

CECONOMY

Declaration

of November 2021 on the Corporate Governance of the CECONOMY Group

This declaration on the corporate governance of the corporate group of CECONOMY AG (the “**CECONOMY Group**”) is based on Section 315d and Section 289f of the German Commercial Code (*Handelsgesetzbuch – HGB*), in the version that was applicable at the time of the issuance of the declaration, as well as on the German Corporate Governance Code (GCGC) in the version of 16 December 2019, which was published in the Federal Gazette (*Bundesanzeiger*) on 20 March 2020.

The following declaration reflects, amongst other things, the most recent Declaration of Conformity issued by the Management Board and Supervisory Board of CECONOMY AG pursuant to Section 161 of the German Stock Corporation Act (*Aktiengesetz – AktG*) in September 2021 and contains a description of the functioning of the Management Board, the Supervisory Board and the Supervisory Board committees as well as statements regarding transparency in corporate governance. In addition, this declaration includes the information on the corporate governance of the Company and the Group that was previously published in the Corporate Governance Report in the annual report and on the Company's website. Information relating to the CECONOMY Group is identified as such.

The Management Board and Supervisory Board of CECONOMY AG make the standards of good corporate governance a priority and are committed to the principles of transparent, responsible corporate management and control.

The boards have enshrined their voluntary commitment to the GCGC in Section 1(2) of the Bylaws of the Management Board of CECONOMY AG and of the Bylaws of the Supervisory Board of CECONOMY AG respectively with the following statement:

“The Management Board and Supervisory Board of the Company align their actions with the relevant recommendations of the German Corporate Governance Code and deviate from the recommendations of the Code only in justified exceptional cases. If the Management Board or Supervisory Board intends to deviate from a recommendation, the boards inform each other of the planned course of action in advance.”

1. Functioning of the Management Board and the Supervisory Board

A key element of the corporate governance of German public limited companies is the separation between corporate management and corporate control. Tasks and responsibilities are clearly divided between the Management Board and the Supervisory Board of CECONOMY AG.

Both boards perform their tasks for the benefit of the Company and with the aim of sustainably increasing its value. Their actions are based on responsible corporate governance. Consequently there is a close working relationship based on trust between the Management Board and the Supervisory Board of CECONOMY AG:

a. Management Board

The power to manage the Company lies with CECONOMY AG's Board of Management, which has two members at the time of the issuance of this declaration, as required by Section 76(2) sentence 2 of the German Stock Corporation Act (AktG) and Section 5(1) of CECONOMY AG's Articles of Association. Pursuant to the Schedule of Responsibilities, which is attached as an appendix to the Bylaws for the Management Board, in the version of 5 July 2021, the responsibilities designated below are assigned to the members of the Management Board:

- Dr Karsten Wildberger (Chair and Labour Director)

Audit & Consulting; Communications, Public Policy; Sustainability; Corporate Office; Group Competition & Antitrust; Group Compliance; Data Protection; Group Projects & PMO; Human Resources; M&A; Strategy, Value Creation, Innovation/Digital & Business Development; Pensions; Payroll; IT Management & Services

- Florian Wieser (Chief Financial Officer)

Accounting; Corporate Controlling; Risk Management; Group Corporate Legal; Investor Relations; Tax; Treasury; Insurance

The Management Board runs CECONOMY AG and the corporate group of CECONOMY AG under its own responsibility. The key management tasks of the Management Board include setting the business objectives and the strategic orientation of the Group, its control and monitoring as well as its business 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 managers and employees.

Basic rules for the functioning and the collaboration of the Management Board are laid down in Bylaws, which the Supervisory Board has adopted for the Management Board. The members of the Management Board bear joint responsibility for the overall business management. They work together collegially, and continually inform one another of important measures and events within their remits. Regardless of the overall responsibility of the Management Board, the individual members of the Management Board manage their respective remits under their own responsibility. The Management Board of CECONOMY AG has not set up any committees. Matters which require the passing of resolutions by the Management Board as a whole are in principle defined in the Management Board's Bylaws. These include, for example, all fundamental issues of the organisation, the business policy, and the investment and financial planning of CECONOMY AG and of the Group.

Pursuant to its Bylaws, the Management Board generally passes resolution in meetings, which should take place at least twice a month.

The Management Board informs the Supervisory Board in accordance with the statutory provisions, the provisions of the GCGC, the stipulations in the Bylaws of the Management Board, of the Supervisory Board or of the Audit Committee of the Supervisory Board as well as on the basis of other information requirements of the Supervisory Board in individual cases. The Supervisory Board has formalised the Management Board's obligations to provide information as part of the Bylaws for the Management Board, by means of an information policy and a meeting and standard topic schedule.

The Management Board informs the Supervisory Board of the course of business in a regular, timely and comprehensive manner. It also regularly informs the Supervisory Board of all business planning, business development, risk situation and risk management, compliance and control system issues in the Company. The strategic orientation of the Company is debated in detail and coordinated with the Supervisory Board and its implementation is discussed at regular intervals.

