

CECONOMY

Declaration

of November 2018 on Corporate Governance of the CECONOMY Group

This Declaration on Corporate Governance of CECONOMY AG ("CECONOMY Group") is based on sections 315 d, 289 f of the current version of the German Commercial Code (*Handelsgesetzbuch* - HGB). Pursuant to Section 317 (2) sentence six HGB, the following disclosures are not to be included in the audit of the financial statements.

The following Declaration on Corporate Governance reflects the most recent Declaration of Conformity of the Management Board and the Supervisory Board of CECONOMY AG pursuant to section 161 of the German Stock Corporation Act (*Aktiengesetz* - AktG) and contains a description of the working methods of the Management Board and the Supervisory Board as well as the composition and working methods of the committees of the Supervisory Board. Furthermore, this declaration contains information on key corporate governance practices and on the provisions for the promotion of equal participation of women and men in leadership positions, the minimum proportion of women and men on the Supervisory Board and the diversity concept pursued with regard to the composition of the Management Board and Supervisory Board of CECONOMY AG. Information on the CECONOMY Group is marked as such. Additional information on corporate governance in the Company is published annually in the Annual Financial Statement for the CECONOMY AG Group in the chapter "Corporate Governance Report" and is also available on the website www.CECONOMY.de under the heading "Company - Corporate Governance".

1. Working methods of the Management Board and Supervisory Board

The separation of corporate management and corporate control is an essential element of corporate governance of German stock corporations. The tasks and responsibilities are clearly divided between the Management Board and the Supervisory Board of CECONOMY AG.

Both bodies perform their duties for the benefit of the Company and with the aim of achieving a sustainable growth in value. Their actions are based on the principle of responsible corporate governance. Therefore, the Management Board and Supervisory Board of CECONOMY AG have a close working relationship, which is built on mutual trust:

a. Management Board

At the time of issue of this declaration, the Management Board of CECONOMY AG has two members who are assigned the following responsibilities pursuant to the schedule of delegated responsibilities annexed to the rules of procedure for the Management Board in the version dated 7 November 2018:

- Mark Frese (Member of the Management Board and Labor Director)

Accounting, Reporting & Controlling, Strategy, Business Development and Value Creation, Planning, Human Resources, Investor Relations, M&A, Pensions & Payroll, IT Management & Services, Supply Chain, Tax und Treasury & Insurances

- Dr. Dieter Haag Molkenteller (Member of the Management Board)

Audit, Group Corporate Legal, Corporate Office, Communications, Public Policy & Sustainability, Group Competition & Antitrust, Group Compliance, Data Protection, Group Security, Innovation/Digital, MediaMarktSaturn, Portfolio Management, Retail Media Group und Risk Management & GRC

The Management Board manages CECONOMY AG and the CECONOMY AG Group at its own responsibility. The main management tasks of the Management Board include the specification of corporate objectives and the strategic orientation of the Group, its control and monitoring as well as corporate planning. In addition, the Management Board ensures the availability of investment funds, decides on their allocation within the Group and is responsible for the recruitment and promotion of highly qualified managerial staff.

The fundamental rules for the working methods and cooperation of the Management Board are laid down in rules of procedure, which the Supervisory Board has issued for the Management Board. The members of the Management Board are jointly responsible for the entire management of the Company. They work as a team and keep each other continuously informed about important measures and events in their areas of responsibility. Irrespective of the overall responsibility of the Management Board, each individual member of the Management Board is responsible for his or her own area of responsibility. The Management Board of CECONOMY AG has not formed any committees. Matters that require a resolution

by the entire Management Board are generally defined in the rules of procedure of the Management Board. These include, for example, all fundamental questions regarding the organization, the business policy as well as the investment and financial planning of CECONOMY AG and the Group.

In accordance with its rules of procedure, the Management Board generally passes resolutions at meetings that are to be held at least twice a month.

The Management Board informs the Supervisory Board pursuant to the statutory provisions, the provisions of the German Corporate Governance Code, the specifications laid down in the rules of procedure of the Management Board, the Supervisory Board or a committee of the Supervisory Board as well as pursuant to other information requests from the Supervisory Board in individual cases.

