CECONOMY

Annual General Meeting of CECONOMY AG on 17 February 2021

Remuneration System for the Members of the Management Board of CECONOMY AG

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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 Section 87a of the German Stock Corporation Act (*Aktiengesetz* – AktG) that the Supervisory Board of listed companies shall decide on a clear and comprehensible system for the remuneration of the members of the Management Board. Pursuant to Section 120a (1) of the German Stock Corporation Act (AktG) the General Meeting of Shareholders shall resolve upon its approval upon every material change and in any case at least every four years. Under transitional provision Section 26j (1) of the Introductory Act to the German Stock Corporation Act (*Einführungsgesetz zum Aktiengesetz* – EGAktG) the first-ever adoption of such a resolution must take place in the first General Meeting after 31 December 2020.

The Remuneration System for the Members of the Management Board set out below ("**Remuneration System**") describes the rules and criteria according to which the respective consideration for the activities to be performed by the members of the Management Board of CECONOMY AG should be determined. The underlying objective of CECONOMY AG is to comply with the requirements of the German Stock Corporation Act (AktG) as well as, to the fullest extent possible, the recommendations of the German Corporate Governance Code (GCGC) regarding the Management Board's remuneration. The GCGC of 16 December 2019, which entered into force on 20 March 2020, is the relevant version in this regard.

CECONOMY AG explains the degree of compliance actually achieved and any deviations from the recommendations of the GCGC in its Declaration of Conformity, which it makes permanently available on its website www.ceconomy.de/en/ under the menu headings "Company – Corporate Governance".

As provided in the German Stock Corporation Act (AktG) and in the GCGC, the Supervisory Board of CECONOMY AG decides on the Remuneration System. The broad outlines of the Remuneration System most recently established by the Supervisory Board in its meetings on 16 September and 7 October 2020 as well as by further decisions, outside of Supervisory Board meetings, on 14 October 2020 as well as of the structure and scale of the Management Board's remuneration are explained below.

I. Contribution of the remuneration to the promotion of the business strategy and the long-term development of CECONOMY AG

The new Remuneration System of CECONOMY AG is targeted at the promotion of the business strategy and the long-term development of the Company. This occurs in particular through the significantly strengthened link between the performance-related variable remuneration and both the development of the share price and also clearly determinable indicators, which are geared to the sustainable further development of the Company.

As part of its business strategy the Management Board has taken various initiatives, namely the strengthening of the omni-channel distribution activities, the expansion of the Services & Solutions business segment and profitability gains in the interest of a sustainable increase in value for the shareholders, based on, inter alia, an improved Category & Supply Chain Management business segment and cost reductions.

The short-term performance-related remuneration component (Short-Term Incentive – STI) provides incentives for the repeated boosting of the operational performance of the Company and the implementation of the initiatives to improve profitability. As a result of its ongoing nature the component is targeted at the promotion of the business strategy. The STI rewards the operational development of the Company on the basis of financial performance targets for the respective financial year. The performance targets in turn are based on the key performance indicators (KPIs) for CECONOMY AG, namely EBIT, sales growth and Net Working Capital (NWC).

The long-term performance-related remuneration component (Long-Term Incentive – LTI) rewards the development of the Company on the basis of quantitative financial and non-financial performance targets defined in each case for a four-year period. The LTI is strongly and predominantly aligned to the share price and accordingly provides incentives for a sustainable and long-term increase in the value of the Company, taking account of the interests of the Company’s shareholders and other stakeholders. The financial performance targets of the LTI are thus geared to the long-term development of the Company in particular. The non-financial targets are also intended to promote the sustainable and long-term development of the Company and to make it attractive to shareholders, who attach particular importance to this. In addition, linking the payment of the LTI to the holding obligation in respect of their own shares in CECONOMY AG ensures that the members of the Management Board have a long-term interest in increases in the Company’s value.

II. Procedures for determining, implementing and reviewing the Remuneration System

The Supervisory Board decides on the Remuneration System and its determination and implementation after respective preparation by the Supervisory Board's Presidential Committee.

