

**Non-binding convenience translation**

# **CECONOMY AG**

**Articles of Association**

Version: 22 February 2023

## **I. GENERAL PROVISIONS**

### **§ 1**

#### **Name, Registered Office, Financial Year**

- (1) The name of the Company is CECONOMY AG.
- (2) Its registered office is located in Düsseldorf.
- (3) The financial year commences on 1 October and ends on 30 September of the following calendar year.

### **§ 2**

#### **Purpose of the Company**

- (1) The purpose of the Company comprises:
  - Trading businesses of all kinds related to the operation of retailing enterprises, mail order, wholesale trade and sales channels based on new electronic media;
  - Manufacturing and development of products that may be the object of commerce and of services;
  - Execution of real-estate transactions of all kinds including property development;
  - Services, in particular in connection with trading, consumer goods and logistics as well as trade-related digital business models;
  - Brokering of financial services for, through or by affiliates and subsidiaries;
  - Asset management.
- (2) The Company may perform all and any acts and actions, and transact any businesses, which appear or are deemed expedient to the Company's purpose or are directly or indirectly related thereto. Any such business as requires specific governmental permits, licenses or approvals may not be transacted until after such permits, licenses or approvals have been granted. The Company may establish, form, acquire, manage or purchase equity interests, whether by minority shareholding or otherwise, in, or sell or dispose of, any such enterprises in Germany and abroad active in the business areas specified in para. 1 herein above.
- (3) The Company may confine its activities to one or some of the business areas specified in para. 1 herein above. The Company may also conduct its activities

indirectly through subsidiaries, associated and joint venture companies, in whole or in part. In particular, it may leave its operations to affiliated enterprises and/or give them down to affiliated enterprises, in whole or in part. It may also confine itself to the activities of a management holding and/or otherwise to the administration of its own assets.

### **§ 3 Notices**

Notices of the Company will be published in the electronic Federal Gazette [*"elektronischer Bundesanzeiger"*].

## **II. CAPITAL STOCK AND SHARES**

### **§ 4 Capital Stock and Shares**

- (1) The capital stock amounts to Euro 1,240,448,004.17.
- (2) The capital stock is divided into 485,421,084 ordinary shares.
- (3) The ordinary shares are made out to the bearer.
- (4) (unused for the time being)
- (5) (unused for the time being)
- (6) The form of physical share certificates, dividend warrants and renewal coupons shall be determined by the Management Board with the Supervisory Board's approval. The Company may issue multiple share certificates evidencing several shares (global certificates). The shareholders right to demand issuance of certificates for their shares in the Company and the dividend warrants and renewal coupons shall be excluded, except to the extent that the issuance of such certificates is required under the rules of a stock exchange on which the Company's shares are listed.
- (7) The Management Board is authorised, with the consent of the Supervisory Board, to increase the capital stock of the Company on one or more occasions in the period until 11 April 2027 by issuing new ordinary bearer shares in exchange for contributions in cash and/or in kind by up to a maximum amount of 321,600,000 euros (Authorised Capital 2022/I). As a general rule, the shareholders are entitled to subscription rights in this respect.

Pursuant to § 186 (5) sent. 1 German Stock Corporation Act, the new ordinary shares may also be taken over by one or more credit institution(s) designated

by the Management Board or by one or more companies operating in accordance with § 53 (1) sent. 1 or § 53b (1) sent. 1 or (7) of the German Banking Act (*Gesetz über das Kreditwesen*), subject to the obligation to offer them to the shareholders for subscription (so-called indirect subscription right).