The Management Board informs the Supervisory Board regularly, promptly and comprehensively about the course of business. In addition, it regularly informs the Supervisory Board on all questions relating to corporate planning, business development, the risk situation and risk management, compliance and control systems within the Company. The Management Board informs the Supervisory Board orally or in writing of any matters of particular importance to the Company without undue delay. The Company's strategic orientation is discussed and agreed in detail with the Supervisory Board and its implementation is discussed in regular intervals.

b. Supervisory Board

Pursuant to the statutory provisions and the Articles of Association, the Supervisory Board of CECONOMY AG is composed of ten shareholder representatives, ten employee representatives and at least 30% women (i.e. at least six) and at least 30% men (i.e. at least six). In their entirety, the members have the legally required understanding of the business sector in which CECONOMY AG operates. The Supervisory Board has defined the competences which, in its opinion are particularly important for the fulfilment of its statutory duties, in a competence profile.

At the time of issue of this declaration, the following members belong to the Supervisory Board of CECONOMY AG:

- Jürgen Fitschen (Chairman, Shareholder Representative)
- Jürgen Schulz (Deputy Chairman, Employee Representative)
- Wolfgang Baur (Employee Representative)

- Kirsten Joachim Breuer (Employee Representative)
- Karin Dohm (Shareholder Representative)
- Dr. Bernhard Düttmann (Shareholder Representative)
- Daniela Eckardt (Employee Representative)
- Dr. Florian Funck (Shareholder Representative)
- Ludwig Glosser (Employee Representative)
- Julia Goldin (Shareholder Representative)
- Jo Harlow (Shareholder Representative)
- Peter Küpfer (Shareholder Representative)
- Rainer Kuschewski (Employee Representative)
- Claudia Plath (Shareholder Representative)
- Jens Ploog (Employee Representative)
- Birgit Popp (Employee Representative)
- Dr. Fredy Raas (Shareholder Representative)
- Regine Stachelhaus (Shareholder Representative)
- Lena Widmann (Employee Representative)
- Sylvia Woelke (Employee Representative)

The Supervisory Board of CECONOMY AG advises the Management Board and monitors its management of the business, including with regard to the achievement of long-term corporate goals. The Management Board involves the Supervisory Board in the planning with regard to the further development of the CECONOMY Group as well as in decisions concerning important measures and business transactions. In addition to the authorization requirements prescribed by law, the Supervisory Board has defined its own authorization requirements for certain measures and transactions of the Management Board in the rules of procedure of the Management Board. The Supervisory Board is at liberty to declare further transactions and measures subject to approval by way of a corresponding resolution.

The Supervisory Board of CECONOMY AG convenes for at least four ordinary meetings per financial year. The rules for the convening of meetings and passing of resolutions are laid down in the rules of procedure of the Supervisory Board.

The details of the meetings and the cooperation between the Management Board and Supervisory Board of CECONOMY AG outside of the meetings in the 2017/18 financial year are explained in the Report of the Supervisory Board.

The Supervisory Board is assisted in its work by four committees composed of members of the Supervisory Board:

Presidential Committee

In compliance with section 107 (3) sentence four AktG, the Presidential Committee of the Supervisory Board is authorized, in the place of the Supervisory Board, to make resolutions regarding elements of employment contracts of the members of the Management Board that do not concern remuneration, regarding the consent to other activities of a member of the Management Board pursuant to section 88 AktG as well as regarding the approval of the assumption of secondary activities, in particular supervisory board mandates with companies outside of the Group, regarding the succession planning of the Management Board and regarding legal transactions with members of the Management Board pursuant to section 112 AktG. The Presidential Committee of the Supervisory Board also passes resolutions regarding the granting of loans to the group of persons specified in sections 89 and 115 AktG (in particular members of the Management Board and Supervisory Board). However, if the granting of a loan to a member of the Management Board must be regarded as an element of remuneration, the Presidential Committee of the Supervisory Board shall only act in preparation. The Presidential Committee also makes resolutions regarding the approval of contracts with Supervisory Board members pursuant to section 114 AktG. It also passes resolutions regarding legal transactions requiring the approval of the Supervisory Board pursuant to the rules of procedure of the Company's Management Board. Furthermore, the Presidential Committee of the Supervisory Board has been granted the authority to pass resolutions in the place of the Supervisory Board in cases which cannot be justifiably postponed until the next meeting of the Supervisory Board in order to prevent substantial detriment to the Company and where a vote of the Supervisory Board outside a meeting cannot be brought about within the required period. Finally, the Presidential Committee decides on all other matters assigned to it by resolution of the Supervisory Board.