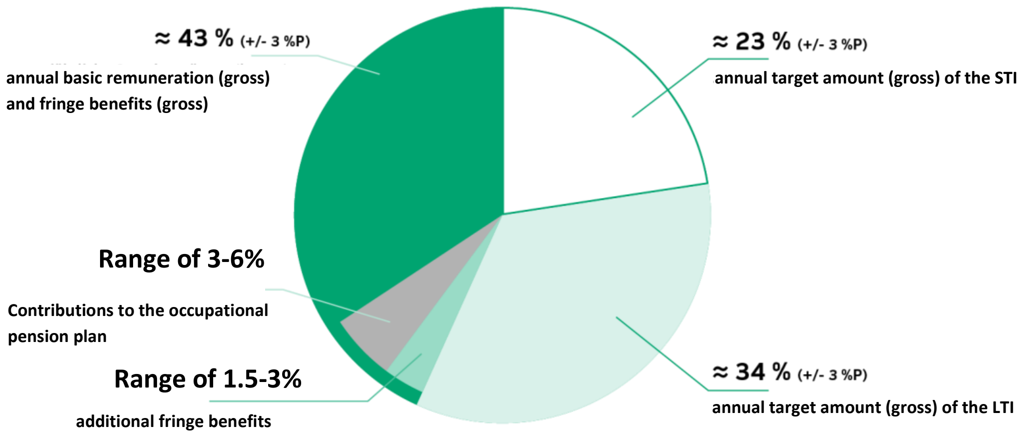
The Supervisory Board decided on this Remuneration System in autumn 2020 and is submitting it to the General Meeting of CECONOMY AG for approval for the first time in 2021. It will be resubmitted upon every material change to the Remuneration System and in any case at least every four years.

There are no apparent conflicts of interest on the part of the members of the Supervisory Board with regard to the Remuneration System. In particular the remuneration of the members of the Supervisory Board is determined independently of the Management Board’s remuneration. Furthermore, the general rules apply to the handling of conflicts of interest. Conflicts of interest are avoided in the abstract through equal and independent representation on the committees concerned. Further specific measures to avoid conflicts of interest are not necessary.

The target total remuneration should be assessed such that as a rule the target amounts of the variable remuneration components exceed the fixed remuneration components (basic remuneration and fringe benefits) and such that within the variable remuneration components the proportion of the long-term variable remuneration components exceeds the proportion of the short-term variable remuneration components. As a rule the target total remuneration of an individual member of the Management Board should be apportioned as follows: around 43% to the annual basic remuneration and fringe benefits, around 34% to the annual target amount of the LTI and around 23% to the annual target amount of the STI (with the possibility of the Supervisory Board to vary the percentage weighting within the target total remuneration for the individual components by up to three percentage points in individual cases). The relative proportion of the contributions to the occupational pension plan should not exceed the range of 3-6% of the target total remuneration and for the additional fringe benefits 1.5-3% of the target total remuneration.

The relative proportion of the various remuneration components to the target total remuneration is represented graphically as follows:

Relative proportion of the various remuneration components to the target total remuneration



The Supervisory Board has the possibility to take extraordinary developments into account to a reasonable extent, particularly when awarding variable remuneration components. In justified cases entitlements to the payment of variable remuneration may lapse (malus) or remuneration that has already been paid may be reclaimed (clawback).

A retroactive change in the target values or the comparison parameters for the variable remuneration (repricing) is excluded. If, however, it is necessary in the interests of the Company’s long-term well-being, the Supervisory Board may temporarily deviate from this Remuneration System. A deviation may occur, however, only on the basis of a resolution by the Supervisory Board plenum specifying the reasons for the deviation and the duration of the deviation. A temporary deviation from all the components of this Remuneration System and in particular from the variable remuneration components is possible.

As part of the regular review of the Remuneration System by the Supervisory Board the latter also assesses the appropriateness and customariness of the specific total remuneration of the members of the Management Board. The assessment is made, on the one hand, by a horizontal comparison with the companies listed in the MDAX. CECONOMY AG has been listed in the SDAX, and no longer in the MDAX, since 2018. Due to the relatively high shareholdings of CECONOMY AG's anchor shareholders the Company does not have the requisite free float market capitalisation for the MDAX and its share does not have the necessary trading volume. Measured against the size criteria of sales, EBIT, employees and total market capitalisation, however, CECONOMY AG is comparable to the companies listed in the MDAX. When assessing the appropriateness, on the other hand, a vertical comparison is made with the senior executives and the workforce of CECONOMY in Germany as a whole. The Supervisory Board also takes account of the ratio between the Management Board's remuneration and the remuneration of the senior management and the workforce as a whole in terms of its development over time. To this end a vertical remuneration comparison is carried out annually, and has been since the financial year 2016/2017, in accordance with the delimitations established by the Supervisory Board between the relevant senior management and the relevant workforce as a whole.

