

CECONOMY

Declaration
of the Management Board and the Supervisory Board
of CECONOMY AG

from September 2017 regarding the recommendations of the Government Commission
German Corporate Governance Code
pursuant to § 161 AktG (German Stock Corporation Act)

This declaration of conformity is based on the version of the German Corporate Governance Code ("GCGC") of 7 February 2017, which was published in the German Federal Gazette on 24 April 2017.

Management Board and Supervisory Board of CECONOMY AG declare that the recommendations of the Government Commission on the German Corporate Governance Code published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette have been complied with since the issue of the last declaration of the Management Board and Supervisory Board of METRO AG (now: CECONOMY AG – the "Company") in September 2016, with the exceptions stated below.

1. Clause 4.2.3 para. 2 sent. 8 GCGC

Since the issuing of the last declaration of Management Board and Supervisory Board of the Company in September 2016, the Company has prepared the division of the company group into two independent companies listed on the stock exchange, one with the business sector Wholesale & Food Specialist and one with the business sector Consumer Electronics.

The division of former METRO GROUP has become effective upon registration of the division in the commercial register of the Company on 12 July 2017 and, thus, in the course of the 2016/17 financial year. The remuneration system of the Management Board, which was approved by the Supervisory Board in 2014, did not take the division of METRO GROUP into account. Against this background, new remuneration systems for the Management Board were developed in the last financial year, which are orientated specifically on the respective business operations of the two new entities and which will be introduced with effect from the point in time of the division becoming effective.

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Changes were made to the performance targets and comparison parameters for both the one-year variable remuneration ("Short Term Incentive") and the variable remuneration for several years ("Long Term Incentive"), and in this context the handling of the already granted tranches of the variable compensation for several years will also be decided.

As a consequence of these changes made in the course of the financial year, there was a deviation from the recommendation pursuant to Clause 4.2.3 para. 2 sent. 8 GCGC. According to this recommendation, subsequent changes to the performance targets or the comparison parameters for the variable components of the Management Board remuneration shall be excluded.

The deviation had been expected. Already in the forward-looking part of the last declaration of the Management Board and the Supervisory Board of the Company regarding the recommendations of the Government Commission German Corporate Governance Code pursuant to § 161 AktG from September 2016 it was pointed out that a deviation was expected to occur in the course of the financial year 2016/17 from the recommendation pursuant to Clause 4.2.3 para. 2 sent. 8 GCGC (in the then applicable version of 5 May 2015), if the division took place according to plan in the course of the financial year.

2. Clause 7.1.2 sent. 3 GCGC

Since after the approval of the intended division of METRO GROUP by the general meeting of shareholders of the Company in February 2017 the business sector Wholesale & Food Specialist had to be reported in the balance sheet of the Company as 'discontinued operations' within the meaning of IFRS 5, the interim financial reports as per 31 March 2017 and 30 June 2017 concerned by this measure were made publicly accessible within the time periods prescribed by law, but – in deviation from Clause 7.1.2 sent. 3 GCGC – not within 45 days from the end of the reporting period. According to this recommendation, the mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period.

The deviation had been expected. Already in the forward-looking part of the last declaration of the Management Board and the Supervisory Board of the Company regarding the recommendations of the Government Commission German Corporate Governance Code pursuant to § 161 AktG from September 2016 it was pointed out that a deviation was expected to occur in the course of the financial year 2016/17 from the recommendation pursuant to Clause 7.1.2 sent. 4 GCGC (in the then applicable version of 5 May 2015), since it had to be expected that both the measures for a reporting as

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'discontinued operations' and the expected deconsolidation of the Wholesale & Food Specialist business division would entail significantly increased efforts, in particular in view of the size of the business division to be spun off.

It is foreseeable already at this stage that also in the coming financial year 2017/18 there will be a deviation from the recommendation pursuant to Clause 7.1.2 sent. 3 GCGC, since the publication of the notification H1/Q2 2017/18 is scheduled for 17 May 2018 and, thus, while within the legally prescribed period, not within the recommended period of 45 days from the end of the reporting period. Due to the reorganisation in connection with the division and the pertaining transition to an independent listed holding company, the publication will only be possible after expiry of the recommended period.