetting tax effects (for example due to a tax-related reduction in the capital gains) in connection with the closing of the Transaction, up to a maximum amount of EUR 300,000.

(d) Dividend withholding tax

Convergenta will pay out an amount to the value of the dividend withholding tax (plus any tax surcharges) to CECONOMY that Convergenta has received from the competent tax office due to a legally binding assessment by way of payment or setting-off with an effect on liquidity, however less the taxes referred to in lit. (c) above that have not yet been settled by Convergenta, without any further compensation apart from the consideration provided for in the Contribution Agreement being granted. Convergenta agrees to ensure that such payment or set-off is made as quickly as reasonably possible and will inform CECONOMY without delay about every relevant legally binding assessment by the competent tax office in writing, and will cooperate in good faith with CECONOMY and its advisors in relation to the reimbursement of the dividend withholding tax and inform them on a regular basis of the current status.

(e) Shareholders' resolutions

Convergenta and CECONOMY hereby agree to cooperate as to the shareholders' resolutions required under this clause 6.1 in the MSH shareholders' meeting and to exercise the voting right resulting from the C/M Shareholding accordingly. This also applies to a resolution to approve the annual financial statements for the fiscal year ending on September 30, 2020.

6.2 Dilution protection

CECONOMY hereby agrees not to use either the approved capital or conditional capital and not to propose any other capital measures by the annual general meeting from today until the Closing Date (as defined in the Contribution Agreement). CECONOMY confirms that as at the date of conclusion of this Agreement in Principle, no instruments have been issued that are backed by conditional capital and that no resolution on the utilization of the existing approved capital has been passed.

6.3 Convergenta's Target Shareholding

It is the Parties joint understanding that an interest of Convergenta in CECONOMY of 29.9 percent of the ordinary shares is sought (**Convergenta's Target Shareholding**) and that this can in principle be achieved subject to satisfaction (or waiver, to the extent permitted) of the conditions precedent set forth under clause 10.1 below in addition to the new ordinary shares created in connection with the Capital Increase through Contribution in Kind by exercising the conversion right under the Convertible Bonds.

6.4 Implementation measures

The Parties agree and will ensure that the preparation and implementation measures required in connection with the Transaction are completed in good time so that the complete documentation for the convening of the annual general meeting can be sent to the German Federal Gazette (*Bundesanzeiger*) by January 4, 2021 at the latest.

In addition, the Parties agree that in the event of any legal actions against the resolutions of the annual general meeting under clauses 2.1(a) and 2.1(f) above, CECONOMY will initiate and conduct one or more proceedings for entry of resolutions in the commercial register (*Freigabeverfahren*) within the meaning of Section 246a German Stock Corporation Act. Convergenta may, at its sole option, file third-party notice on the side of CECONOMY.

6.5 Subsequent MSH restructuring

The Parties agree that the further integration of MSH by performing appropriate structuring measures, e.g. the further contribution of the C/M Shareholding to CECONOMY Retail, the conclusion of an enterprise agreement with CECONOMY Retail and merger between MSH and CECONOMY Retail (and the subsequent merger with CECONOMY) (including appropriate exercising of voting rights) are to be achieved as quickly as reasonably possible, but no earlier than following Performance of the Implementation Measures (as defined below), in order to allow the use of existing tax loss carry forwards and to secure them in the long term, whereas a profit and loss transfer agreement between MSH and CECONOMY Retail shall in any event become effective immediately following Performance of the Implementation Measures, and as far as possible until September 30, 2021. Before Performance of the Implementation Measures, however, only nonbinding preparatory actions may be performed.

Performance of the Implementation Measures means (i) payment of Tranche 1 (as defined in the Contribution Agreement) to Convergenta's Account (as defined in the Contribution Agreement) and (ii) delivery of the New Shares (as defined in the Contribution Agreement) by booking to a securities account held in Convergenta's name and (iii) booking of the Convertible Bonds to an account held in Convergenta's name.

7. ADMISSION TO THE STOCK EXCHANGE

7.1 Preparation of the prospectus

To the extent it is necessary to prepare a prospectus and to have it approved by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungen – BaFin*) for admission of the (Conversion) Shares created in connection with the Capital Increase through Contribution in Kind and exercise of the conversion right under the Convertible Bonds to the Frankfurt Stock Exchange, CECONOMY will make sure this takes place by the Closing Date (as defined in the Contribution Agreement), but no earlier than eight weeks after the annual general meeting.