However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude the shareholders' subscription right in the following cases:

- (1) for the compensation of fractional amounts;
- (2) if the ordinary shares are issued against contributions in kind for the purpose of corporate mergers or for the acquisition (also indirectly) of companies, divisions of companies, operational activities, branches of activity or company interests and the pro-rata amount attributable to the new ordinary shares issued subject to an exclusion of subscription rights does not exceed a total of 10 percent of the capital stock existing at the time this authorisation becomes effective;
- (3) to implement a so-called scrip dividend, in which case the shareholders are offered to contribute their claim for payment of the dividend to the Company (in whole or in part), as contribution in kind against granting of new shares from the authorised capital;
- (4) in the event of a capital increase in exchange for cash contributions to the extent necessary to grant subscription rights to new ordinary shares to the holders of warrant or convertible bonds issued by the Company or such affiliates in which the Company holds at least 90 percent of the shares, directly or indirectly, in the scope to which they would be entitled upon exercise of the warrant or conversion right or fulfilment of the warrant or conversion obligation, or upon exercise of a substitution right of the Company as shareholder;
- (5) in the case of capital increases against cash contributions, if the pro-rata amount of the capital stock attributable to the new ordinary shares issued subject to an exclusion of subscription rights in accordance with § 186 (3) sent. 4 German Stock Corporation Act does not exceed a total of 10 percent of the capital stock, either at the time this authorisation becomes effective or – if this value is lower – at the time it is exercised, and if in each case the issue price of the new ordinary shares is not significantly falling short – within the meaning of §§ 203 (1) and (2), 186 (3) sent. 4 of the German Stock Corporation Act – of the stock exchange price of the ordinary shares of the Company with the same features already listed. The limit of 10 percent of the capital stock is diminished by the portion of the capital stock attributable to the Company's ordinary shares which during the term of the authorised capital (i) are issued or disposed of as treasury shares subject to an exclusion of the shareholders' subscription rights in application, direct or *mutatis mutandis*, of § 186 (3) sent. 4 German Stock Corporation Act, or (ii) are issued from contingent capital to satisfy warrant or convertible bonds

which themselves were or are issued without subscription rights in application, *mutatis mutandis*, of § 186 (3) sent. 4 German Stock Corporation Act.

In total, ordinary shares issued against contributions in cash or in kind in accordance with this authorisation subject to an exclusion of the shareholders' subscription rights in accordance with no. 2 or 5 may not amount to more than 10 percent of the capital stock existing at the time the authorisation becomes effective. Ordinary shares that are newly issued subject to an exclusion of the subscription right in direct or analogous application of § 186 (3) sent. 4 German Stock Corporation Act, or which are issued for the fulfilment of warrant or convertible bonds which themselves are issued during the term of the authorisation subject to an exclusion of the subscription right in analogous application of § 186 (3) sent. 4 German Stock Corporation Act, are to be counted towards this maximum limit.

The Management Board is authorised, with the consent of the Supervisory Board, to determine further details of the capital increase.

- (8) The capital stock is conditionally increased by up to 127,825,000 euros, divided into up to 50,000,000 ordinary bearer shares (Conditional Capital 2022/II). The conditional capital increase shall only be executed insofar as the holders of warrant or conversion rights or those with conversion or warrant obligations arising from warrant or convertible bonds issued or guaranteed by CECONOMY AG or an affiliate of CECONOMY AG in terms of § 18 German Stock Corporation Act, in which CECONOMY AG holds at least 90 percent of the shares, directly or indirectly, based on the authorisation adopted by the General Meeting of 12 April 2022 under Agenda Item 8, exercise their warrant or conversion rights or, insofar as they are obligated for conversion or to exercise warrants, fulfil their obligation for conversion or for exercise of warrants, or insofar as CECONOMY AG exercises an option to provide ordinary shares of CECONOMY AG in lieu of paying the cash amount due, in whole or in part. The conditional capital increase shall not be executed insofar as a cash settlement is provided or treasury shares or shares of another listed company are used for the fulfilment.