Ratio between the average total remuneration of all the members of the Management Board and the average...

Financial year	... total remuneration of the senior management	... total remuneration of the relevant workforce
2016/2017	7	72
2017/2018	5	56
2018/2019	4	39
2019/2020	4	34

The results determined for the respective financial years are published in the remuneration report included in the annual report of CECONOMY AG.

If the Supervisory Board calls in external remuneration experts for the further development of the Remuneration System and the assessment of the appropriateness and customariness of the specific remuneration of the Management Board, it satisfies itself that they are independent before commissioning them. When developing the Remuneration System that is now before the General Meeting the Supervisory Board did not receive comprehensive advice from an external remuneration expert, but received factual and legal external support only on an ad hoc basis.

III. Key changes compared to the previous remuneration system

The new Remuneration System is intended to apply to the two members of the Management Board in office with effect from the start of the financial year 2020/2021. In general the new Remuneration System differs from the Management Board system of remuneration formerly practised in the Company in four points in particular. Firstly, for the STI the personal targets with the – discretionary – determination of their achievement have been dropped. Secondly, for the LTI the parameter “Earnings Per Share” (EPS) has been dropped in favour of a stronger alignment to the share price. Thirdly, for the LTI uniformly applicable and quantitatively measurable non-financial targets have been added for all the members of the Management Board. Fourthly, the amount of an LTI payment is determined without the interposition of a technically laborious performance share plan. The Supervisory Board thereby aims to achieve greater transparency and reliability for all the stakeholders.

Other changes compared to the previous remuneration system occur through the implementation of the modified requirements of the German Stock Corporation Act (AktG) as a result of SRD II and through the implementation of the recommendations of the new GCGC that entered into force on 20 March 2020.

The new Remuneration System differs significantly from the Management Board service agreements that were current at the start of the financial year 2020/2021 because the service agreement of Dr. Bernhard Düttmann running until 16 October 2020 provided exclusively for a fixed salary without variable remuneration elements due to his particular appointment situation and the service agreement of Karin Sonnenmoser contained many temporary provisions due to the expected adjustments to the system of remuneration. The corresponding special provisions are explained in Section XII.

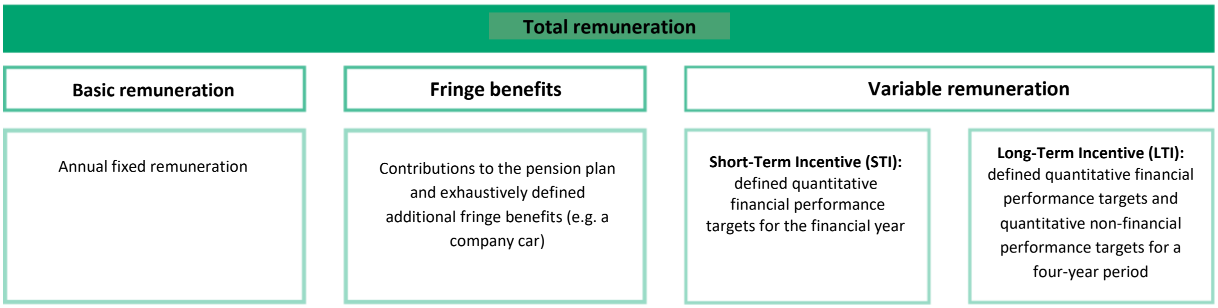
IV. Remuneration components from the financial year 2020/2021

The service agreements under the law of obligations that CECONOMY AG, represented by its Supervisory Board, concludes with the individual members of the Management Board are remuneration-related legal transactions. They exhaustively set out the remuneration components of the members of the Management Board.