The Management Board informs the Supervisory Board of matters that are of particular importance for the Company without undue delay, either orally or in writing.

b. Supervisory Board

The Supervisory Board of CECONOMY AG advises the Management Board and monitors its management, including with regard to the achievement of the long-term business objectives. The Supervisory Board also appoints the members of the Management Board.

In addition to the approval obligations provided for by law and in the Company's Articles of Association, the Supervisory Board has, in the Management Board's Bylaws, defined further approval requirements of its own for certain types of measures and transactions by the Management Board. The Supervisory Board is entitled to declare further transactions and measures as requiring approval by means of a corresponding resolution.

The Supervisory Board of CECONOMY AG meets at a minimum of six ordinary meetings per financial year. Provisions on convening meetings and on passing resolutions are laid down in the Supervisory Board's Bylaws.

Details of the activities of the Supervisory Board in the financial year 2020/21 are explained in the Supervisory Board's report for the financial year 2020/21.

The Supervisory Board of CECONOMY AG is composed, pursuant to the statutory provisions and its Articles of Association, of ten representatives of the shareholders and ten representatives of the employees, of which at least 30% are women (i.e. at least six) and at least 30% are men (i.e. at least six).

At the time of the issuance of this declaration the following persons are members of the Supervisory Board of CECONOMY AG:

- Thomas Dannenfeldt (Chair, shareholder representative)
- Sylvia Woelke (Deputy Chair, employee representative)
- Katrin Adt (shareholder representative)
- Wolfgang Baur (employee representative)
- Kirsten Joachim Breuer (employee representative)
- Karin Dohm (shareholder representative)
- Daniela Eckardt (employee representative)
- Sabine Eckhardt (shareholder representative)
- Thomas Fernkorn (employee representative)
- Dr Florian Funck (shareholder representative)
- Ludwig Glosser (employee representative)
- Julia Goldin (shareholder representative)

- Stefanie Nutzenberger (employee representative)
- Claudia Plath (shareholder representative)
- Jens Ploog (employee representative)
- Dr Lasse Pütz (employee representative)
- Dr Fredy Raas (shareholder representative)
- Jürgen Schulz (employee representative)
- Regine Stachelhaus (shareholder representative)
- Christoph Vilanek (shareholder representative)

The members of the Supervisory Board as a whole have the legally required familiarity with the sector in which CECONOMY AG operates.

The Supervisory Board has defined the competences which, in its opinion, are particularly important for fulfilling its statutory tasks in a competence profile. The current status of the division of these competences between the individual members of the Supervisory Board is described in the Supervisory Board's report for the financial year 2020/21.

The Supervisory Board is supported in its activities by four committees formed from among its members:

Presidential Committee of the Supervisory Board

The tasks assigned to the Presidential Committee of the Supervisory Board are set out on the website www.ceconomy.de/en/ under the heading "Company – Supervisory Board".

In accordance with the Bylaws of the Supervisory Board of CECONOMY AG, the Presidential Committee of the Supervisory Board is chaired by the Chair of the Supervisory Board and the Deputy Chair of the Supervisory Board is, by virtue of this function, another members of the Presidential Committee of the Supervisory Board.

At the time of the issuance of this declaration the Presidential Committee of the Supervisory Board is made up of:

- Thomas Dannenfeldt (Chair)
- Sylvia Woelke
- Regine Stachelhaus

- Jens Ploog

Audit Committee

The tasks assigned to the Audit Committee are set out on the website www.ceconomy.de/en/ under the heading “Company – Supervisory Board”.

The personal requirements for membership and chairpersonship of the Audit Committee are laid down by law and the Bylaws of the committee. The Chair of the Audit Committee must be a representative of the shareholders. Neither the role of Chair nor the role of Deputy Chair of the Audit Committee should be conferred upon a former member of the Management Board whose appointment ended less than two years ago. Furthermore the Chair of the Supervisory Board should not simultaneously be the Chair or Deputy Chair of the Audit Committee.

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

- Karin Dohm (Chair)
- Sylvia Woelke (Deputy Chair)
- Claudia Plath
- Dr Florian Funck
- Ludwig Glosser
- Jürgen Schulz

The Chair of the Audit Committee should be independent and must have expertise in the fields of accounting or auditing as well as internal control procedures (a “financial expert”). Including the Chair, at least one member of the Audit Committee, must have expertise in the field of accounting and at least one other member of the Audit Committee must have expertise in the field of auditing. The other members should have sufficient knowledge and experience in the fields of accounting, auditing and internal control procedures, and whenever possible one member should in addition have special knowledge in the field of compliance.