7.2 Lock-up agreement by Convergenta

Convergenta hereby agrees not to perform any sale, disposal or other economically comparable actions or measures in relation to its entire shareholding in CECONOMY originating from consummation of the Contribution Agreement for a period from today until the expiration of six months after the Closing Date (as defined in the Contribution Agreement), but no longer than until December 31, 2021. However, Convergenta may dispose up to four percent of the ordinary shares in the above shareholding issued by CECONOMY at any time.

7.3 Standstill agreement by Convergenta

Convergenta hereby agrees not to acquire any shares in CECONOMY or to perform any other actions that could lead to an acquisition of control under Sections 29 et seqq. German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz – WpÜG*) until the expiration of six months after the Closing Date (as defined in the Contribution Agreement), but no longer than until December 31, 2021. This is without prejudice to any acquisition of ordinary or preference shares in CECONOMY up to the level of Convergenta's Target Shareholding.

8. COOPERATION

The Parties will cooperate in good faith at all times with respect to the implementation of the Transaction and will keep each other informed of the current status of implementation of the Transaction on a regular basis.

9. GENERAL SETTLEMENT

9.1 Rescission of C/C agreements

Subject to condition precedent of occurrence of the Closing Date (as defined in the Contribution Agreement) and with the exception of this Agreement in Principle and the additional agreements agreed in this Agreement in Principle, the Parties hereby rescind (or, where appropriate, undertake to arrange for rescission in relation to the relevant enterprises and shareholders of each of the Parties referred to below) the Shareholders' Agreement (subject to the consent of KfW) and all other agreements possibly existing between CECONOMY and/or with affiliated enterprises of CECONOMY (with the exception of MSH or its subsidiaries) on the one hand and Convergenta and/or with affiliated enterprises of Convergenta and their direct and indirect shareholders on the other hand in relation to MSH or CECONOMY Retail (with or without the involvement of other third parties) (together with the Shareholders' Agreement plus the media agreements, but for the avoidance of doubt without any leases, **C/C-Agreements**).

The Parties agree to ensure that MSH consents to the rescission of the C/C Agreements as set out in this clause 9.1, as far as relevant, and CECONOMY agrees to ensure that CECONOMY Retail consents to the rescission of the C/C Agreements as set out in this Ziffer 9.1, as far as relevant. The provisions in this clause 9.1 are subject to satisfaction (or waiver, to the extent permitted) of the conditions precedent set forth in clause 10.1 below.

9.2 Settlement of claims and proceedings

The Parties agree, as quickly as reasonably possible following the conclusion of this Agreement in Principle, to end all legal disputes and proceedings being conducted between Convergenta on the one hand and CECONOMY or CECONOMY Retail on the other that have not yet been finally and conclusively adjudicated and will not be finally and conclusively adjudicated until expiry of February 2021, with the Parties each bearing their own costs. In general, the relevant legal action is to be withdrawn, with the defendant giving its consent where necessary and without them making an application for costs. If claims for reimbursement of costs by third parties, such as possible intervening parties, arise due to withdrawal of the legal action, which they do not waive, the Parties will enter into a (partial) settlement, each bearing their own costs. In relation to the legal disputes and proceedings between Convergenta on the one hand and CECONOMY or CECONOMY Retail on the other that have already been finally and conclusively adjudicated or will be finally and conclusively adjudicated until expiry of February 2021, Convergenta agrees to make a lump-sum payment of EUR 200,000.00 to CECONOMY as reimbursement of its costs within ten (10) calendar days from conclusion of this Agreement in Principle.

10. CLOSING

10.1 Conditions precedent

The provisions in clauses 1 to 4, 6.1 to 6.3, 6.5 and 9.1 above are subject to the cumulative conditions precedent that

- (i) the supervisory board of CECONOMY approves the conclusion and consummation of this Agreement in Principle and the Transaction; and
- (ii) the majority banks under Facility B (including KfW or any transferee of KfW) (A) waive any relevant duties to make unscheduled repayments or rights or duties to cancel available loan commitments under the Revolving Credit Facilities Agreement, (B) consent to any necessary contractual amendments to the Revolving Credit Facilities Agreement with effect from the Closing Date (as defined in the Contribution Agreement), and (C) confirm that the interest agreed for the deferred tranche of the Cash Component is consistent with the Revolving Credit Facilities Agreement, in each case to the extent that this is necessary with a view to the acquisition of the C/M Shareholding by CECONOMY and the granting of the New Shares, the Convertible Bonds and the Cash Component to Convergenta, as agreed in this Agreement in Principle.