With regard to the appointment and dismissal of members of the Management Board, the determination of the remuneration system for members of the Management Board and the

individual stipulation and, if necessary, reduction of the remuneration of members of the Management Board pursuant to section 87 (1) and (2) AktG, the monitoring of the application of the German Corporate Governance Code as well as the preparation of the annual declaration of compliance, the Presidential Committee of the Supervisory Board acts in a preparatory capacity for the Supervisory Board and makes recommendations for resolutions, if necessary.

Pursuant to the rules of procedure of the Supervisory Board of CECONOMY AG, the Chairman of the Supervisory Board chairs the Presidential Committee. Pursuant to the rules of procedure of the Supervisory Board of CECONOMY AG, another member of the Presidential Committee is the Deputy Chairman of the Supervisory Board.

At the time of issue of this declaration, the Presidential Committee is composed as follows:

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

Audit Committee

Instead of the Supervisory Board, the Audit Committee performs the following tasks in The Audit Committee performs the following tasks in the place of the Supervisory Board plenum: Dealing with accounting issues and monitoring the accounting process, discussion of the quarterly financial reports and the half-yearly financial report, and discussion of partial results of the audit. Furthermore, the Audit Committee monitors the final audit and determines the central points of the audit. In this context, it monitors and guarantees the independence of the auditor during the audit. The Audit Committee deals with the additional services provided by the auditor and approves the commissioning and provision of so-called non-audit services by the auditor and their network to the Company or a Group company, which are not prohibited. Furthermore, the Audit Committee is responsible for conducting tendering and selection procedures for auditor mandates pursuant to the statutory provisions governing the external rotation of the auditor. The Audit Committee also deals with Group tax planning issues and with the Management Board's report on donations.

In addition, the Audit Committee prepares the Supervisory Board's work on the following topics and makes recommendations for resolutions: Dealing with risk management issues and monitoring the effectiveness of the risk management system, monitoring the

effectiveness of the internal audit system, internal control systems and “anti-fraud” measures. The Committee deals with compliance issues and monitors the compliance management system in the Group. The Committee audits the annual and consolidated financial statements, including the respective management reports based on the results of the final audit and the supplementary statements of the auditor and the evaluation of the audit reports as well as the review of the proposal of the Management Board on the appropriation of net profits. Furthermore, the Committee prepares the proposal of the Supervisory Board to the Annual General Meeting regarding the election of the auditor and the award of the audit contract to the auditor and the conclusion of the remuneration agreement and finally, the Audit Committee deals with the annual budget and the medium-term planning of the Group.

Pursuant to the Audit Committee's rules of procedure, the Chairman of the Supervisory Board and his or her deputy are members of the Audit Committee by virtue of this position; however, they may refuse membership. Insofar as the Chairman of the Supervisory Board and/or his/her deputy do not assume membership of the Audit Committee, they shall each be replaced by a member elected by the Supervisory Board.

The personal requirements for membership and chairmanship of the Audit Committee are prescribed by law and the Committee's rules of procedure. The chairperson of the Audit Committee must be a shareholder representative. Neither the chair nor the deputy chair of the Audit Committee shall be assigned to a former member of the Management Board whose appointment ended less than two years ago. Nor shall the Chairman of the Supervisory Board simultaneously be the Chairman or Deputy Chairman of the Audit Committee. The Chairman of the Audit Committee shall be independent and must have expertise in the areas of accounting or auditing as well as internal control procedures ("**financial expert**"). The other members of the audit committee should have sufficient knowledge and experience in these areas, if possible one additional member should have special knowledge in the area of compliance. The members of the Audit Committee must have a full understanding of the business sector in which the Company operates. The requirements are all met in the current composition of the Audit Committee.