1. Overview of the remuneration components

The total remuneration of the members of the Management Board of CECONOMY AG for the activities to be performed by them in accordance with their service agreements consists of non-performance-related fixed remuneration components and performance-related variable remuneration components. The following chart gives an overview of the individual remuneration components:

Chart of the remuneration components of the Management Board's remuneration



2. Non-performance-related fixed remuneration

The fixed non-performance-related remuneration consists of the annual basic remuneration, the occupational pension plan contributions and the additional fringe benefits.

a) Basic remuneration

The basic remuneration is agreed with the respective Management Board members as fixed remuneration and is paid in monthly instalments. If a member of the Management Board sits on the Management Board for only part of a financial year, his or her basic remuneration is paid on a *pro rata temporis* basis.

b) Occupational pension plan

The members of the Management Board receive occupational pension provision in the form of a defined contribution direct commitment.

The occupational pension plan is jointly financed by the respective member of the Management Board and the Company. The applicable apportionment is "5 + 10"; if the member of the Management Board contributes 5% of his or her defined assessment basis (basic remuneration and STI target amount), the Company pays double the amount of his or her contribution. In the event that a member of the Management Board leaves before the occurrence of an event giving rise to entitlement to benefits, his or her contributions are preserved with the balance that has accrued. The occupation pension plan is congruently reinsured by Hamburger Pensionsrückdeckungskasse VVaG (HPR). Interest is paid on the contributions in accordance with the Articles of Association of HPR in relation to profit participation, with a guarantee applying to the paid-in contributions.

The Company's contributions to the occupational pension plan are limited due to the defined apportionment and assessment basis for each individual member of the Management Board. In addition these contributions are capped at EUR 100,000 a year.

Furthermore the members of the Management Board have the option to convert future compensation components of their basic remuneration and variable remuneration into occupational pension rights with HPR under a tax-privileged deferred compensation scheme.

Pension schemes and early retirement schemes will not be agreed.

c) Fringe benefits

Besides the basic remuneration and the contributions to the occupational pension plan, the Company grants only the following fringe benefits to the members of the Management Board:

– Accident insurance contributions
– Health and nursing care insurance subsidies
– Assumption of healthcare costs
– Provision of a Company car at the disposal of the respective members of the Management Board

The amount of these exhaustively defined fringe benefits is also collectively capped at EUR 50,000 a year.

3. Performance-related variable remuneration

The performance-related remuneration components are variable remuneration with a measurement of performance for the respective financial year, the so-called Short-Term Incentive ("**STI**"), and variable remuneration with a measurement of performance for multiple financial years, the so-called Long-Term Incentive ("**LTI**"). The components have various assessment bases and performance parameters according to the respective performance periods. The awarding of the STI and the LTI as well as the corresponding incentive effects of these variable performance-related remuneration components depend on financial – and for the LTI also non-financial – performance criteria. The variable remuneration amounts awarded to the members of the Management Board are predominantly share-based awards: the majority of the variable remuneration components are the long-term variable components, for which in turn the vast majority of the financial performance criteria are based on the key performance indicators "absolute total shareholder return" and "relative total shareholder return". Through both key performance indicators the amount of any payment is linked to the further development of the ordinary share of CECONOMY AG.

a) STI

The short-term performance-related component is in each case granted for one financial year and paid after it has ended. If an engagement relationship starts or ends during a financial year, the STI is awarded and paid for the financial year on a *pro rata temporis* basis. The STI is calculated exclusively on the basis of financial performance criteria. These are based on the following key performance indicators according to the Company's consolidated financial statements (adjusted for the effects of portfolio changes), which are used for the calculation with the respective weighting specified below:

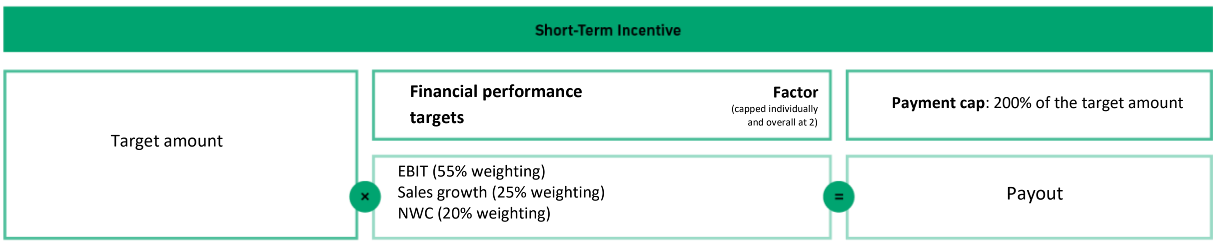
– Earnings Before Interest and Taxes (EBIT) on the basis of absolute EBIT values with a weighting factor of 0.55;
– currency-adjusted sales growth with a weighting factor of 0.25;
– Net Working Capital (NWC) on the basis of absolute NWC values (averages over four quarters) with a weighting factor of 0.2.