The provisions contained in clauses 1, 2.2, 3, 4, 6.1 to 6.3, 6.5 and 9.1 above are additionally subject to the condition precedent that the annual general meeting of CECONOMY has adopted the resolutions listed in clause 2.1 above with the required majority.

CECONOMY is entitled, in its sole discretion, to waive the condition precedent in lit. (ii) above with effect for all Parties by giving a corresponding written notice to the officiating notary, provided that such waiver (and based thereon closing of the Transaction) does not lead to an impairment of the performance of the Capital Increase through Contribution in Kind (including the issuance of the New Shares), the issuance of the Convertible Bonds and

the payment obligations of the Cash Component. The waiver will be deemed to have been received by the respective other Party upon receipt by the officiating notary.

10.2 Right to rescind

Either Party is entitled to rescind this Agreement in Principle by giving written notice to the officiating notary, if and as soon as:

- (i) the annual general meeting of CECONOMY fails to adopt the resolutions envisaged in clause 2.1 with the required majority by March 17, 2021 (inclusive); or
- (ii) in the event of possible actions to set aside the resolutions envisaged in clauses 2.1 (*Beschlussmängelklagen*) CECONOMY fails in all proceedings for the approval of entry of the resolutions in the commercial register according to Section 246a German Stock Corporation Act because a decision is issued rejecting CECONOMY's request in these proceedings for approval of entry in the commercial register.

The rescission is deemed received by the respective other Party upon receipt by the officiating notary.

10.3 Legal consequences

In the event of rescission under clause 10.2 above, neither of the Parties have any rights or claims under this Agreement in Principle against the other Party, except for any rights or claims that arose before the rescission.

11. CONFIDENTIALITY

11.1 Confidential Information

For the purposes of this Agreement in Principle, **Confidential Information** refers to the Transaction itself and to all information regarding the provisions and negotiations regarding the conclusion of this Agreement in Principle and its existence. Confidential Information includes written information and information that is transmitted or received orally, visually, electronically or otherwise, and all information derived by the Party concerned from information received, including any predictions, forecasts or plans.

Representatives are, for the purposes of this Agreement in Principle, in relation to the Party concerned, all affiliated enterprises, board members, officers, employees, representatives and advisors of this Party or its affiliated enterprise.

11.2 Duty of confidentiality

Each of the Parties will treat (and will procure that each of its Representatives treats) the Confidential Information as confidential and will not disclose any Confidential Information to any person (other than to one of its Representatives) or use any such Confidential Information for any other purpose except (i) to the extent permitted in clause 11.3 below, or (ii) to the extent that the other Party consents to this.

11.3 Exceptions from the duty of confidentiality

Clause 11.2 above does not prevent disclosure by or in the name of a Party or its Representatives in the event that:

- (i) the disclosure is required by law (including IFRS) or a stock exchange or competent government body or supervisory or competition authority (provided that the disclosing Party first informs the other Party of its intention to disclose such information and takes into account the reasonable comments of the other Party in this regard, and furthermore provided that the disclosing Party endeavors, to the extent that can be reasonably expected, to ensure that only the part of the information for which disclosure is actually required is disclosed and that the disclosed information is treated as confidential information, to the extent permitted by law);
- (ii) the disclosure is required in connection with the filing of tax returns or refund claims for reimbursement or in connection with the performance of an external tax audit;
- (iii) the disclosure relates to Confidential Information that was already lawfully in the possession of the Party or its Representatives (in both cases evidenced by written documents) and was received or incorporated before any obligation of confidentiality pursuant to this clause 11 or under the nondisclosure agreement of March 2018 between the Parties existed;
- (iv) the disclosure is made by CECONOMY to KfW or another financing bank, provided this is necessary in connection with this Agreement in Principle, and on condition that the disclosing Party endeavors, to the extent that can be reasonably expected, to ensure that only the part of the information for which disclosure is actually required is disclosed and that the disclosed information is treated as confidential information;
- (v) the disclosure relates to Confidential Information that previously became publicly available through no act or omission by this Party (or its Representatives);
- (vi) the disclosure is made in relation to the conduct of the annual general meeting of CECONOMY or the registration of the resolutions of the annual general meeting (see Section 188(3) no. 2 and Section 195(2) no. 1 German Stock Corporation Act); or
- (vii) the disclosure is made for the purposes of arbitration or court proceedings arising out of or in connection with this Agreement in Principle.

