

CECONOMY

General Meeting of CECONOMY AG on 17 February 2021

FURTHER EXPLANATIONS ON THE RIGHTS OF SHAREHOLDERS PURSUANT TO §§ 122 (2), 126 (1), 127 GERMAN STOCK CORPORATION ACT AND ARTICLE 2 § 1 (2) COVID-19 ACT

The invitation of the General Meeting of CECONOMY AG on 17 February 2021 contains information about shareholder rights pursuant to §§ 122 (2), 126 (1), 127 German Stock Corporation Act and Article 2 § 1 (2) of the Act to Mitigate the Consequences of the COVID-19 Pandemic under Civil, Insolvency and Criminal Procedure Law of 27 March 2020 ("**COVID-19 Act**").

These rights are based particularly on the following sections of the German Stock Corporation Act and of the Articles of Association of CECONOMY AG*:

§ 70 German Stock Corporation Act - Computation of the Period of Shareholding

If the exercise of rights arising from a share requires that the shareholder has been the holder of such share for a certain period of time, the right to demand transfer of title from a credit institution, a financial services institute, or an enterprise operating under § 53 (1) sent. 1 or § 53b (1) sent. 1 or (7) of the Banking Act shall be deemed equivalent to ownership. The period during which the share was owned by a predecessor shall be attributed to the shareholder, provided that he has acquired the share without consideration, from his fiduciary, as a successor in legal interest by operation of law, in connection with the liquidation of a community of interest, or as a result of a transfer of assets pursuant to § 13 of the Insurance Supervision Act or § 14 of the Building Loan Associations Act.

§ 121 German Stock Corporation Act - General (excerpt)

(7) For periods and deadlines counted backwards from the date of the general meeting, the day of the general meeting shall not be included in the calculation. Any move from a Sunday, Saturday or public holiday to a preceding or subsequent business day shall not be possible. §§ 187 to 193 of the German Civil Code shall not be applied accordingly. In the case of non-listed companies, the articles of association may determine a different calculation of the period.

§ 122 German Stock Corporation Act - Convening at the Request of a Minority

(1) The general meeting is to be convened wherever shareholders, whose shares, in the aggregate, are at least equivalent to one-twentieth of the share capital, demand such meeting in writing, stating the purpose and the reasons of such meeting; such demand shall be addressed to the management board. The articles of association may provide that the right to convene a general meeting shall require another form or the holding of a lower proportion of the share capital. The parties presenting the motion shall furnish evidence that they have been holders of such shares for not less than 90 days prior to the date of receipt of the request and that they will hold the shares until a decision on the motion by the Management Board. § 121 (7) shall be applied accordingly.

* Non-binding convenience translation.

(2) In the same manner, shareholders whose shares, in the aggregate, are at least equivalent to one-twentieth of the share capital or represent an amount of the share capital corresponding to € 500,000, may demand that items are put on the agenda and published. Each new item shall be accompanied by an explanation or a draft proposal. The demand in the sense of sent. 1 shall be provided to the company at least 24 days, in case of listed companies at least 30 days, prior to the general meeting; the day of receipt shall not be included in this calculation.

(3) If any such demand is not complied with, the court may authorise the shareholders, who have made the demand, to convene a general meeting or to publish such items. At the same time, the court may appoint the chairman of the meeting. The convening of the meeting or the publication shall refer to such authorisation. An appeal may be made against such decision. The parties presenting the motion shall furnish evidence that they will hold the shares until a decision on the motion by the court.

(4) The company shall bear the costs of the general meeting and, in the case of (3), also the court costs if the court has granted such motion.

**§ 124 German Stock Corporation Act – Publication of requests for additions to the agenda;
proposals for resolutions (excerpt)**

(3) ...⁴The proposal for the election of members for the supervisory board or auditors shall state their names, actual profession and place of residence.

**§ 125 German Stock Corporation Act – Communications to shareholders
and supervisory board members (excerpt)**

(1) The management board of a company which has not exclusively issued registered shares shall communicate the convening of the general meeting at least 21 days prior to such meeting as follows:

1. to intermediaries holding shares of the company in custody,
2. to shareholders and intermediaries who have requested such communication, and
3. to shareholders' associations who have requested such communication or who have exercised voting rights at the preceding general meeting.

The day of the communication shall not be counted. If the agenda has to be amended in accordance with § 122 (2), such amended agenda shall be communicated in the case of listed companies. The communication shall indicate the possibilities of exercising voting rights by a proxy, including by a shareholders' association. In the case of listed companies, any nomination for the election of supervisory board members must be accompanied by details on the membership in other supervisory boards whose establishment is required by law; details on their membership in comparable domestic and foreign controlling bodies of business enterprises should also be provided.