The issue of the new ordinary shares is effected at the warrant or conversion price in each case to be determined in accordance with the authorisation resolution set forth above. The new ordinary shares participate in profits from the beginning of the financial year in which they are created; to the extent legally permissible, the Management Board may, with the consent of the Supervisory Board, determine the profit participation of new ordinary shares in deviation from the foregoing and from § 60 (2) German Stock Corporation Act, also for a financial year that has already expired. The Management Board is authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

- (9) The Company's capital stock is conditionally increased by up to 89,476,079.21 euros, divided into up to 35,000,000 ordinary bearer shares (Conditional Capital 2022/I). The purpose of the conditional capital increase is exclusively to grant shares to the holders of convertible bonds that are issued in return for

contributions in kind pursuant to the resolution of the General Meeting of 12 April 2022 under Agenda Item 2. The new shares may only be issued at a conversion price that meets the requirements of the resolution of the General Meeting of 12 April 2022 under Agenda Item 2.

The new shares from the Conditional Capital 2022/I are issued to the holders of the convertible bonds in return for contributions in kind (i) for the convertible bonds and (ii) for the capital increase by EUR 321,602,593.27 resolved according to the resolution of the General Meeting of 12 April 2022 under Agenda Item 2. As contribution in kind, Convergenta Invest GmbH, with its registered office in Bad Wiessee, district of Miesbach (*Landkreis Miesbach*), Germany, registered in the commercial register of the local court of Munich (*Amtsgericht München*) under registration number HR B 188629, has contributed to the Company the twelve (12) shares with serial numbers 16 to 27 held by it in MediaSaturn-Holding GmbH, with its registered office in Ingolstadt, Germany, registered in the commercial register of the local court of Ingolstadt (*Amtsgericht Ingolstadt*) under registration number HR B 1123 as well as the partial right to the share in Media-Saturn-Holding GmbH with serial number 34 jointly held with CECONOMY Retail GmbH (in the sense of joint ownership according to § 18 of the German Limited Liability Companies Act (*GmbH-Gesetz – GmbHG*)) accruing to Convergenta Invest GmbH and with a pro rata amount of the share capital of Media-Saturn-Holding GmbH of DM 17.00. As consideration for this contribution in kind, the Company grants Convergenta Invest GmbH a mixed cash and non-cash consideration which according to the above resolution of the General Meeting consists of a cash payment of EUR 130,000,000.00, in addition to the issuance of the new shares and of the convertible bonds.

The conditional capital increase is to be performed only to the extent that the holders of the convertible bonds make use of their conversion rights and only to the extent that existing shares or other forms of performance are not used for settlement. The new shares are entitled to dividends from the start of the fiscal year for which no resolution of the General Meeting on the appropriation of the net result has been adopted at the time they come into being by virtue of the exercise of conversion rights.

The Management Board is authorised, with the consent of the Supervisory Board, to determine the further details of the conditional capital increase and its implementation.

- (10) The Management Board is authorised, with the consent of the Supervisory Board, to increase the capital stock of the Company, on one or more occasions, on or before 11 April 2027 by issuing new ordinary bearer shares in exchange for contributions in cash and/or in kind by up to a maximum amount of 112,560,000 euros (Authorised Capital 2022/II). As a general rule, the shareholders are entitled to subscription rights in this respect.

Pursuant to § 186 (5) sent. 1 German Stock Corporation Act, the new ordinary shares may also be taken over by one or more credit institution(s) designated by the Management Board or by one or more companies operating in accordance with § 53 (1) sent. 1 or § 53b (1) sent. 1 or (7) of the German Banking

Act (*Gesetz über das Kreditwesen – KWG*), subject to the obligation to offer them to the shareholders for subscription (so-called indirect subscription right).

However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude the shareholders' subscription right in the following cases:

- (1) for the compensation of fractional amounts;
- (2) if the ordinary shares are issued against contributions in kind for the purpose of corporate mergers or for the acquisition (also indirectly) of companies, divisions of companies, operational activities, branches of activity or company interests and the pro-rata amount attributable to the new ordinary shares issued subject to an exclusion of subscription rights does not exceed a total of 10 percent of the capital stock existing at the time this authorisation becomes effective;
- (3) to implement a so-called scrip dividend, in which case the shareholders are offered to contribute their claim for payment of the dividend to the Company (in whole or in part), as contribution in kind against granting of new shares from the authorised capital;
- (4) in the event of a capital increase in exchange for cash contributions to the extent necessary to grant subscription rights to new ordinary shares to the holders of warrant or convertible bonds issued by the Company or such affiliates in which the Company holds at least 90 percent of the shares, directly or indirectly, in the scope to which they would be entitled upon exercise of the warrant or conversion right or fulfilment of the warrant or conversion obligation, or upon exercise of a substitution right of the Company as shareholder;
- (5) in the case of capital increases against cash contributions, if the pro-rata amount of the capital stock attributable to the new ordinary shares issued subject to an exclusion of subscription rights in accordance with § 186 (3) sent. 4 German Stock Corporation Act does not exceed a total of 10 percent of the capital stock, either at the time this authorisation becomes effective or – if this value is lower – at the time it is exercised, and if in each case the issue price of the new ordinary shares is not significantly falling short – within the meaning of §§ 203 (1) and (2), 186 (3) sent. 4 of the German Stock Corporation Act – of the stock exchange price of the ordinary shares of the Company with the same features already listed. The limit of 10 percent of the capital stock is diminished by the portion of the capital stock attributable to the Company's ordinary shares which during the term of the authorised capital (i) are issued or disposed of as treasury shares subject to an exclusion of the shareholders' subscription rights in application, direct or *mutatis mutandis*, of § 186 (3) sent. 4 German Stock Corporation Act, or (ii) are issued from contingent capital to satisfy warrant or convertible bonds

which themselves were or are issued without subscription rights in application, *mutatis mutandis*, of § 186 (3) sent. 4 German Stock Corporation Act.

In total, ordinary shares issued against contributions in cash or in kind in accordance with this authorisation subject to an exclusion of the shareholders' subscription rights in accordance with No. 2 or 5 may not amount to more than 10 percent of the capital stock existing at the time the authorisation becomes effective. Ordinary shares that are issued subject to an exclusion of the subscription right in direct or analogous application of § 186 (3) sent. 4 German Stock Corporation Act, or which are issued for the fulfilment of warrant or convertible bonds which themselves are issued during the term of the authorisation subject to an exclusion of the subscription right in analogous application of § 186 (3) sent. 4 German Stock Corporation Act, are to be counted towards this maximum limit.

The Management Board is authorised, with the consent of the Supervisory Board, to determine further details of the capital increase.

- (11) The capital stock is conditionally increased by up to 44,738,750 euros, divided into up to 17,500,000 ordinary bearer shares (Conditional Capital 2022/III). The conditional capital increase shall only be executed insofar as the holders of warrant or conversion rights or those with conversion or warrant obligations arising from warrant or convertible bonds issued or guaranteed by CECONOMY AG or an affiliate of CECONOMY AG in terms of § 18 German Stock Corporation Act, in which CECONOMY AG holds at least 90 percent of the shares, directly or indirectly, based on the authorisation adopted by the General Meeting of 12 April 2022 under Agenda Item 10, exercise their warrant or conversion rights or, insofar as they are obligated for conversion or to exercise warrants, fulfil their obligation for conversion or for exercise of warrants, or insofar as CECONOMY AG exercises an option to provide ordinary shares of CECONOMY AG in lieu of paying the cash amount due, in whole or in part. The conditional capital increase shall not be executed insofar as a cash settlement is provided or treasury shares or shares of another listed company are used for the fulfilment.

The issue of the new ordinary shares is effected at the warrant or conversion price in each case to be determined in accordance with the authorisation resolution set forth above. The new ordinary shares participate in profits from the beginning of the financial year in which they are created; to the extent legally permissible, the Management Board may, with the consent of the Supervisory Board, determine the profit participation of new ordinary shares in deviation from the foregoing and from § 60 (2) AktG, also for a financial year that has already expired. The Management Board is authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase



### **III. MANAGEMENT BOARD**

#### **§ 5 Composition**

- (1) The Management Board shall have not less than two members.
- (2) The actual number of Management Board members will be determined by the Supervisory Board.