The current composition of the Audit Committee meets all these requirements. The experienced Chair of the Audit Committee, Ms Karin Dohm, is independent and is not a former member of the Management Board of CECONOMY AG. She has the legally required expertise in the fields of accounting, auditing and internal control procedures. The Deputy Chair of the Audit Committee, Ms Sylvia Woelke, and the other members of the Audit

Committee all have sufficient knowledge and experience in these fields. Ms Sylvia Woelke also has special knowledge in the field of compliance thanks to her work in the Corporate Risk Management & Internal Controls department and her earlier work in the Internal Audit department.

Nomination Committee

The tasks assigned to the Nomination Committee are set out on the website www.ceconomy.de/en/ under the heading "Company – Supervisory Board".

The Nomination Committee is made up exclusively of representatives of the shareholders. In accordance with the Supervisory Board's Bylaws, the Nomination Committee consists of the Chair of the Supervisory Board, who also chairs the Nomination Committee at the same time, as well as at least two additional shareholder representatives.

At the time of the issuance of this declaration the Nomination Committee is composed of the persons named below:

- Thomas Dannenfeldt (Chair)
- Claudia Plath
- Regine Stachelhaus

In accordance with the Bylaws of the Supervisory Board, the majority of the Nomination Committee must be composed of independent Supervisory Board members. This requirement is met in the present composition of the committee.

Mediation Committee

The tasks assigned to the Mediation Committee are set out on the website www.ceconomy.de/en/ under the heading "Company – Supervisory Board".

Pursuant to Section 27(3) of the German Co-Determination Act (*Mitbestimmungsgesetz – MitbestG*), the Mediation Committee comprises the Chair of the Supervisory Board, the Deputy Chair of the Supervisory Board and two other members, one of which is elected by the Supervisory Board members representing employees and the other by the Supervisory Board members representing shareholders.

At the time of the issuance of this declaration the Mediation Committee is composed of the persons named below:

- Thomas Dannenfeldt (Chair)
- Sylvia Woelke

- Claudia Plath
- Ludwig Glosser

c. Information provided to the Supervisory Board by the committees

The Chair of the respective committee reports on resolutions and key aspects of the work of the committees to the Supervisory Board promptly, as a rule orally, in the next meeting of the Supervisory Board.

d. Self-assessment of the Supervisory Board

Pursuant to the recommendation in clause D.13 of the GCGC, the Supervisory Board regularly assesses how effectively it, as a whole, and its committees perform their tasks. In principle the self-assessments take place every two years. In the financial year 2020/21 the self-assessment was supported by an external interview-based review. The Supervisory Board discussed the results of the appraisal in its meeting on 10 May 2021 as well as the recommendations for action deriving therefrom and appropriate proposals for their implementation, The Supervisory Board will continue to deal with their implementation on an ongoing basis until the next regular self-assessment.

e. Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG)

The Management Board and the Supervisory Board of CECONOMY AG accord special attention to the application of the recommendations of the GCGC. They issued the following declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) in September 2021:

..*

This declaration is issued in relation to the recommendations of the German Corporate Governance Code in the version of 16 December 2019, which was published in the Federal Gazette on 20 March 2020 and has entered into force (the “GCGC”).

The last Declaration of Conformity was issued in September 2020. In the period between the issuance of the last Declaration of Conformity and the issuance of this Declaration of Conformity the Management Board and Supervisory Board of CECONOMY AG complied with the GCGC recommendations, with the following exceptions:

- **Clause C.5 GCGC: Maximum number of Supervisory Board mandates**

Under clause C.5, members of the Management Board of a listed company shall not have, in aggregate, more than two Supervisory Board mandates in non-group listed companies or comparable functions, and shall not accept the Chairpersonship of a Supervisory Board in a non-group listed company.

The Supervisory Board member Mr Christoph Vilanek is Chair of the Management Board of a listed company and has more than the specified number of Supervisory Board mandates.

The Supervisory Board and the Management Board of CECONOMY AG have discussed the issue of overboarding and concluded that this requirement of the GCGC should not be complied with in this specific case. Since freenet AG has a stake of almost 10% in CECONOMY AG, Mr Christoph Vilanek's Supervisory Board mandate reflects the ownership structure of CECONOMY AG. Due to his profound knowledge of the retail sector, his excellent knowledge of the industry, his qualifications and his experience on 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 also a valuable addition to the Supervisory Board of CECONOMY AG. However, the crucial factor – and this is the ratio in the Code's recommendation on a maximum number of Supervisory Board mandates – is whether Mr Christoph Vilanek has sufficient time to perform his mandate at CECONOMY AG in addition to his Management Board mandate at freenet AG and his other mandates. To date there have been no indications that Mr Christoph Vilanek has devoted insufficient time to his Supervisory Board activities at CECONOMY AG. The Supervisory Board has therefore no reason to doubt that Mr Christoph Vilanek would also be able to spend the expected amount of time on performing his mandate at CECONOMY AG in future. Mr Christoph Vilanek himself has also confirmed that he will be able to dedicate the expected amount of time to his work on the Supervisory Board of CECONOMY AG.