Each of the Parties agrees that it will only disclose Confidential Information to the extent permitted by this clause 11.3 as far as reasonably necessary (and will procure that each of its Representatives likewise complies with this).

11.4 Ad hoc disclosure, investor relations and press communications

CECONOMY and Convergenta will confer in good faith in relation to the planned ad hoc disclosure, investor relations and press communications to the extent legally permitted. CECONOMY may point out in the communication that at the time of the communication concerned Convergenta intends to hold an interest of 29.9 percent in CECONOMY in the long term.

12. MISCELLANEOUS

12.1 Sharing of costs

The costs for notarial recording of this Agreement in Principle and the further documentation for the implementation of the Transaction will be borne by CECONOMY. Otherwise, CECONOMY and Convergenta will bear their own costs in connection with the Transaction themselves, including all legal and tax-related advisory costs. This applies regardless of whether the Transaction is carried out.

12.2 Schedules

All Schedules to this Agreement in Principle form an integral part of this Agreement in Principle. Any statements contained in a provision or Schedule to this Agreement in Principle are also deemed to be made in relation to all other provisions and Schedules to this Agreement in Principle.

12.3 Notices

- (a) All legal declarations and other notices in connection with this Agreement in Principle (each a **Notice**) must be made exclusively in writing, unless notarial recording or another specific form is prescribed by law.
- (b) In relation to Notices sent by physical document, effective transmission requires physical handover to the recipient, as evidenced by an acknowledgement of receipt. For Notices sent by fax or e-mail, effective transmission requires receipt of a confirmation from the recipient for the sender that the Notice has been received (e.g. receipt of an acknowledgement of receipt created by the sender's e-mail program).
- (c) All Notices sent in accordance with this clause 12.3 are effective: (i) if they are sent by messenger/courier, upon service with acknowledgement of receipt, and (ii) if sent by fax or e-mail, one (1) Banking Day following the transfer and receipt of the acknowledgement of receipt. However, if a Notice would become effective on a statutory public holiday or after 18:00 hours local time on a Banking Day at the location of the relevant recipient, it will instead become effective at 9:00 hours local time on the next Banking Day at the location of the relevant recipient. **Banking Day** is every weekday (apart from Saturday or Sundays) on which the banks in Frankfurt am Main and Dusseldorf are open for regular business with customers (excluding online access) and on which the TARGET2 system is available for transactions.
- (d) Notices are to be addressed as follows:

- (i) Notices to CECONOMY:

CECONOMY AG
General Counsel, Dr. Anna-Karina Bonacker
Kaistr. 3
40221 Dusseldorf
Germany
E-mail: Anna-Karina.Bonacker@ceconomy.de
Fax: +49 211 5408 7005

with copies to:

Noerr LLP
Dr. Harald Selzner, Dr. Martin Neuhaus
Speditionstr. 1
40221 Düsseldorf
Germany
E-mail: harald.selzner@noerr.com, martin.neuhaus@noerr.com
Fax: +49 211 4998 6100

(ii) Notices to Convergenta:

Convergenta Invest GmbH
Wiesseer Str. 130
83707 Bad Wiessee
Germany
E-mail: juergen.kellerhals@jkv-g.de; e.schuhmacher@convergenta-invest-und-beteiligungs.at

with copies to:

Orrick, Herrington & Sutcliffe LLP
Dr. Jörg Ritter
Lenbachplatz 6
80333 Munich
Germany
E-mail: jritter@orrick.com
Fax: +49 89 38398099

- (e) Each of the Parties agrees to notify the other Party without delay of any change of address, including its fax numbers. Until such Notice, the previous address will continue to apply unchanged for the purposes of this Agreement in Principle. The Notice will be deemed to have been received at the time at which it would have been received under normal circumstances without the change of address or fax number.
- (f) The receipt of copies of Notices according to the above clauses 12.3(d)(i) or 12.3(d)(ii) by one of the Parties' advisors does not constitute receipt of such a Notice by the Party itself and does not replace this, regardless of whether the transfer of such a copy was required by this Agreement in Principle. This is without prejudice to any provisions on the receipt of a Notice by the officiating notary.