#### **§ 6 Business Management and Representation**

- (1) The members of the Management Board shall conduct and manage the business of the Company in accordance with the law, these Articles of Association and the Management Board's Code of Procedure.
- (2) The Company shall be legally represented either by two Management Board members or by one member of the Management Board jointly with one officer with statutory authority (*Prokurist*).
- (3) The Supervisory Board may release individual members of the Management Board from the prohibition of multiple representation pursuant to § 181 2nd Alt. German Civil Code in individual cases.

### **IV. SUPERVISORY BOARD**

#### **§ 7 Composition, Term of Office**

- (1) The Supervisory Board shall have 20 members, 10 of whom will be elected by the employees.
- (2) The Supervisory Board members are elected for the period up to that General Meeting which votes on the formal approval of the actions of the members of the Supervisory Board in the fourth financial year after commencement of the Supervisory Board's term of office. The financial year in which the term of office commences is not included in this count. Supervisory Board members may be re-elected. The General Meeting may also determine a shorter term of office at the elections.
- (3) Any member of the Supervisory Board may at any time step down from office by giving one month's written notice to the Chairman of the Supervisory Board

or to the Management Board without stating grounds or reasons. The Chairman of the Supervisory Board – or the Vice Chairman in the event of the Chairman of the Supervisory Board stepping down from office – may consent to a shortening of this period or a waiver of the observance of the period. This shall not affect the right to step down from office for good cause.

### **§ 8**

#### **Chairman and Vice Chairman**

- (1) The Supervisory Board will elect a Supervisory Board Chairman and Vice Chairman from among its members with the majority prescribed by law.
- (2) Should the Chairman or his deputy (Vice Chairman) step down from the Supervisory Board or resign from office, the Supervisory Board shall promptly proceed to the election of a successor to this office.

### **§ 9**

#### **Convocation of Meetings of the Supervisory Board**

- (1) Supervisory Board meetings shall be convened by the Chairman at 14 days' notice in writing, by telex, cable, fax or by means of electronic or other media. In urgent cases, the Chairman may reduce the term of notice and convene a meeting orally or by telephone.
- (2) The invitation shall be accompanied by an itemized agenda. Agenda items not communicated in due time may effectively be resolved at the meeting as long as no Supervisory Board member objects to such procedure.

### **§ 10**

#### **Supervisory Board Resolutions**

- (1) Resolutions shall be adopted by the Supervisory Board at meetings. The Chairman may accept the participation of Supervisory Board members in a meeting and adoption of resolutions by way of a telephone or video conference. If ordered by the Chairman of the Supervisory Board, resolutions may also be passed outside of meetings by submitting votes in writing, by telephone, fax, electronically or in an equivalent form. For the adoption of resolutions outside of meetings, the following provisions shall apply analogously.
- (2) The Supervisory Board shall be deemed to have a quorum if, after inviting all its members, not less than one half of all its mandatory members participate in the adoption of the resolution. Members who are joining by way of telephone or video conference shall be deemed to be attending. A member shall also be deemed to participate in the adoption of a resolution if it abstains from a vote. At any rate, not less than three members shall participate in a vote.

- (3) Absent Supervisory Board members may participate in the passing of resolutions by submitting votes through other Supervisory Board members that were transmitted in writing, by fax, electronically or in a comparable form (voting messages).
- (4) Resolutions shall be adopted by a simple majority of the votes cast, unless mandatory legal provisions provide otherwise. An abstention shall not be deemed a vote.
- (5) The Chairman will determine the order in which the agenda items shall be dealt with, as well as the mode and order of voting.
- (6) Minutes of the meeting shall be prepared to record the items dealt with and resolutions passed by the Supervisory Board; such minutes shall be signed by the Chairman of the meeting or – in the event of resolutions adopted outside a meeting – by the officer managing the voting procedure.