- **Clauses G.6 to G.11 GCGC**

The Supervisory Board member Dr Bernhard Düttmann was appointed as member and Chair of the Management Board, as the replacement pursuant to Section 105(2) of the German Stock Corporation Act (AktG) for a missing member of the Management Board, for a limited transitional period until 16 October 2020. Due to

the appointment being limited to one year, the remuneration for the Management Board activities agreed with Dr Bernhard Düttmann under the corresponding service agreement exceptionally did not contain any variable remuneration components. The background to this was that the Supervisory Board did not consider variable remuneration to be appropriate for the transitional period of his appointment. Accordingly, as a result of Dr Bernhard Düttmann's service agreement until 16 October 2020, the recommendations of the GCGC, which take it for granted that remuneration for the Management Board will have variable remuneration components, were exceptionally not complied with, particularly in clauses G.6 to G.11 GCGC. The Supervisory Board has reappointed Dr Bernhard Düttmann as member and Chair of the Management Board with effect from 17 October 2020. It has agreed a new service agreement with Dr Bernhard Düttmann for his further Management Board activities, which provides for remuneration containing variable remuneration components. Consequently the aforementioned recommendations have been fully complied with since 17 October 2020 and will also be complied with in future.

- **Clause G.7 GCGC: Timing of the establishment of remuneration components**

Under clause G.7 GCGC the Supervisory Board shall establish performance criteria for each Management Board member for the forthcoming financial year covering all variable remuneration components; besides operating targets, such performance criteria shall be geared mainly to strategic goals.

In the financial year 2020/21 the recommendation was exceptionally not complied with, since setting targets for all the components of the short-term remuneration is based on the budget and the budget for the financial year 2020/21 was not reported to the Supervisory Board until October 2020 due to the adjusted planning process in response to coronavirus. Furthermore, the targets for the goal of employee satisfaction, selected by the Supervisory Board as a performance criterion for the long-term remuneration for the financial year 2020/21, were not set before the beginning of the financial year 2020/21, since at that time the satisfaction surveys of Group employees needed to determine the starting basis and formulation of the targets had not yet taken place.

It is expected that the recommendation will be complied with again in the financial year 2021/22.

- **Clause G.8 GCGC: Subsequent changes to the remuneration components**

Under clause G.8 GCGC subsequent changes to the target values or comparison parameters shall be excluded.

The recommendation was and will be complied with in principle. It was exceptionally not complied with in the financial year 2020/21. On 14 October 2020 the Supervisory Board resolved to adjust the target values for the long-term variable remuneration tranches for the financial year 2019/20 and for the financial year 2018/19 to the changed situation caused by coronavirus.

It is expected that the recommendation will be complied with again in the financial year 2021/22.

- **Clause G.12 GCGC: Disbursement of any outstanding variable remuneration components in the case of the termination of a Management Board member's service agreement**

Under clause G.12 GCGC, if a Management Board member's service agreement is terminated, the disbursement of any outstanding variable remuneration components attributable to the period up until the termination of the service agreement shall be based on the originally agreed targets and comparison parameters, and in accordance with the due dates or holding periods stipulated in the contract.

The recommendation was exceptionally not complied with in the financial year 2020/21. Under the termination agreement between CECONOMY AG and the then Management Board member Ms Karin Sonnenmoser the long-term remuneration components due for the period prior to the termination of her service agreement were disbursed to Ms Sonnenmoser early in a lump sum upon her departure. The lump sum early payment was based on a provision laid down in the service agreement concluded between CECONOMY AG and Ms Karin Sonnenmoser on 1 February 2019 in case of severance by mutual agreement. Ms Sonnenmoser had not consented to her current service agreement being amended for the purpose of taking the recommendation of the GCGC into account. Amending current Management Board service agreements for the purpose of taking the recommendations of the new version of the GCGC into account is not a mandatory requirement of the said new version.

The derogation is limited to a one-off individual case. The recommendation will be fully complied with in future. The system for the remuneration of the members of

the Management Board of CECONOMY AG and the service agreements of the current members of the Management Board contain the provision that whenever a service agreement is terminated, variable remuneration components are disbursed only in accordance with the originally agreed due dates or holding periods.

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

..*

CECONOMY AG issues the current and earlier declarations pursuant to Section 161 of the German Stock Corporation Act (AktG) as well as the supplements thereto permanently accessible to the public on its website www.ceconomy.de/en/ under the heading "Company – Corporate Governance".

2. Provisions to promote equal participation of women and men in management positions

The representation of women and men on the Supervisory Board of CECONOMY AG meets the requirements of the law ensuring equal participation of women and men in management positions. The representatives of the employees and of the shareholders meet the applicable gender quota for the Supervisory Board of CECONOMY AG of 30% in each case. At the time of the issuance of this declaration the Supervisory Board includes three female members on the employee representative side and six female members on the shareholder representative side.

