

CECONOMY

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

from September 2023 on the recommendations of the "Government Commission on the German Corporate Governance Code" pursuant to section 161 of the German Stock Corporation Act (AktG)

This declaration is made on the recommendations of the German Corporate Governance Code in the version of 28 April 2022, which was published in the Federal Gazette (*Bundesanzeiger*) on 27 June 2022 and thus came into force ("GCGC").

The last declaration of conformity was issued in September 2022, with supplements from December 2022 and July 2023. In the period from the issuance of the last declaration of conformity to the issuance of this declaration of conformity, the Management Board and the Supervisory Board of CECONOMY AG have complied with the recommendations of the GCGC with the exception of the following deviations:

- Section A.3 GCGC: Sustainability-related objectives in the internal control system

According to section A.3 GCGC, the internal control system and the risk management system shall also cover sustainability-related objectives, unless already required by law. This shall include the processes and systems for recording and processing sustainability-related data.

This recommendation was only partially complied with in the reporting period since the issuance of the last declaration of conformity, as the project to expand the internal control system to include sustainability-related areas was not fully implemented until the course of the financial year 2022/23. The risks and opportunities regarding the fulfilment of sustainability-related goals in the risk management system, on the other hand, have already been taken into account throughout the reporting period.

The Sustainability department evaluated in a project processes and systems with regard to the Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz*) for the definition and implementation of appropriate controls. This was successively followed up for the areas of environment and climate targets and transferred to the internal control system in the financial year 2022/23.

In the future, the recommendation will be fully complied with.

- Section B.4 GCGC: Early reappointment of the Management Board

According to section B.4 GCGC, a reappointment before the end of one year prior to the end of the term of appointment with simultaneous termination of the current appointment shall only be made in the case of special circumstances.

By resolution as of 10 May 2021, the Supervisory Board of CECONOMY AG originally appointed Dr. Karsten Wildberger as a member of the company's Management Board for the period from 1 August 2021 to the end of 31 July 2024. By resolution as of 14 July 2023, the Supervisory Board of CECONOMY AG reappointed Dr. Karsten Wildberger for the period from 1 August 2023 to 31 July 2028, with simultaneous termination of the current appointment as of 31 July 2023. Dr. Wildberger's contract was thus extended two weeks before the start of the 12-months period and the recommendation in section B.4 GCGC, according to which a reappointment in such cases shall only happen prior to one year before the end of an appointment period if special circumstances apply, was not complied with on a one-off basis. However, CECONOMY AG intends to comply with this recommendation again for future appointments.

- Section C.5 GCGC: Maximum number of supervisory board mandates

According to section C.5 GCGC, a person who is a member of the management board of a listed company shall not hold more than two supervisory board mandates in non-group listed companies or comparable functions and shall not chair the supervisory board of a non-group listed company.

The Supervisory Board member Mr. Christoph Vilanek is Chairman of the management board of the listed company freenet AG and holds more than the specified supervisory board mandates.

The Supervisory Board and the Management Board of CECONOMY AG have dealt with the issue of overboarding and have come to the conclusion that this requirement of the GCGC should not be complied with in this case. As freenet AG holds just under 7% of CECONOMY AG, the supervisory board mandate of Mr. Christoph Vilanek reflects the ownership structure of CECONOMY AG. Due to his profound knowledge of the retail sector, his excellent industry knowledge, his - qualifications and his experience in other supervisory boards, Mr. Christoph Vilanek has been personally entrusted by the supervisory board of freenet AG to represent freenet AG as a shareholder of CECONOMY AG on the Supervisory Board of CECONOMY AG. Due to his qualifications, Mr. Christoph Vilanek is a valuable addition to the Supervisory Board of CECONOMY AG. More decisive, however, and this is the ratio of the Code's recommendation on a maximum number of supervisory board mandates, is whether Mr. Christoph Vilanek has sufficient time to fulfil his mandate at CECONOMY AG in addition to his management board

mandate at freenet AG and his other mandates. So far, there have been no indications that Mr. Christoph Vilanek has not devoted an appropriate amount of time to his supervisory board activities at CECONOMY AG. The Supervisory Board therefore has no concerns whatsoever that Mr. Christoph Vilanek will not be able to devote the expected amount of time to his mandate at CECONOMY AG in the future. Mr. Christoph Vilanek himself has also confirmed that he is able to devote the time expected for his activities on the Supervisory Board of CECONOMY AG.

- Section G.6, G.7, G.9, G.10 and G.12 GCGC: Variable remuneration components

Due to the transitional appointment of Ms. Sabine Eckhardt as deputy to the member of the Management Board who is absent as a result of the departure of Mr. Florian Wieser, for the period from 1 January 2023 to 31 January 2023, the remuneration that Ms. Sabine Eckhardt received for her Management Board activities in accordance with the employment contract between her and CECONOMY AG did not, as an exception, include any variable remuneration components. The background to this is that the Supervisory Board did not consider variable remuneration to be appropriate for the transitional period of the appointment. Accordingly, the employment contract of Ms. Sabine Eckhardt temporarily did not comply with the recommendations in sections G.6, G.7, G.9, G.10 and G.12 of the GCGC, which require variable remuneration components. However, CECONOMY AG intends to take the existing remuneration structure, whose monetary remuneration components comprise fixed and variable components, into account again for future appointments of members of the Management Board and thus to comply with the recommendations in sections G.6, G.7, G.9, G.10 and G.12 of the GCGC again in full in the future.

The Management Board and the Supervisory Board of CECONOMY AG intend to comply with the recommendations of the GCGC in the future, with the exception of section C.5 GCGC.

Management Board

Supervisory Board