### **§ 11 Committees**

- (1) The Supervisory Board may establish one or more committees from among its members. To the extent permitted by law, certain Supervisory Board powers of decision may be delegated to such committees.
- (2) Each committee may appoint a Chairman from among its members unless such Chairman is appointed by the Supervisory Board itself.
- (3) For the procedures to be adopted by the committees, the provisions of §§ 9, 10 shall apply analogously. Should any voting result in a tie, the Chairman shall have two votes in a second ballot on the same item if it again results in a tie. Such second vote, too, may be cast in writing analogously to § 10 (3).

### **§ 12 Code of Procedure, Declarations of Intent**

- (1) The Supervisory Board shall establish its own Code of Procedure by virtue of the law and in accordance with these Articles of Association.
- (2) The Chairman or, should he be unable to do so, the Vice Chairman, shall be authorised to make the declarations on behalf of the Supervisory Board that are essential to implement the resolutions of the Supervisory Board and its committees.

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

- (1) The members of the Supervisory Board shall receive a fixed annual remuneration. This fixed remuneration shall amount to 70,000 euros for each member.
- (2) The Chairman of the Supervisory Board shall receive triple, his deputy and the chairmen of the committees shall each receive double and the other members of the committees shall each receive one and a half times of the amount stipulated in paragraph (1). This shall not apply with regard to the chairmanship and the membership in the committee pursuant to § 27 (3) German Co-Determination Act. In deviation from sentence 1, the Chairman of the Nomination Committee shall receive one and a half times and the other members of the Nomination Committee one and a quarter times the amount stipulated in paragraph 1. The remuneration for a membership or the chairmanship in a committee shall only be paid if at least two meetings or other adoptions of resolutions of this committee have taken place in the respective financial year. If a member of the Supervisory Board holds several of the offices specified in paragraph 2 at the same time, he shall receive only the remuneration for one office, in the case of different remunerations for the offices that for the office with the highest remuneration.
- (3) The remuneration shall be payable at the end of the respective financial year.
- (4) Supervisory Board members who served on the Supervisory Board only for part of the financial year, shall receive one twelfth of the remuneration for each month of service or any part of such month. Supervisory Board members who leave the Board and are newly appointed within one month shall receive only one twelfth of the annual remuneration for that month. This shall apply accordingly with regard to memberships in a committee, the chairmanship or the deputy chairmanship in the Supervisory Board or the chairmanship in a committee.
- (5) The Company shall reimburse to the members of the Supervisory Board the expenses incurred from their holding of the office as well as any VAT payable on the remuneration and the reimbursement of expenses.

**§ 14**  
**Amendments, Confidentiality**

- (1) The Supervisory Board is authorised to decide on such amendments to these Articles of Association as relate to their wording only.
- (2) Even after their resignation from office, Supervisory Board members shall not disclose to third parties any of the confidential information, data and secrets of the Company that may have come to their attention during their term of office. In the event that a Supervisory Board member intends to pass on to a third party any information for which it cannot be safely precluded that such

information is confidential or relates to secrets of the Company, such member will be obligated prior to any disclosure to consult the Chairman for comment thereon.

## **V. GENERAL MEETING**

### **§ 15**

#### **Venue, Convening, Virtual Format**

- (1) The General Meeting shall be held at the registered office of the Company, at the location of a German stock exchange or at another suitable place in the Federal Republic of Germany. In the case of a General Meeting with physical presence, it must be a city with at least 100,000 inhabitants.
- (2) Unless a shorter period is permitted by law, the General Meeting must be convened at least 30 days prior to the date of the Meeting. The day of convening the Meeting shall not be counted. The convening period shall be extended by the days of the registration period (§ 16 (1)).
- (3) The Board shall be authorised for a period of five years after registration of the addition to the Articles of Association of this paragraph (3) as resolved by the General Meeting on 22 February 2023 to provide for the General Meeting to be held without the physical presence of the shareholders or their proxies at the venue of the General Meeting (virtual general meeting). If a virtual general meeting is held, the legal requirements provided for this purpose must be complied with.
- (4) The members of the Supervisory Board, with the exception of the chairman of the General Meeting, shall be permitted to participate in the virtual general meeting by means of video and audio transmission.