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

- Karin Dohm (Chairman)
- Sylvia Woelke (Deputy Chairman)
- Dr. Florian Funck
- Ludwig Glosser

- Peter Küpfer
- Rainer Kuschewski

Nomination Committee

The shareholder representatives on the Supervisory Board of CECONOMY AG are elected by the Annual General Meeting. The task of the Nomination Committee is to propose suitable candidates to the Supervisory Board, which the Supervisory Board will propose for the election of Supervisory Board members as shareholder representatives at the Annual General Meeting. The committee searches for suitable candidates and makes recommendations to the Supervisory Board. In doing so, the committee takes into account the legal requirements and the recommendations of the German Corporate Governance Code regarding the composition of the Supervisory Board as well as the targets set by the Supervisory Board itself for its own composition. In its proposals, the Nomination Committee also ensures that the committees can be filled by qualified experts.

The Nomination Committee is composed exclusively of shareholder representatives. Pursuant to the rules of procedure of the Supervisory Board, the committee is composed of the Chairman of the Supervisory Board and at least two other shareholder representatives. The majority of the members of the committee shall be independent Supervisory Board members. All of these requirements have been met in the current composition of the committee.

At the time of issue of this declaration, the Nomination Committee is composed of the following persons:

- Jürgen Fitschen (Chairman)
- Regine Stachelhaus
- Dr. Bernhard Düttmann

Mediation Committee

The Codetermination Act (*Mitbestimmungsgesetz* – MitbestG) stipulates the establishment of a Mediation Committee. The Mediation Committee has the statutory task of preparing proposals for the appointment or revocation of the appointment of members of the Management Board in the cases specified in section 31 (3) sentence one of the MitbestG and in section 31 (5) MitbestG in conjunction with section 31 (3) sentence one MitbestG.

The following persons belong to the Mediation Committee at the time of issue of this declaration

- Jürgen Fitschen (Chairman)
- Jürgen Schulz (Deputy Chairman)
- Dr. Bernhard Düttmann
- Ludwig Glosser

c. Information of the Supervisory Board by Committees and the Management Board

The relevant Chairman of the committee reports to the Supervisory Board promptly on resolutions and significant aspects of committee deliberations, generally orally at the next meeting of the Supervisory Board.

The information of the Supervisory Board and/or its committees by the Management Board is regulated by law. The Management Board informs the Supervisory Board pursuant to the statutory provisions, the provisions of the German Corporate Governance Code, based on the stipulations in the rules of procedure of the Management Board, the Supervisory Board and/or a committee of the Supervisory Board or based on other information requests of the Supervisory Board in individual cases. To further specify the statutory information duties, the Supervisory Board may issue a special information regulation as part of the Supervisory Board's rules of procedure or as part of the Management Board's rules of procedure and, for example, establish a schedule and an agenda for the Supervisory Board and its committees, which specifies the date on which regular reports shall be submitted and when the corresponding regular topics shall be discussed. The Supervisory Board has not yet made use of this authority as, in view of the demerger of the former METRO GROUP in the 2016/17 financial year and the establishment of CECONOMY AG as an independent company, regular operations in accordance with a regular schedule have not yet been established.

d. Efficiency Reviews by the Supervisory Board

The Supervisory Board's last efficiency review took place during the meeting on December 9, 2015. During the first full financial year of CECONOMY AG as an independent company subsequent to the demerger of the METRO GROUP, the Supervisory Board also resumed its work with various new members who joined the Supervisory Board for the first time as well as with member changes. As fewer member changes are expected to take place in the 2018/19 financial year, it is recommended to conduct the next review in the 2018/19 financial year, which has been noted accordingly.