The Supervisory Board appoints the members of the Management Board. The Supervisory Board's decisions about appointments to, and the composition of, the Management Board as a whole are made on the basis of a careful analysis of the existing and future business challenges. Potential Management Board members must not only possess essential general qualifications, but also be suitable for the Company in its specific situation and in light of its future tasks.

When appointing Management Board members the Supervisory Board takes the requirements of the German Stock Corporation Act (AktG) and the recommendations of the GCGC into account. In particular, the Supervisory Board pays attention to diversity and

strives for equal participation of women and men in management positions. In the financial year 2019/20 the Supervisory Board resolved that the Management Board of CECONOMY AG should have at least one female member. Equal participation of women and men in management positions is supported by this target figure, amongst other things.

At the time of the issuance of this declaration the Management Board of CECONOMY AG does not have any female members. The current composition of the Board was finalised in the financial year 2020/21 in order to complete a restructuring of its membership, which had become necessary against the background of the transformation process the Company is undergoing. In this specific situation no suitable candidates to fill the vacant seats on the Management Board were available in the market, although the search and selection process to fill them, which was carried out with external help, was conducted precisely with women in mind.

For the first and second levels of management below the Management Board, the Management Board of CECONOMY AG, in its meeting on 10 October 2019, set targets for the proportion of women of at least 25% at the first management level below the Management Board in CECONOMY AG and of at least 50% at the second management level below the Management Board in CECONOMY AG, which should be achieved by 30 September 2024.

3. Diversity policy

In CECONOMY AG diversity is respected when composing the Management Board, filling management positions and making appointments to the Supervisory Board, particularly when putting forward nominations for the election of shareholder representatives. Diversity contributes to a great wealth of experience as well as a wide range of perspectives, expertise and skills within the relevant groups. In relation to diversity, besides the gender dimension, other aspects are also considered, such as age and educational or professional background.

With regard to the overall composition of each board, Management and Supervisory, the Supervisory Board has resolved to pursue the following diversity policy:

“The Supervisory Board strives to achieve a diversely composed Supervisory Board and Management Board respectively, including, but not limited to, in terms of aspects such as the gender, the educational or professional background or experience, the age and the internationality of the members.

The objective of the diversity policy is that as a whole the Supervisory Board and the Management Board should each cover the competence profile resulting from the Company-specific situation:

- Retail expertise, particularly in the sector of consumer electronics
- Expertise in the following areas:
 - Mergers and acquisitions
 - Services
 - Marketing
 - Digitalisation/technology
 - Human resources
- Knowledge/experience in the following fields:
 - Accounting
 - Auditing
 - Internal control procedures
 - Compliance
- International experience
- Experience in corporate governance
- Sustainability management”

The diversity policy is implemented through the personnel decisions in relation to filling the seats on the Supervisory Board and Management Board respectively. In the financial year 2020/21 four shareholder representatives were elected in the General Meeting on 17 February 2021 and one shareholder representative was appointed by a court with effect from 1 October 2021. On the employee representative side, a replacement candidate elected by the employee elections in 2018 joined their ranks, also with effect from 1 October 2021, as the successor to a member of the Supervisory Board who had left office. Lastly, the court appointment of an additional Supervisory Board member on the employee representative side became effective on 8 October 2021.

The results achieved in relation to the diversity policy at the time of the issuance of this declaration are shown in the following overview of the division of competences on the Supervisory Board:

Distribution of skills in CECONOMY AG's Supervisory Board

Retail	Services	Digitalisation/technology	International experience
K. Adt W. Baur D. Eckardt L. Glosser S. Nutzenberger J. Ploog F. Raas J. Schulz C. Vilanek S. Woelke	T. Dannenfeldt D. Eckardt L. Glosser J. Schulz C. Vilanek	T. Dannenfeldt S. Eckhardt L. Glosser J. Goldin R. Stachelhaus C. Vilanek	K. Adt K. Dohm J. Goldin R. Stachelhaus C. Vilanek
Corporate management	Marketing	Human resources	Mergers and acquisitions (M&A)
T. Dannenfeldt S. Eckhardt F. Funck C. Plath F. Raas R. Stachelhaus C. Vilanek	K. Adt S. Eckhardt J. Goldin	K. Adt W. Baur K. J. Breuer L. Glosser S. Nutzenberger J. Ploog L. Pütz J. Schulz R. Stachelhaus S. Woelke	K. Dohm F. Funck F. Raas C. Vilanek
Compliance	Internal control procedures	Accounting	Sustainability management
K. Dohm L. Pütz R. Stachelhaus S. Woelke	K. Dohm C. Plath S. Woelke	T. Dannenfeldt K. Dohm F. Funck C. Plath F. Raas C. Vilanek S. Woelke	S. Eckhardt J. Goldin S. Nutzenberger L. Pütz
Audit	T. Dannenfeldt K. Dohm F. Funck C. Plath		

In addition the composition of the Supervisory Board is diverse. The members of the Supervisory Board have varied educational and professional backgrounds and experience. Details can be found in the annually updated personal profiles of the members of the Supervisory Board published on the website www.ceconomy.de/en/ under the heading "Company – Supervisory Board". The members making up the Supervisory Board are 45% female and 55% male. Seven members of the Supervisory Board (35%) have gained professional experience abroad or have citizenship other than German citizenship. The oldest member of the Supervisory Board is 68 years of age. The youngest member is 39 years of age. The average age is 52.9 years.