The Supervisory Board uniformly sets the performance targets for all the members of the Management Board on the basis of the business planning submitted to it by the Management Board before the start of the financial year for which the STI is being awarded. Factors (target achievement factors) are assigned to the extent to which the target is achieved for each key performance indicator. To this end the Supervisory Board determines, at its due discretion, the value for the lower threshold (entry barrier), the target value for the 100% achievement of the target, and the value for a 200% achievement of the target, where the level of the respective target achievement factor is capped. A retroactive change in the target values or the comparison parameters is excluded.

After the end of the financial year the extent to which the target has been achieved is measured for each key performance indicator on the basis of the respective target achievement factors. Intermediate values are determined by means of linear interpolation.

The overall target achievement factor is calculated from the individual measured target achievement factors on the basis of their weighting. The STI payout is arrived at by multiplying the overall target achievement factor by the STI target amount. The payout is limited to double the target amount (payment cap). Payment is made four months after the end of the financial year for which the STI in question was awarded, but not before the consolidated financial statements for the respective financial year have been approved by the Supervisory Board. If an engagement ends during the financial year, unpaid STI entitlements accruing in the period up to the termination of the service agreement are paid on a *pro rata temporis* basis in accordance with the originally agreed targets and on the original due date.

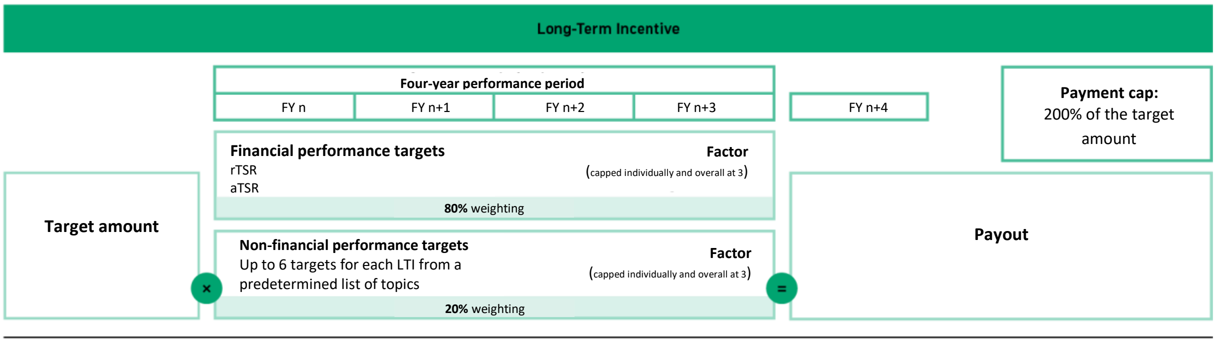
Short-term performance-related remuneration



b) LTI

The long-term performance-related component is awarded annually and paid out after the end of a four-year performance period totalling four financial years. If an engagement starts or ends during a financial year, the LTI is awarded and paid for the financial year on a *pro rata temporis* basis. The calculation includes financial performance targets with a weighting of 80% and non-financial performance targets with a weighting of 20%. The Supervisory Board also sets the LTI performance targets for all the members of the Management Board.

Long-term performance-related remuneration



aa) Financial performance targets for the LTI

The financial performance criteria, which are weighted overall at 80% and equally to one another, are the absolute development of the total shareholder return ("**aTSR**") and the relative development of the total shareholder return ("**rTSR**").

aTSR component: the aTSR target achievement factor is calculated from the change in the ordinary share closing price and the sum of the hypothetically reinvested dividends during the performance period in relation to the ordinary share opening price as a percentage.

rTSR component: the target achievement factor for the rTSR component is calculated on the basis of the relative development of the total shareholder return for the ordinary share of the Company during the performance period compared to the relevant benchmark indices, the MDAX and the STOXX Europe 600 Retail.