e. Declaration of Conformity pursuant to section 161 AktG

In the 2017/18 financial year, the Management Board and Supervisory Board of CECONOMY AG discussed the compliance with the recommendations of the German Corporate Governance Code in detail. In September 2018, they issued the following declaration pursuant to section 161 AktG:

"The Management Board and Supervisory Board of CECONOMY AG declare that the recommendations of the Government Commission on the German Corporate Governance Code published in the official section of the Federal Gazette by the Federal Ministry of Justice and Consumer Protection have been complied with since the last declaration by the Management Board and Supervisory Board of CECONOMY AG (the "**Company**") in September 2017 with the following exception: "In the 2017/18 financial year, the Company deviated from the recommendation pursuant to section 7.1.2 third sentence of the German Corporate Governance Code (DCGK) as the announcement H1/Q2 2017/18 was published on 17 May 2018, thus within the legally prescribed period but not within the recommended period of 45 days after the end of the reporting period. The deviation occurred as expected. It had already been pointed out in the forward-looking part of the last declaration by the Management Board and the Supervisory Board of the Company on the recommendations of the Government Commission on the German Corporate Governance Code pursuant to Section 161 AktG of September 2017 that, in the course of the 2017/18 financial year, the Company would probably deviate from the recommendation pursuant to Section 7.1.2 third sentence DCGK, as it was to be expected that as a result of the reorganization in connection with the demerger and the associated transition to an independently listed holding company, the publication would not be possible until after expiry of the recommended period.

"In the 2018/19 financial year, a deviation from the recommendation is also already foreseeable pursuant to section 7.1.2 third sentence DCGK, as it is planned to publish the announcement H1/Q2 2018/19 on 21 May 2019, thus within the legally prescribed period but not within the recommended period of 45 days after the end of the reporting period. As a result of organizational restrictions in the preparation period, the publication of the announcement H1/Q2 2018/19 will not be possible until slightly after the expiry of the recommended period".

Pursuant to section 161 AktG, the current and previous declarations of CECONOMY AG are permanently available to the public on the website www.CECONOMY.de under the heading "Company - Corporate Governance".

2. Provisions for the Promotion of Equal Participation of Women and Men in Leadership Positions

Pursuant to the relevant provisions of the Codetermination Act, the Stock Corporation Act and the Company's Articles of Association, the Supervisory Board of CECONOMY AG is composed of ten shareholder representatives, ten employee representatives and at least 30% of women and men respectively (i.e. at least three shareholder representatives and at least three employee representatives of each gender). The representation of women and men on the Supervisory Board of CECONOMY AG complies with the requirements of the German Act on Equal Participation of Women and Men in Leadership Positions. The isolated employee and shareholder representatives exceed the gender quota of 30% applicable to the Supervisory Board of CECONOMY AG. At the time of issue of this declaration, the Supervisory Board comprised four female members who are employee representatives and five female members who are shareholder representatives.

When appointing Management Board members, the Supervisory Board takes into account the requirements of the Stock Corporation Act and the recommendations of the German Corporate Governance Code. The Supervisory Board pays particular attention to diversity as defined in the Code and strives for equal participation of women and men in leadership positions. In the 2017/18 financial year, there were no female members of the Management Board of CECONOMY AG. In the 2016/17 financial year, the Supervisory Board resolved targets and time limits to increase the proportion of women on the Management Board pursuant to the Act on Equal Participation of Women and Men in Leadership Positions. According to the law, the time limits may not exceed five years. With regard to the current appointments of the members of the Management Board in office in the 2016/17 financial year, the Supervisory Board has determined that women are not expected to be members of the Management Board of CECONOMY AG until 30 September 2020. However, in order to express the view that diversity is a preferred criterion for the Supervisory Board with regard to the composition of the Management Board, the Supervisory Board has determined that at least one woman should be a member of the Management Board within a time frame of up to 30 June 2022. In the event of a composition of the Management Board of three or four members, which would be conceivable at the time, such a composition would correspond to a quota of at least 25%.