Based on the diversity policy set out above the Supervisory Board has resolved the following specific targets for its composition:

- The Supervisory Board should be made up of a sufficient number of members having diverse educational or professional backgrounds or experience in addition to international experience or expertise.

- More than half of the shareholders on the Supervisory Board should be independent within the meaning of clauses C.6 and C.7 of the GCGC.
- The Supervisory Board should not include any member who is a member of governing bodies of, or exercises advisory functions or holds memberships of supervisory bodies at, significant direct competitors in Germany or abroad.
- The statutory gender quota of 30% should be met separately by the employee representatives and the shareholder representatives. This means that the Supervisory Board should include at least three female members on each side.
- The members of the Supervisory Board should not be more than 65 years of age upon being elected for the first time or more than 71 years of age upon being re-elected. The standard limit for the term of office on the Supervisory Board is ten years.
- At least one member of the Supervisory Board must fulfil the conditions laid down in the Audit Committee's Bylaws for taking over the chair of the Audit Committee. Other members of the Supervisory Board who are elected as members of the Audit Committee must have the particular knowledge and experience specified in the Audit Committee's Bylaws.

In the current configuration of the Management Board the diversity policy and the specific targets set by the Supervisory Board for the composition of the Management Board are met as follows: The members of the Management Board have specialist knowledge and personal suitability through their varied educational and professional backgrounds and experience. Due to the professional careers of the Management Board members in various management positions in Germany and abroad the said members also have, in particular, the needed international management experience and expertise as a result of the international business activities of CECONOMY AG and the CECONOMY Group. Details can be found in their personal profiles available on the website www.ceconomy.de/en/ under the heading "Company – Management Board".

At the time of the publication of this declaration the Management Board does not have any member who is over the age limit of 65 years. The oldest member of the Management Board is 52 years of age. The youngest member is 39 years of age. The average age of the Management Board members is 45.5 years.

a. Independence

In addition to the diversity targeted by the diversity policy, the independence of the members of the Supervisory Board is another important aspect of the composition of the Supervisory Board as a whole. In accordance with the targets resolved by the Supervisory Board, at least six of the ten shareholder representatives on the Supervisory Board should be independent within the meaning of clauses C.6 and C.7 GCGC.

All the shareholder representatives on the Supervisory Board are independent from the Company and its Management Board and independent from any controlling shareholder within the meaning of clauses C.6 and C.7 GCGC. These independent Supervisory Board members also include the Chair of the Audit Committee, Ms Karin Dohm, and the Chair of the Supervisory Board, Mr Thomas Dannenfeldt.

The standard limit for the term of office on the Supervisory Board specified in the Supervisory Board's Bylaws is not exceeded by any Supervisory Board member at the time of the issuance of this declaration.

b. Potential conflicts of interest

No member of the Supervisory Board is a member of a governing body at a direct, significant competitor. In particular, in the opinion of the Supervisory Board there is no significant competition within the meaning of clause C.12 GCGC between the Gravis retail chain, which belongs to the freenet Group, and the companies of the MediaMarktSaturn Retail Group, which belong to the CECONOMY AG Group, so the fact that Supervisory Board member Mr Christoph Vilanek is the member of a governing body at freenet AG does not prevent him from being a member of the Supervisory Board.

4. Key corporate governance practices

a. Compliance

The business activities of the corporate group of CECONOMY AG are subject to a wide range of legal provisions and self-imposed standards of conduct. CECONOMY combines measures for ensuring compliance with these rules through its Group-wide compliance management system.

The risk-based compliance management system aims to systematically and sustainably prevent breaches of rules in the Company, and to detect and penalise them. To this end,

the Group routinely identifies behavioural compliance risks, establishes the necessary organisational structures, and has risks consistently managed and controlled by the relevant specialist departments. As part of the systematic reporting system, the main compliance risks and compliance measures are presented and documented transparently. Employee surveys, internal controls and audit procedures are used to determine which further developments of the compliance management system are appropriate.

Compliance officers are available as contact persons and advisors for the responsible management and employees at all holding and national companies in the Group. The Chief Compliance Officer of CECONOMY AG reports directly to the Chair of the Management Board.

