

# CECONOMY

COURTESY TRANSLATION

## CECONOMY AG Düsseldorf

WKN ordinary share	725 750
WKN preference share	725 753
ISIN ordinary share	DE 000 725 750 3
ISIN preference share	DE 000 725 753 7

### **Publication of the Resolution on and the System for the Remuneration of the Members of the Supervisory Board pursuant to Section 113 (3) in conjunction with Section 120a (2) of the German Stock Corporation Act (AktG)**

The remuneration of the members of the Supervisory Board was reduced and the restructured system for the remuneration of the members of the Supervisory Board was submitted for approval at the ordinary General Meeting of Shareholders of CECONOMY AG on Wednesday, 17 February 2021, under agenda item 7, "Adoption of a resolution on the reduction of the remuneration of the Supervisory Board and on the approval of the remuneration of the Supervisory Board (Section 113 (3) sentence 1 of the German Stock Corporation Act (AktG))".

The remuneration system for the members of the Supervisory Board was approved with the following result:

290,492,462	valid votes cast (= 80.82% of the share capital)
289,108,333	votes in favour (99.52%)
1,384,129	votes against (0.47%)

The remuneration system for the members of the Supervisory Board is structured as follows:

As a result of the German Act on the Implementation of the Second EU Shareholder Rights Directive (SRD II), which entered into force on 1 January 2020, it has been stipulated in the German Stock Corporation Act (*Aktiengesetz* – AktG), in Section 113 (3), that for listed companies a resolution on the remuneration of the members of the supervisory board shall be adopted at least every four years, with the adoption of a resolution merely confirming the existing remuneration being permissible.

The remuneration of the Supervisory Board of CECONOMY AG is determined by § 13 of the Articles of Association of CECONOMY AG and has been defined as purely fixed remuneration.

In its meeting on 11 December 2020 the Supervisory Board of CECONOMY AG reviewed the system for the remuneration of the members of the Supervisory Board (the “**Remuneration System**”), discussed its findings with the Management Board and decided to propose reducing the remuneration of the Supervisory Board in the current financial year to the General Meeting of CECONOMY AG on 17 February 2021, which was done with the amendment to the Articles of Association resolved under agenda item 7 a) of the General Meeting.

The wording of § 13 of the Articles of Association, as amended after the registration of the amendment to the Articles of Association resolved under agenda item 7 a), as well as the disclosures pursuant to Section 113 (3) sentence 3 and Section 87a (1) sentence 2 of the German Stock Corporation Act (AktG) are – where they are relevant to the Supervisory Board – set out below:

### **§ 13 Remuneration of the Supervisory Board**

- (1) The members of the Supervisory Board shall receive fixed annual remuneration. This fixed remuneration shall amount to 80,000 euros for each individual member. From the beginning of the month following the registration of the amendment to this § 13 (1) of the Articles of Association by resolution of the General Meeting of 17 February 2021, the fixed annual remuneration for each individual member shall be 70,000 euros; § 13 (4) of the Articles of Association shall apply mutatis mutandis.
- (2) The Chairman of the Supervisory Board shall receive triple, his deputy and the chairmen of the committees shall each receive double, and the other members of the committees shall each receive one and a half times the amount stipulated in (1) above. This shall not apply with regard to the chairmanship and the membership of the committee stipulated in Section 27 (3) of the German Co-Determination Act (*Mitbestimmungsgesetz* – MitbestG). The remuneration for membership or chairmanship of a committee shall be paid only if at least two meetings or other adoptions of resolutions of this committee have taken place in the respective financial year. If a member of the Supervisory Board holds several of the offices specified in sentence 1 at the same time, he shall receive remuneration for only one office; in the case of differing remuneration, this shall be for the most highly remunerated office.
- (3) The remuneration shall be payable at the end of the respective financial year.
- (4) Supervisory Board members who served on the Supervisory Board for only part of the financial year shall receive one twelfth of the remuneration for each month of service or any part of such month. Supervisory Board members who leave the Board and are reappointed within one month shall receive only one twelfth of the annual remuneration for that month. This shall apply accordingly with regard to memberships

of a committee, the chairmanship or the deputy chairmanship of the Supervisory Board, or the chairmanship of a committee.

- (5) The Company shall reimburse to the members of the Supervisory Board the expenses incurred from their holding of the office as well as any VAT payable on the remuneration and the reimbursement of expenses.

The task of the Supervisory Board is to advise and monitor the Management Board, which manages the Company and conducts its business under its own responsibility. The members of the Supervisory Board are entitled to remuneration that is proportionate to the duties of the Supervisory Board members and the situation of the Company.

This is taken into account by the provision in the Articles of Association regarding the remuneration of the Supervisory Board members: § 13 of the Articles of Association, as amended after the registration of the amendment to the Articles of Association, provides for fixed annual remuneration for each individual member of the Supervisory Board amounting to 70,000 euros (from the month following the registration of the amendment to the Articles of Association).

In the view of the Management Board and the Supervisory Board this fixed remuneration is suitable for the monitoring function to be performed – irrespective of the Company's success – by the Supervisory Board.

The amount of the remuneration laid down in § 13 of the Articles of Association is – including in comparison with the supervisory board remuneration at other listed companies in Germany – appropriate, especially after the reduction. This ensures that the Company will continue to be in a position to attract particularly well-qualified candidates for membership of the Company's Supervisory Board; in this way the remuneration of the Supervisory Board contributes sustainably to the promotion of the business strategy and the long-term positive development of the Company.

The remuneration for taking on special functions within the Supervisory Board is on a sliding scale: the Chairman of the Supervisory Board receives triple, the Deputy Chairman of the Supervisory Board and the chairmen of the committees each receive double, and the other members of the committees each receive one and a half times the rate awarded for ordinary membership. The increase in remuneration for service as the Chairman of the Supervisory Board, as the Deputy Chairman of the Supervisory Board, as the chairman of a committee or as a member of a committee takes into account the increased responsibility and time expenditure required as a result of the additional functions.

The corresponding application of § 13 (4) of the Articles of Association ensures that the previous higher (pro rata temporis) remuneration is applied only for months commenced up until the registration of the amendment to the Articles of Association.

The remuneration of the members of the Supervisory Board is reviewed regularly.

Düsseldorf, 17 February 2021

CECONOMY AG  
Management Board