12.4 No third-party rights

This Agreement in Principle does not grant any rights to third parties and is not a contract for the benefit of third parties pursuant to Section 328 German Civil Code (*Bürgerliches Gesetzbuch* – BGB), unless and only to the extent otherwise explicitly provided in this Agreement in Principle.

12.5 No assignment

Neither Party is entitled to assign any rights or claims arising from this Agreement in Principle without the prior written consent of the other Party, unless and only to the extent otherwise explicitly provided in this Agreement in Principle.

12.6 No set-off

Unless otherwise explicitly provided in this Agreement in Principle, neither of the Parties is entitled (i) to set off any rights and claims it has under this Agreement in Principle against rights or claims another Party has under this Agreement in Principle, or (ii) to reject the performance of an obligation it has under this Agreement in Principle on the basis of a right of retention, unless the rights of claims of the Party asserting the right to set off or retain have been acknowledged by the other Party or the other parties in writing or have been confirmed by a legally binding, enforceable decision or judgment by a competent court or law or arbitral tribunal.

12.7 Requirements regarding form

Any amendments or additions to this Agreement in Principle or its cancellation, including any changes to this provision, must be made in writing and signed by the Parties, unless mandatory provisions of law require a stricter form.

12.8 Governing law

This Agreement in Principle is exclusively subject to the laws of the Federal Republic of Germany.

12.9 Arbitration clause

All disputes arising out of or in connection with this Agreement in Principle or its validity shall be finally settled in accordance with the Arbitration Rules of the German Arbitration Institute (DIS) applicable on the date of filing of the legal action without recourse to the ordinary courts of law. The arbitral tribunal will be composed of three (3) arbitrators. The place of the arbitration will be Dusseldorf. The language of the arbitration will be German, although documents in English do not have to be translated.

12.10 Severability

If any provision or provisions of this Agreement in Principle should be or be held to be invalid or unenforceable, this shall not impair the validity and enforceability of the remaining provisions of this Agreement in Principle. In this case, the Parties will agree on and observe valid and enforceable provisions that come as close as possible to the commercial intentions of the Parties. The same applies in the event of any unintended contractual omissions in the provisions of this Agreement in Principle. Section 139 German Civil Code does not apply.

* * * * *

Schedule 2.2(a)

To:
CECONOMY AG

1st copy

**Subscription Form
(issued in duplicate)**

The annual general meeting of CECONOMY AG, having its registered office in Dusseldorf and registered with the commercial register (*Handelsregister*) of the local court of Dusseldorf (*Amtsgericht Düsseldorf*) (**Commercial Register**) under registration number HR B 39473 (**Company**), resolved on February 17, 2021 (**Resolution**) to increase the Company's share capital of EUR 918,845,410.90, divided into 356,743,118 ordinary bearer shares and 2,677,966 non-voting preference shares, by EUR 321,602,593.27 to EUR 1,240,448,004.17 by issuing 125,800,000 new no-par value ordinary bearer shares, each representing a pro rata amount of the share capital of approximately EUR 2.56 and with full dividend rights from October 1, 2020 (**New Shares**) (**Capital Increase**). In addition, the annual general meeting resolved to issue convertible bonds in an aggregate principal amount of EUR 151,000,000.00, divided into 1,510 bearer bonds ranking pari passu among themselves, each with a nominal value of EUR 100,000 (**Convertible Bonds**), in return for contribution in kind. Convergenta Invest GmbH, having its registered office in Bad Wiessee and registered with the commercial register of the local court of Munich (*Amtsgericht München*) under HR B 188629 (**Convergenta**) was exclusively admitted to subscribe for the New Shares. Convergenta is required to contribute the shares held by it in Media-Saturn-Holding GmbH, a limited liability company incorporated under German law (*Gesellschaft mit beschränkter Haftung*) having its registered office in Ingolstadt and registered with the Commercial Register of the local court of Ingolstadt (*Amtsgericht Ingolstadt*) under HR B 1123 (**MSH**), with serial numbers 16 to 27 and the joint right to the share with serial number 34 accruing to Convergenta (together the **C/M Shares**) to the Company as the non-cash contribution for the Capital Increase through contribution in kind and the issuance of the Convertible Bonds. In addition to the issuance of the New Shares and Convertible Bonds, the Company is required to make a cash payment in a total amount of EUR 130,000,000.00 to Convergenta, payable in two tranches (**Cash Consideration**) as consideration for the contribution of the C/M Shares.