The relevant opening price of the ordinary share of the Company for the aTSR and rTSR components is calculated from the average XETRA closing prices over 40 successive trading days immediately after the start of the financial year for which the LTI is being awarded. The relevant closing price is determined four years later, also from the XETRA closing prices for the ordinary share of the Company over the period of 40 successive trading days immediately after the start of the financial year. The opening and closing values for the benchmark indices for the rTSR component are determined analogously.

bb) Non-financial performance targets for the LTI

The non-financial performance criteria for the LTI weighted overall at 20% are based on up to six quantitative targets specifically formulated by the Supervisory Board from the following topics:

– Employee satisfaction
– Customer satisfaction
– Protection of the climate and the environment
– Employee development and qualification

– Diversity
– Corporate culture and compliance

Where the Supervisory Board does not establish a specific weighting the non-financial performance criteria are weighted equally in relation to one another.

cc) Calculation of the LTI payout

The threshold values for the financial and non-financial LTI performance targets are set by the Supervisory Board, at its due discretion, at the end of the financial year preceding the year of their award. Factors (target achievement factors) are assigned to the extent to which the target is achieved for each key performance indicator. To this end the Supervisory Board determines the value for the lower threshold (entry barrier), the target value for the 100% achievement of the target, and the value for a 300% achievement of the target, where the level of the respective target achievement factor is capped. A retroactive change in the target values or the comparison parameters is excluded.

After the end of the respective performance period the target achievement factors are measured for the individual financial and non-financial performance targets. Intermediate values are determined by means of linear interpolation. The weighted mean of the target achievement factors for the financial and non-financial performance targets forms the respective overall target achievement factor. It is capped at 3 in each case.

From the resulting overall target achievement factors for the financial performance targets and the non-financial performance targets the overall target achievement factor for the LTI is determined on the basis of the established weighting of the performance targets to one another. The overall target achievement factor is capped at 3.

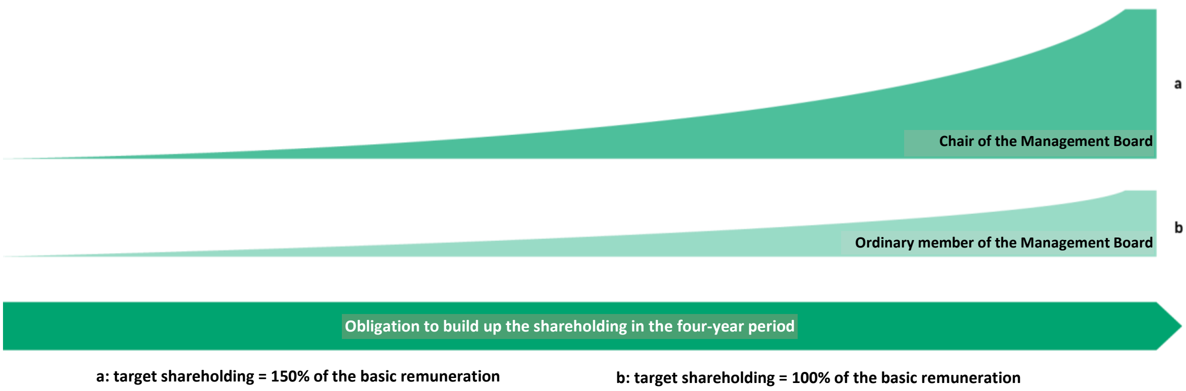
The target achievement factor determined overall for the LTI is multiplied by the LTI target amount, giving the amount to be paid. The payout is limited to a maximum of 200% of the agreed individual target amount (payment cap).

The remuneration amount determined for the LTI is paid two months after the end of the performance period for the LTI concerned. This is conditional upon the entitled member of the Management Board having proven the investment in ordinary shares of the Company that is required under the Company’s Share Ownership Programme. If an engagement ends during the financial year, unpaid LTI entitlements accruing in the period up to the ending of the agreement are paid on a *pro rata temporis* basis in accordance with the originally agreed targets and on the original due date.