With its resolutions in the meeting of the Supervisory Board on 12 October 2018, the Supervisory Board has initiated a fundamental reorganization of the Management Board of CECONOMY AG, which also involves the search for suitable candidates for the positions of CEO and CFO at the level of the Management Board of CECONOMY AG. The Supervisory Board's wish for and entitlement to the equal participation of women and men in leadership positions continues to exist and will be taken into account in the ongoing selection process. With regard to the ongoing process, however, at the time of this declaration it is not yet possible to

say whether the objectives associated with the long-term outlook will be achieved at an early stage.

With regard to the first and second management levels below the Management Board of CECONOMY AG, in its meeting of 25 September 2017, the Management Board of CECONOMY AG stipulated the targets for the proportion of women in the first management level below the Management Board of CECONOMY AG of at least 15% and of at least 45% in the second management level below the Management Board of CECONOMY AG to be achieved by 30 September 2019.

3. Significant Corporate Governance Practices

a. Compliance

The business activities of the CECONOMY AG Group are subject to various legal regulations and self-imposed standards of conduct. With the Group-wide compliance management system, CECONOMY bundles measures for compliance with these rules.

The risk-based compliance management system aims to systematically and permanently prevent, detect and sanction violations of rules within the Company. For this purpose, the Group regularly identifies behavior-related compliance risks, establishes the necessary organizational structures and has risks consistently managed and controlled by the responsible departments. As part of the systematic reporting, the main compliance risks and compliance measures are transparently presented and documented. Employee surveys, internal controls and audit procedures are used to determine which further developments of the compliance management system are prudent.

Compliance officers are available as contact persons and advisors for the responsible management and employees of all holding companies and national subsidiaries of the Group. The Vice President Group Compliance of CECONOMY AG reports directly to the member of the Management Board responsible for Legal Affairs and Compliance.

In order to consistently manage behavior-related risks, CECONOMY AG has assigned clear responsibilities for risk areas, communicated clear guidelines for behavior and developed and provided suitable risk management and control processes. In addition, there are mandatory compliance training courses, systematic communication measures that are appropriate for the target audience, and a process for the constant and consistent handling and processing of compliance incidents. In addition, employees, business partners and customers of the CECONOMY Group have a professional reporting system at their disposal through which they can inform the Company of potential violations - including anonymously, if necessary - in all languages of the Group. The compliance function ensures that these reports are followed up in an appropriate manner.

The CECONOMY AG Code of Conduct forms the core of the compliance initiatives of the CECONOMY Group. Other key elements of the compliance program include the Code of Conduct and the Guidelines on Antitrust Law and Anti-Corruption. Target audience-oriented training programs and the design and testing of internal controls in the operational business processes are directly linked to the compliance program initiatives. The effectiveness of internal compliance controls is regularly part of the internal audit plan.

Details on the subject of compliance can be found in the separate non-financial Group Report and on the website www.CECONOMY.de under the heading "Company - Compliance". The Code of Conduct of CECONOMY AG can also be downloaded there.

b. Risk and Opportunity Management

A further integral component of value-oriented corporate management is the risk management of the CECONOMY Group. This is a systematic process that encompasses the entire Group and supports the management in identifying, assessing, managing and monitoring risks and opportunities. Thus risk and opportunity management form a single unit. Risk management makes unfavorable developments and events transparent at an early stage and analyzes their effects. In this way, the Company can initiate suitable measures to deal with them in a targeted manner. At the same time, it opens up the possibility of making targeted use of opportunities that arise. Both risk and opportunity management and the compliance management system are continuously being developed.

Details on the subject of risk and opportunity management can be found in the annual report of CECONOMY AG. This report is available on the website www.CECONOMY.de under the heading "Investor Relations - Publications". The annual report for the financial year ending on 30 September of the relevant year is published in mid-December of each year.

c. Responsibility and Sustainability

CECONOMY makes life easier in the digital world. At first glance, the corresponding products and technologies are not necessarily sustainable because of their consumption of resources and electricity. However, they open up completely new possibilities for a sustainable lifestyle, for example, by controlling heating, cooling and lighting in a more demand-oriented and intelligent way. At the same time, it also creates greater transparency relating to product properties and the sustainability governance of companies. As CECONOMY makes the advantages of digitization available for use by customers, it also consistently uses these advantages for its own benefit. We therefore assume responsibility and guide our associated companies in harmonizing their economic goals with social and ecological requirements beyond the legal requirements.