### **§ 16**

#### **Right to Attend**

- (1) Holders of ordinary shares are entitled to participate in the General Meeting and to exercise their voting rights if they have registered for the General Meeting in advance. The Company must receive the registration at the address specified in the invitation to the General Meeting in text form, and in the German or English language, at least six days prior to the General Meeting, not including the date of receipt and the date of the General Meeting.
- (2) The right to attend the General Meeting or to exercise voting rights must be verified. For this purpose, a verification of share property in text form from the last intermediary pursuant to § 67c (3) German Stock Corporation Act is required. The verification of share property must relate to the beginning of the

21st day prior to the date of the General Meeting and must be received by the Company at the address specified in the invitation to the General Meeting at least six days prior to the General Meeting, not including the date of receipt and the date of the General Meeting. Only persons/entities which have provided verification will be regarded as shareholders vis-à-vis the Company for attendance at the General Meeting or the exercise of voting rights.

- (3) The Management Board may allow and define procedures for shareholders to participate in a General Meeting that is not a virtual general meeting within the meaning of § 15 (3) of these Articles of Association, also without attending or appointing a proxy, and to exercise all or some of their rights in whole or in part by means of electronic communication.

### **§ 17 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.

### **§ 18 Voting Right**

- (1) One ordinary share confers one vote.
- (2) Voting rights may be exercised by proxy. Unless a lesser requirement is provided by law, proxies may only be issued, revoked and documented vis-à-vis the Company in text form. The provisions in § 135 German Stock Corporation Act shall remain unaffected. A lesser requirement may be determined in the invitation to the General Meeting.

- (3) The Management Board may allow and define procedures for shareholders to cast their votes even without attending the General Meeting, in writing or by means of electronic communication (postal vote).

### **§ 19 Majority prerequisites**

Unless mandatory statutory provisions stipulate otherwise, resolutions will be adopted by the General Meeting by simple majority of votes cast; in cases where a majority of the capital stock is prescribed, the simple majority of the capital stock represented thereat will suffice to pass a resolution. This shall not apply to resolutions pursuant to § 103 (1) AktG (dismissal of member of the Supervisory Board).

## **VI. ANNUAL FINANCIAL STATEMENTS**

### **§ 20 Annual Financial Statements and Appropriation of Profits**

- (1) During the first three months of a financial year, the Management Board shall draw up the annual financial statements and the management report for the past financial year and present them without undue delay upon completion to the Supervisory Board. At the same time, the Management Board shall present to the Supervisory Board the proposal for the appropriation of the balance sheet profit it intends to make to the General Meeting.
- (2) The Supervisory Board shall appoint the independent auditors for the audit of the annual financial statements.
- (3) On adopting the annual financial statements, the Management Board and the Supervisory Board shall be authorised to transfer to the other reserves retained from earnings all or part of such net income as remains after appropriation of the required amounts to the legal reserve and after deducting any loss carried forward. The transfer of more than one half of the net income to the other reserves shall not be permissible to the extent that such reserves would after such transfer exceed fifty percent of the capital stock.
- (4) When deciding on the appropriation of balance sheet profits, the General Meeting may adopt a resolution for a distribution in kind instead of or in addition to a cash distribution.
- (5) In the event of a capital increase, the participation in profits of new shares may be determined in derogation of § 60 (2) sent. 3 German Stock Corporation Act.

- (6) After the close of a financial year, subject to the Supervisory Board's consent, the Management Board may distribute an interim dividend to the shareholders pursuant to § 59 German Stock Corporation Act.

**§ 21  
Distribution of Profits**

The General Meeting shall resolve on the appropriation of the balance sheet profits resulting from the approved annual financial statements.

**VII. FINAL PROVISIONS**

**§ 22**

The formation costs at the Company's expense amount to DM 2,300.

**Please note:**

The binding language of the Articles of Association of the Company is German. Accordingly, only the German version of the Articles of Association shall be legally binding, while the English version is a convenience translation.