V. Share Ownership Programme

Under the Share Ownership Programme of CECONOMY AG for members of the Management Board the members of the Management Board are obliged to acquire shares in the Company at a defined target participation rate and to retain them during their term of office on the Management Board. The target shareholding for the Chair of the Management Board is 150% and for the ordinary members of the Management Board it is 100% of their respective relevant gross basic remuneration at the end of the set-up phase. The relevant equivalent value must be spent overall as the purchase price for the shares acquired by the respective member of the Management Board. The set-up period covers a period of four years from the commencement of the Management Board service agreement.

Share Ownership Programme



The members of the Management Board are obliged to provide proof of the share portfolio currently held by them regularly and at the Company's request. An LTI payment requires the respective Management Board member to have the relevant target holding of shares in the Company. If the target shareholding is not proven or not fully proven, the Management Board member concerned will not receive any LTI payments.

VI. Target total remuneration

The target total remuneration of the individual members of the Management Board is the sum of the annual basic remuneration agreed with the respective Management Board members in their service agreement, the fringe benefits, the expenses for the occupational pension plan, and the annual STI and LTI target amounts.

A planned rise in remuneration with increasing length of service is not provided for. This target total remuneration is reasonably proportionate to the duties and performance of the respective members of the Management Board as well as to the position of the Company. It thus meets the statutory requirements for the remuneration to be in line with customary practice.

In relation to the assessment of the customariness of the specific total remuneration of the members of the Management Board see the statements in Section II above.

VII. Maximum remuneration

The Remuneration System contains upper limits in terms of both the overall amounts and the amounts of the individual remuneration components. The maximum remuneration of the individual members of the Management Board results from the sum of the annual basic remuneration agreed with the respective Management Board members in their service agreement, the maximum amounts for the fringe benefits and the pension plan and the respective caps for the variable remuneration components. For the Chair of the Management Board, the maximum remuneration is EUR 5,150,000 and for ordinary members of the Management Board EUR 2,650,000. The Supervisory Board points out that in its view these amounts do not constitute the appropriate remuneration, but merely ceilings for amounts upon the universally maximum exhaustion of the corresponding ranges.

VIII. Malus and clawback of variable remuneration components

After payment of the performance-related variable remuneration components the respective Management Board member can freely dispose of the amounts in principle. If, however, during the performance period or a period of up to one year after the end of the respective performance period for an STI or an LTI a member of the Management Board breaches his or her statutory duties within the meaning of Section 93 of the German Stock Corporation Act (AktG) or there is a reason for revoking the appointment of the member of the Management Board within the meaning of Section 84 (3) first sentence of the German Stock Corporation Act (AktG), his or her entitlements to payment of the variable remuneration components will lapse (malus) or can be reclaimed by the Company after they have been paid (clawback).

IX. Offsetting of remuneration for secondary activities

Where members of the Management Board hold a seat on a Supervisory Board within the Group and similar offices, the remuneration for these activities is offset against their Management Board remuneration.

If members of the Management Board perform a secondary activity outside the Group, for members of the Management Board appointed from the financial year 2020/2021 onwards it is contractually ensured that the Supervisory Board may decide, in accordance with recommendation G.16 of the GCGC, whether and to what extent the remuneration for the secondary activity at a non-Group entity is offset against their Management Board remuneration. By resolution of 20 November 2020 the Supervisory Board has determined that for the time being, no offsetting of any remuneration awarded for non-Group Supervisory Board mandates will take place.

X. Terms of the service agreements

The term of the service agreements is always tied to the continued existence of the appointment of the respective member of the Management Board. The term is extended for the period for which the respective member of the Management Board is reappointed as a member of the Management Board. With regard to appointments and reappointments the Supervisory Board shall adhere to the limits laid down in Section 84 of the German Stock Corporation Act (AktG).

First-time appointments as a member of the Management Board shall normally be made for a period of no more than three years.

The service agreements shall not provide for any right to ordinary termination for either party to the agreement. Both the Company and the Management Board members have, however, the right to extraordinary termination for a compelling reason under Section 626 of the German Civil Code (*Bürgerliches Gesetzbuch* – BGB).

XI. Provisions on the termination of the term of office on the Management Board

If a member of the Management Board leaves the Company at the end of his or her term of office under normal circumstances, entitlements acquired during the term of his or her service agreement will not be due for early payment. This shall apply equally if the service agreement of a member of the Management Board ends prematurely.