(5) With respect to content and format of the minimum content of information in the communication pursuant to (1) sent. 1 and (2) the requirements of the Implementing Regulation (EU) 2018/1212 shall apply. § 67a (2) sent. 1 shall apply to (1) and (2) accordingly. In the case of listed companies, the intermediaries holding shares of the company in custody shall be obliged to forward and transmit the information pursuant to (1) and (2) in accordance with §§ 67a and 67b, unless the intermediary is aware that the shareholder receives it from another source. The same shall apply to non-listed companies with the proviso that the provisions of the Implementing Regulation (EU) 2018/1212 shall not apply.

§ 126 German Stock Corporation Act - Motions by Shareholders

(1) Motions by shareholders together with the shareholder's name, the grounds and any position taken by the management board shall be made available to the persons entitled pursuant to § 125 (1) through (3) under the conditions stated therein if at least 14 days before the meeting the shareholder sends to the address indicated in the convening of the meeting a counter-motion to a proposal of the management board and supervisory board as to an item on the agenda. The date of receipt shall not be taken into account. In the case of listed companies, access shall be provided via the company's Internet page. § 125 (3) shall be applied accordingly.

(2) A counter-motion and the grounds for this need not be made available, if:

1. the management board would by reason of such communication become criminally liable;
2. the counter-motion would result in a resolution of the general meeting which would be illegal or would violate the articles of association;
3. the grounds contain statements which are manifestly false or misleading in material respects or which are libellous;
4. a counter-motion of such shareholder based on the same facts has already been communicated with respect to a general meeting of the company pursuant to § 125;
5. the same counter-motion of such shareholder on essentially identical grounds has already been communicated pursuant to § 125 to at least two general meetings of the company within the past five years and at such general meetings less than one-twentieth of the share capital represented has voted in favour of such counter-motion;
6. the shareholder indicates that he will neither attend nor be represented at the general meeting; or
7. within the past two years at two general meetings the shareholder has failed to make or cause to be made on his behalf a counter-motion communicated by him.

The statement of the grounds need not be communicated if it exceeds more than 5,000 characters.

(3) If several shareholders make counter-motions for resolution in respect to the same subject matter, the management board may combine such counter-motions and the respective statements of the grounds.

§ 127 German Stock Corporation Act - Nominations by Shareholders

§ 126 shall be applied accordingly to a nomination by a shareholder for the election of a member of the supervisory board or external auditors. Such nomination need not be supported by a statement of the grounds for this. The management board also need not communicate such nomination if it fails to contain the particulars required by § 124 (3) sent. 4 and § 125 (1) sent. 5. In the case of listed companies subject to the Co-Determination Act, the Coal and Steel Co-Determination Act or the Supplementary Co-Determination Act, the management board shall supplement any nomination by a shareholder for the election of members of the supervisory board with the following information:

1. Information regarding the requirements of § 96 (2),
2. Information as to whether an objection was lodged against the comprehensive fulfilment pursuant to § 96 (2) sent. 3, and
3. Information regarding the number of seats on the supervisory board that have to be filled with men and women, respectively, in order to fulfil the minimum quota requirement pursuant to § 96 (2) sent. 1.

Article 2 § 1 (2) COVID-19-Act

(2) The management board may decide that the general meeting is to be held in the form of a virtual general meeting without the need for shareholders or their authorised representatives to be physically present, provided that

1. the broadcast by means of audio and video transmission encompasses the entire general meeting,
2. provision is made for shareholders to exercise their voting right by means of electronic communication (postal vote or electronic participation) and to grant a power of attorney,
3. shareholders are given the opportunity to ask questions by means of electronic communication,
4. shareholders who have exercised their voting right in accordance with no. 2 are afforded the possibility of objecting to a resolution adopted by the general meeting by way of derogation from section 245 no. 1 of the Stock Corporation Act, the need to be physically present at the general meeting thus being waived.

The management board decides at its duty-bound, free discretion which questions it wishes to respond to; it may also stipulate that questions must be submitted by means of electronic communication no later than two days prior to the meeting.

§ 17 of the Articles of Association of CECONOMY AG

(Version: 12 February 2020)

Chairmanship

(1) The Chairman of the Supervisory Board, or another Supervisory Board member designated by him, shall preside over the General Meeting. In the event that neither the Chairman of the Supervisory Board nor the Supervisory Board member designated by him takes the chair, the members of the Supervisory Board present at the General Meeting shall elect the person who is to preside over the meeting.

(2) The Chairman presides over the meeting, determines the order of business to be transacted at the meeting and decides on the mode and form of voting. He may permit video and audio broadcasts of the General Meeting. The voting result may also be determined by deducting the number of ayes or nays and abstentions from the total number of votes of shareholders with voting rights.

(3) The Chairman has the right to set an appropriate time limit for the shareholders' right to ask questions and speak. In particular, he has the right to set a time frame for the shareholders' right to ask questions and speak for the entire General Meeting, on individual agenda items and for individual speakers.