In the 2017/18 financial year, CECONOMY AG, together with the MediaMarktSaturn Retail Group, developed its own sustainability approach as well as a sustainability strategy. In doing so, we reviewed our business model with regard to its impact on the environment and society. Our goal is to strengthen our positive influence and systematically reduce negative effects. The Sustainable Development Goals of the United Nations represent an important

framework and at the same time they are a mandate for us to make a contribution to a more sustainable future within the context of our business activities.

It is our intention to integrate sustainability as an integral part of our business practice. Digitization and new service concepts, for example, as well as a broad range of sustainable products, provide us with an increasing number of points of reference. We want to support our customers in matters of sustainability and live up to our claim of being a responsible company.

Details on the topic of responsibility and sustainability can be found in the separate non-financial Group Report and are available on the website www.CECONOMY.de under the heading "Sustainability".

4. Diversity Concept

At CECONOMY AG, diversity is taken into account in the composition of the Management Board, in the recruitment for management positions and in proposals for the election of Supervisory Board members. This diversity contributes to a broader wealth of experience within the Management Board and Supervisory Board as well as a wider range of perspectives, expertise and skills.

In the composition of the Management Board, the Supervisory Board is primarily guided by specialist knowledge and personal aptitude. In addition, it also considers aspects such as age, gender, educational or professional background.

With regard to the relevant composition of the Management Board and the Supervisory Board as a whole, the Supervisory Board has decided to pursue the following diversity concept:

"The Supervisory Board strives for a diverse composition of the Supervisory Board and the Management Board, in particular, but not exclusively, with regard to aspects of gender, educational, experience or professional background, age and internationality of the members.

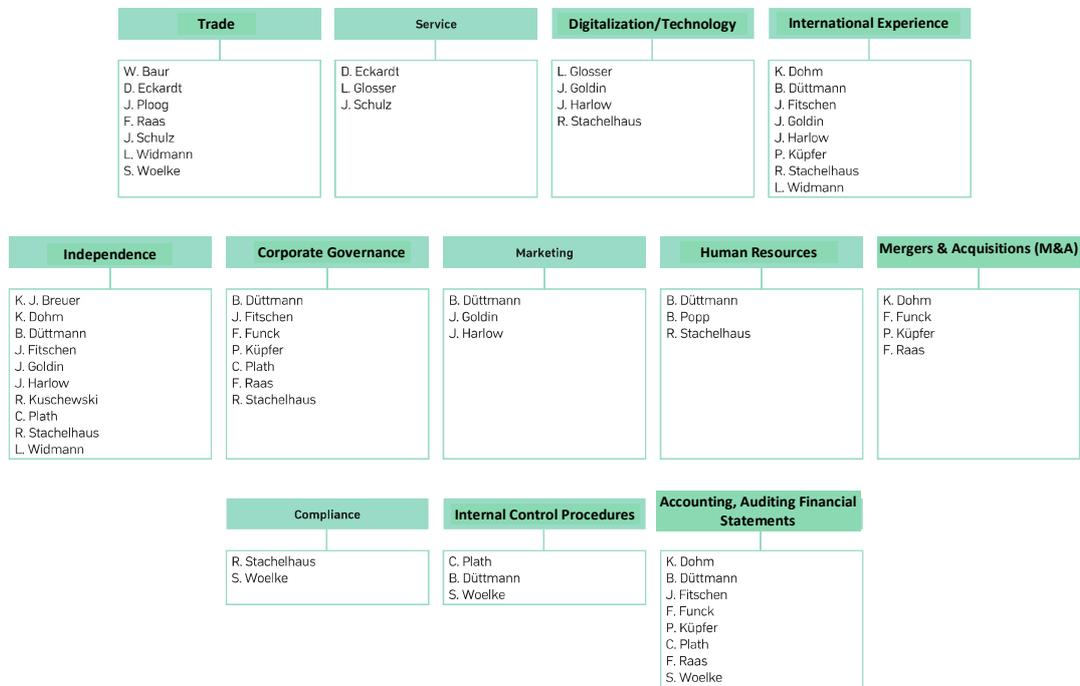
The aim of the diversity concept is to ensure that both the Supervisory Board and the Management Board cover the overall competence profile arising from the Company-specific situation:

- Trade expertise, in particular in the field of consumer electronics

- Expertise in the areas of
 - Mergers and Acquisitions
 - Service
 - Marketing
 - Digitalization/Technology
 - Human Resources
- Knowledge/Experience in the areas
 - Accounting
 - Audit of financial statements
 - Internal Control Procedures
 - Compliance
- International experience
- Business management experience."

The diversity concept is implemented as part of the personnel decisions relating to the composition of the Supervisory Board and the Management Board. In the 2017/18 financial year, employee representatives were elected to the Supervisory Board and two shareholder representatives were elected or re-elected to the Supervisory Board. The results achieved in the 2017/18 financial year with regard to the diversity concept are shown in the following overview of the distribution of responsibilities within the Supervisory Board.

Distribution of responsibilities within the Supervisory Board of Ceconomy AG¹



¹Competences pursuant to the resolution on the competence profile of 19 September 2018

In addition, the Supervisory Board has various members. The members of the Supervisory Board have a diverse educational, experience and professional background. Details can be found in the CVs available on the website www.CECONOMY.de under the heading "Company - Supervisory Board". The Supervisory Board consists of 45% female members and 55% male members. Four members of the Supervisory Board (20%) are not German citizens. The oldest member of the Supervisory Board is 74 years old. The youngest member is 34 years old. The average age is 54.

Based on the above diversity concept, the Supervisory Board has resolved the following specific objectives for its composition:

- The Supervisory Board shall consist of sufficient members who have different educational, experience or professional backgrounds as well as international experience or expertise.
- At least six of the ten shareholder representatives on the Supervisory Board shall be independent as defined in section 5.4.2 of the German Corporate Governance Code.

- The Supervisory Board shall not include any member who performs board functions and advisory tasks or who is a member of supervisory bodies of major national and international direct competitors.
- The statutory gender ratio of 30% is to be met separately by employee representatives and shareholder representatives. This means that the Supervisory Board should have at least three female members on each side.
- The members of the Supervisory Board shall not be older than 65 years at the time of their first election and not older than 71 years at the time of their re-election. The standard age limit for membership of the Supervisory Board is ten years. As a rule, the term of office for shareholder representatives on the Supervisory Board shall be three years.
- At least one member of the Supervisory Board must meet the requirements specified in the rules of procedure of the Audit Committee for the assumption of the chairmanship of the Audit Committee. The other members of the Supervisory Board who are elected as members of the Audit Committee should have the knowledge and experience specified in the rules of procedure of the Audit Committee.

With regard to the current appointments of the members of the Management Board in office during the 2016/17 financial year, the Supervisory Board has determined that women are not expected to be members of the Management Board of CECONOMY AG until 30 September 2020. However, this statement was combined with the outlook according to which at least one woman should be a member of the Management Board within a time frame of up to 30 June 2022 (see 2. above).

In the current composition of the Management Board, the diversity concept and the specific goals set by the Supervisory Board for the composition of the Management Board will be achieved as follows: The educational, experience and professional background of the members of the Management Board is diverse. As a result of the international business activities of CECONOMY AG and formerly METRO AG, the members of the Management Board particularly also have international management experience and expertise. Details can be found in the résumés available on the website www.CECONOMY.de under the heading "Company - Management Board". No member of the Management Board is older than the age limit of 65 years. The oldest member of the Management Board is 59 years old. The youngest member is 54 years old. The average age of the members of the Management Board at the time of publication of this declaration (30 November 2018) was 56.5 years.