In each case of premature termination of the appointment of a member of the Management Board – regardless of whether this is, inter alia, by mutual agreement, due to the revocation of the appointment or due to his or her resignation – the service agreement will terminate automatically at the end of the period specified in Section 622 (2) of the German Civil Code (BGB) without the need for a separate notice of termination.

In the event of the premature termination of their term of office, members of the Management Board will receive compensation for the contractual claims that would have accrued during the remaining term of their service agreements, generally in the form of a one-off payment. This lump-sum settlement shall be limited to the maximum value of two years' remuneration in the amount of the sum of the basic remuneration and the target amount for the STI (severance pay cap). If the remaining term of the employment is less than two years at the time of the termination, the amount of the severance pay will be reduced on a *pro rata temporis* basis.

There is no right to severance pay or other payments in the event of the extraordinary termination of the service agreement by the Company for a compelling reason (Section 626 of the German Civil Code (BGB)). The right to severance pay or other payments is also excluded if members of the Management Board resign from office without having a compelling reason for this for his or her part.

Unpaid LTI entitlements of members of the Management Board shall lapse upon the termination of their agreement in the following cases:

- premature removal from office of a member of the Management Board for a compelling reason under Section 84 (3) of the German Stock Corporation Act (AktG);
- termination of the service agreement of a member of the Management Board by the Company for a compelling reason under Section 626 of the German Civil Code (BGB); as well as
- resignation from office of a member of the Management Board without having a compelling reason for this for his or her part.

In the event of the death of members of the Management Board during their period of active service, the basic remuneration for the month of their death and for a further six months will be paid to their survivors. If members of the Management Board are permanently unfit for work during the term of their service agreement, the Company will be entitled to terminate their agreement with six months' notice to the end of a quarter.

The service agreements do not contain any defined benefits for their premature termination due to a change of control.

XII. Special provisions for the employment of Dr. Düttmann and Ms. Sonnenmoser as members of the Management Board

The currently existing service agreement of Karin Sonnenmoser differs in individual points from the above description of the Remuneration System, since not all of the temporary provisions laid down upon the first-time appointment of Karin Sonnenmoser as a member of the Management Board were able to anticipate the requirements of the amended German Stock Corporation Act (AktG) as a result of SRD II and the requirements of the GCGC in the version of 16 December 2019. To this end it would have been necessary to amend the relevant service agreement by deleting the previously customary provisions on a change of control, any subsequent special remuneration and the early payment of outstanding STI and LTI claims upon the termination of the appointment and of the service agreement by mutual consent as well as by incorporating a provision on the offsetting of the remuneration for a secondary activity outside the Group. Karin Sonnenmoser has not consented to the corresponding amendment of her current agreement.

The current service agreement of Dr. Bernhard Düttmann deviates from the remuneration system outlined above in that regulations on the participation in the occupational pension plan of CECONOMY AG are not agreed.

XIII. Transparency and documentation

Immediately after a resolution has been adopted by the General Meeting to approve the Remuneration System, pursuant to Section 120a (2) of the German Stock Corporation Act

(AktG) the resolution and the Remuneration System will be kept available to the public free of charge on the website of CECONOMY AG during the term of validity of the Remuneration System and in any case for ten years.

In addition, pursuant to Section 162 of the German Stock Corporation Act (AktG) the Management Board and the Supervisory Board will prepare a clear and comprehensible report ("**Remuneration Report**") every year on the remuneration awarded and owed over the past financial year to each individual present and former member of the Management Board and of the Supervisory Board of the Company and of companies in the same Group. The Remuneration Report must be audited by the statutory auditor. The General Meeting decides on the approval of the prepared and audited Remuneration Report, pursuant to Section 162 of the German Stock Corporation Act (AktG), for the preceding financial year. The first-ever adoption of the resolution must occur by the end of the first ordinary General Meeting starting from the second financial year after 31 December 2020, i.e. in the case of CECONOMY AG this is expected to be in February 2023 at the latest. The Company will make the Remuneration Report and the auditor's report publicly available free of charge on the website of CECONOMY AG for ten years from the General Meeting's resolution on its approval.