

# CECONOMY

**Supplement from January 2019 to the Declaration of the Management Board and the Supervisory Board of CECONOMY AG from September 2018 regarding the recommendations of the Government Commission German Corporate Governance Code pursuant to § 161 AktG (German Stock Corporation Act)**

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In September 2018, the Management Board and Supervisory Board of CECONOMY AG last issued their declaration on the recommendations of the Government Commission German Corporate Governance Code pursuant to section 161 AktG. The Management Board and the Supervisory Board of CECONOMY AG declared that they are in compliance with all of the recommendations of the version of the German Corporate Governance Code dated 7 February, 2017, as published in the Federal Gazette on 24 April, 2017, with the exception of the recommendation in section 7.1.2 sentence 3 (reporting deadlines), and will continue to comply with all recommendations in the future as well, with the exception of the recommendation in section 7.1.2 sentence 3.

The Management Board and the Supervisory Board of CECONOMY AG now declare in supplementation thereof:

1. In the transitional period between the dismissal of former Chairman of the Management Board Pieter Haas and the appointment of a new Management Board member and his or her appointment as Chairman of the Management Board, CECONOMY AG will refrain from appointing a new Chairman of the Management Board or Spokesperson, in light of the ongoing search for candidates and the transitional nature of the distribution of responsibilities for the Management Board. Accordingly, CECONOMY AG will temporarily fail to comply with the recommendation in section 4.2.1., sentence 1 clause 2 of the German Corporate Governance Code in the version dated 7 February, 2017 (published in the Federal Gazette on 24 April, 2017), according to which the Management Board is supposed to have a Chairperson or Spokesperson.
2. Due to the appointment of Dr. Bernhard Düttmann as deputy member of the Management Board from January 1, 2019 to March 31, 2019, a position vacant as a result of Mr. Mark Frese's dismissal as a member of the Management Board, the remuneration that Dr. Bernhard Düttmann receives for his work as a member of the Management Board in accordance with the service agreement between CECONOMY AG and Dr. Bernhard Düttmann contains no variable remuneration components. The background to this is that the Supervisory Board does not consider variable

COURTESY TRANSLATION

compensation to be suitable for the short period of the appointment. Accordingly, the service agreement of Dr. Bernhard Düttmann exceptionally does not comply with the recommendation in section 4.2.3 para. 2, sentence 2 of the German Corporate Governance Code in the version of 7 February, 2017 (published in the Federal Gazette on 24 April, 2017), according to which the monetary remuneration components of the Management Board remuneration should comprise fixed and variable components. Consequently, the recommendations in sentences 3 to 6 of the second paragraph of section 4.2.3 of the German Corporate Governance Code in the version dated 7 February, 2017 (published in the Federal Gazette on 24 April, 2017), which require variable remuneration components, are temporarily not complied with. However, CECONOMY AG intends to take the previously existing remuneration structure, as set forth in the remuneration report for the financial year 2017/18, whose monetary remuneration components comprise fixed and variable remuneration components, into account again for future appointments of Management Board members and, thus, comply again with the recommendations in section 4.2.3 paragraph 2 of the German Corporate Governance Code in the version of 7 February, 2017 (published in the Federal Gazette on 24 April, 2017).

This Supplement to the Declaration does not replace the Declaration of Conformity from September 2018. The Declaration from September 2018 is supplemented by this Declaration and retains their validity in all other respects.