In order to consistently manage behavioural risks CECONOMY AG has assigned clear responsibilities for risk areas, communicated clear rules of conduct, and developed and provided appropriate risk management and control processes. In addition, there are mandatory compliance courses, systematic communication measures tailored to the target groups as well as a process for consistently and systematically handling compliance incidents and their processing. Furthermore, employees, business partners and customers of the CECONOMY Group have access to a professional whistleblowing system through which they can report potential breaches to the Company – anonymously if necessary – in all Group languages. The Compliance function ensures that these reports are followed up in an appropriate manner.

The Code of Conduct of CECONOMY AG forms the core of the CECONOMY Group's compliance initiatives. Other key components of the compliance programme are the rules of conduct and conduct guidelines on antitrust law and on the subject of anti-corruption. Directly linked to the initiatives of the compliance programme are training programmes tailored to the target groups as well as the design and review of internal controls in operational business processes. The effectiveness of the internal compliance controls is regularly included in the audit plan of the Internal Audit department.

Details on the subject of compliance can be found in, amongst other things, the separate non-financial Group report as well as on the website www.ceconomy.de/en/ under the heading "Company – Compliance". The Code of Conduct of CECONOMY AG can also be downloaded there.

b. Risk and opportunity management

Another integral component of the value-oriented corporate governance is the CECONOMY Group's risk management. This is a systematic process that encompasses the entire Group,

supporting the management in identifying, assessing, managing and monitoring risks and opportunities. Risk and opportunity management are thus combined. Risk management identifies developments and events that may have a negative effect on the achievement of business objectives at an early stage, and analyses their impact. In this way CECONOMY is able to take appropriate measures to handle and monitor them in a timely manner. At the same time this opens up the possibility to exploit resulting opportunities in a targeted manner. The risk and opportunity management, like the compliance management system, is continually enhanced.

Details on the subject of risk and opportunity management is contained in the annual report of CECONOMY AG. This is available on the website www.ceconomy.de/en/ under the heading "Investor Relations – Publications".

c. Responsibility and sustainability

For CECONOMY it is crucial how the company grows and creates value. In order to be successful in the long term, CECONOMY has to and wants to bring its business activities along the entire value chain into harmony with the ecological, social and legal framework. With the leading European consumer electronics retailer MediaMarktSaturn Retail Group as the core of its activities, CECONOMY is also a role model for the entire industry. The group has set itself the task of shaping and shaping responsible and sustainable business practices.

In the financial year 2020/21 CECONOMY AG together with the MediaMarktSaturn Retail Group set up a new strategy with regard to sustainability and is now working on the implementation thereof. In doing so, we reviewed our business model in terms of its impact on the environment and society. Our goal is to strengthen our positive influence and systematically reduce negative impacts. In line with the ongoing development of our business model, we also regularly review our sustainability approach and continue to develop it further. The Sustainable Development Goals of the United Nations are an important benchmark for us in this respect and at the same time a mandate for us to make a contribution to a more sustainable future within the scope of our business activities. Our reporting on sustainability issues is based on the standards of the Global Reporting Initiative.

CECONOMY's sustainability strategy is fundamentally based on two pillars: making the core business sustainable and strengthening those business areas that enable customers to lead a more sustainable lifestyle.

In order to make the core business sustainable, CECONOMY takes responsibility for emissions that arise directly or indirectly through business activities along the value chain. CECONOMY is continuously developing new measures to optimize operating processes and thereby improve the carbon footprint. CECONOMY takes responsibility for its suppliers and attaches great importance to sustainable supply chain management, in particular to meet the requirements of the German Supply Chain Due Diligence Act.

In order to enable customers to have a more sustainable lifestyle, CECONOMY takes the issue of sustainability into account in products both at the company level as a trading company and at the customer level. At the company level, the sustainable and environmentally friendly manufacture of products across the entire value chain, but also the use of recycled materials, environmentally friendly packaging and the longevity of the products are increasingly in focus for the entire group. At the customer level, it is the goal of CECONOMY to continuously increase the number of sustainable products in the range. CECONOMY supports innovative service concepts that enable sustainable consumption. In doing so, CECONOMY is based on the vision of a circular economy: the services offered are already helping to ensure that products can be used for longer due to repairs or that they are professionally recycled at the end of their life cycle. Excellent customer advice and education should also help customers buy sustainable, energy-efficient products and conserve resources through their conscious use.

Details on the subject of responsibility and sustainability can be found in the separate non-financial Group report and on the website www.ceconomy.de/en/ under the heading "Sustainability".

5. Transparent corporate governance

Transparency is a fundamental component of good corporate governance. CECONOMY AG uses its website www.ceconomy.de/en/ as an important medium for providing information to its shareholders, other capital market participants and the public. Alongside diverse information about CECONOMY's strategy, brands and business, it also provides investor relations publications, investor news, ad hoc communications, other legal notices and press releases, etc. CECONOMY AG also uses the website to give reasonable advance notice of the dates of the key recurring publications and events (including sales reports at the end of each financial year, annual reports, quarterly statements, half-year financial reports, annual results press conferences and General Meetings). The information shared at the annual results press conferences, roadshows, investor conferences and information events for private investors is likewise available on the website.