The New Shares will be issued at the lowest issue price of approximately EUR 2.56 per New Share (**Issue Price**). The shareholders' statutory subscription right is excluded.

Convergenta has agreed in accordance with the Resolution to contribute the C/M Shares to the Company in return for issuance of the New Shares from the Capital Increase, issuance of the Convertible Bonds and payment of the Cash Consideration by way of a mixed contribution in kind.

Convergenta hereby subscribes for and purchases

125,800,000

(in words: one hundred twenty-five million eight hundred thousand)

New Shares at the lowest Issue Price of approximately EUR 2.56 per New Share in return for contribution of the C/M Shares by way of a mixed contribution in kind pursuant to the above terms and conditions, therefore for a total issue amount of EUR 321,602,593.27 (**Total Issue Amount**), and agrees to transfer and contribute the C/M Shares to the Company in accordance with the above terms and conditions. No subsidiary obligations are intended.

This Subscription Form will become nonbinding six months after the date of the Resolution if performance of the Capital Increase through contribution in kind has not been entered in the Commercial Register by this time (Section 185(1)(4) German Stock Corporation Act (*Aktiengesetz – AktG*)).

Two copies of the Subscription Form will be issued.

Convergenta Invest GmbH

[signed]

Name: [handwritten: Dr. JÖRG RITTER]

Position: [handwritten: AUTHORIZED REPRESENTATIVE]

To:
CECONOMY AG

2nd copy

**Subscription Form
(issued in duplicate)**

The annual general meeting of CECONOMY AG, having its registered office in Dusseldorf and registered with the commercial register (*Handelsregister*) of the local court of Dusseldorf (*Amtsgericht Düsseldorf*) (**Commercial Register**) under registration number HR B 39473 (**Company**), resolved on February 17, 2021 (**Resolution**) to increase the Company's share capital of EUR 918,845,410.90, divided into 356,743,118 ordinary bearer shares and 2,677,966 non-voting preference shares, by EUR 321,602,593.27 to EUR 1,240,448,004.17 by issuing 125,800,000 new no-par value ordinary bearer shares, each representing a pro rata amount of the share capital of approximately EUR 2.56 and with full dividend rights from October 1, 2020 (**New Shares**) (**Capital Increase**). In addition, the annual general meeting resolved to issue convertible bonds in an aggregate principal amount of EUR 151,000,000.00, divided into 1,510 bearer bonds ranking pari passu among themselves, each with a nominal value of EUR 100,000 (**Convertible Bonds**), in return for contribution in kind. Convergenta Invest GmbH, having its registered office in Bad Wiessee and registered with the commercial register of the local court of Munich (*Amtsgericht München*) under HR B 188629 (**Convergenta**) was exclusively admitted to subscribe for the New Shares. Convergenta is required to contribute the shares held by it in Media-Saturn-Holding GmbH, a limited liability company incorporated under German law (*Gesellschaft mit beschränkter Haftung*) having its registered office in Ingolstadt and registered with the Commercial Register of the local court of Ingolstadt (*Amtsgericht Ingolstadt*) under HR B 1123 (**MSH**), with serial numbers 16 to 27 and the joint right to the share with serial number 34 accruing to Convergenta (together the **C/M Shares**) to the Company as the non-cash contribution for the Capital Increase through contribution in kind and the issuance of the Convertible Bonds. In addition to the issuance of the New Shares and Convertible Bonds, the Company is required to make a cash payment in a total amount of EUR 130,000,000.00 to Convergenta, payable in two tranches (**Cash Consideration**) as consideration for the contribution of the C/M Shares.

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Two copies of the Subscription Form will be issued.

Convergenta Invest GmbH

[signed]

Name: [handwritten: Dr. JÖRG RITTER]

Position: [handwritten: AUTHORIZED REPRESENTATIVE]