6. General Meeting of Shareholders

CECONOMY AG's Annual General Meeting gives shareholders the opportunity to exercise their statutory rights, in particular their voting right, if applicable, and to ask questions of the Company's Management Board. In order to make it easier for shareholders to exercise their rights in person at the General Meeting, CECONOMY AG makes documents and information available on its website ahead of every General Meeting.

The registration and legitimation procedure for CECONOMY AG's General Meetings complies with the provisions of German Stock Corporation Act, European Union law and international standards. Any shareholder who wishes to attend a General Meeting of CECONOMY AG and, if applicable, exercise their voting right there must register and provide evidence of their entitlement to attend and potentially exercise their voting right. Under Section 16(2) of CECONOMY AG's Articles of Association a written shareholding certificate issued by the most recent financial intermediary pursuant to Section 67c(3) of the German Stock Corporation Act (AktG) (i.e. the custodian bank at which the shareholder's accounts are held) is required as evidence of entitlement to attend the General Meeting and to exercise a voting right. Shares do not have to be deposited. The shareholding certificate must relate to the beginning of the 21st day prior to the respective General Meeting and must be delivered, along with the registration for the General Meeting, to CECONOMY AG at the address specified for this purpose in the invitation within the period prescribed by law and the Articles of Association. Details of the conditions for registration and attendance are notified in the invitation to each General Meeting.

Shareholders who do not attend the General Meeting in person can have their voting right exercised by an authorised representative. As a rule, the authorisation must be granted in writing. In certain cases described in the invitation to the General Meeting, for example for authorisations of financial intermediaries and shareholder associations, exceptions can be made from the general requirement for the written form.

Shareholders may also authorise proxies nominated by the Company to exercise their voting right (proxy voting). In addition to their authorisation, the shareholders must also issue instructions for the exercise of their voting right. The proxies nominated by the Company are obliged to vote in accordance with these instructions. The proxies nominated by the Company may not accept any instructions to take the floor, lodge objections against resolutions of the General Meeting, ask questions or put forward motions. It goes without saying that the possibility to grant authorisation to the proxies nominated by the Company does not affect the right to grant authorisation to other persons. Details on proxy voting are notified in the invitation to each General Meeting.

In the interests of the shareholders, the Chair of the General Meeting, usually the Chair of the Supervisory Board, ensures that the event runs quickly and efficiently. The aim is to end

an ordinary General Meeting of CECONOMY AG after four to six hours at the latest in principle.

The legislator has extended the provisions in Article 2 Section 1 of the German Act on the Mitigation of the Consequences of the COVID-19 Pandemic in Civil, Insolvency and Criminal Procedural Law ("**COVID-19 Act**") for conducting virtual General Meetings up until 31 August 2022 inclusive. Conducting the General Meeting of CECONOMY AG virtually must be considered, in particular, if this seems necessary when taking account of the specific pandemic situation and in view of the expected number of attendees of a physical General Meeting. The application of the special provisions of the COVID-19 Act entails modifications of shareholders' rights, which will be described in detail in the event of a virtual General Meeting.

7. Managers' transactions, shareholdings of the Board of Management and Supervisory Board

On the basis of Article 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, the members of the Management Board and Supervisory Board, as persons discharging managerial responsibilities, must report transactions conducted on their own account relating to CECONOMY AG shares or CECONOMY AG debt instruments or to financial instruments of CECONOMY AG linked thereto (collectively: "managers' transactions"). This reporting obligation also applies to persons closely associated with the aforementioned board members. However, there is no reporting obligation if the total amount of the transactions does not exceed €20,000 by the end of the calendar year. In the financial year 2020/21 one CECONOMY AG managers' transaction has been notified by Dr Bernhard Düttmann.

Notices of managers' transactions are published on the website www.ceconomy.de/en/ under the heading "Investor Relations – Legal Announcements".

8. Statutory Audit 2020/21

On 17 February 2021 the General Meeting of CECONOMY AG elected KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, (KPMG) as the auditor and Group auditor for the financial year 2020/21 and as the auditor for the review of the condensed financial statements and the interim management report for the first half of the financial year 2020/21. The Supervisory Board's corresponding instructions for the performance of the audit complied with the recommendations in clauses D.9 and D.10 GCGC.

The auditor fulfils two important functions. With its audit activities it firstly helps the Supervisory Board to perform its monitoring function and secondly lays the foundation for the public and especially capital market participants to trust in the accuracy of the annual financial statements and management reports. The independence of the auditor is particularly important for guaranteeing that it can fulfil both of these functions. The Audit Committee of the Supervisory Board of CECONOMY AG is therefore required, in particular, to convince itself as to the auditor's independence. The committee reviewed and confirmed the auditor's independence again in the financial year 2020/21.