

CECONOMY

Virtual General Meeting of CECONOMY AG on 22 February 2023

FURTHER EXPLANATIONS ON THE RIGHTS OF SHAREHOLDERS PURSUANT TO §§ 118A, 122 (2), 126 (1), 127, 130A, 131 GERMAN STOCK CORPORATION ACT

The invitation of the General Meeting of CECONOMY AG on 22 February 2023 contains information about shareholder rights pursuant to §§ 118a, 122 (2), 126 (1), 127, 130a, 131 German Stock Corporation 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, a securities institution 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 Supervisory Act (*Versicherungsaufsichtsgesetz*) or § 14 of the Act on Savings and Loan Associations (*Gesetz über Bausparkassen*).

§ 118a German Stock Corporation Act – Virtual General Meeting

(1) The Articles of Association may provide or authorize the management board to provide for the meeting to be held without the physical presence of the shareholders or their proxies at the place of the general meeting (virtual general meeting). If a virtual general meeting is held, the following requirements must be met:

1. the entire meeting is transmitted by video and audio,
2. shareholders' voting rights may be exercised by means of electronic communication, in particular by electronic participation or electronic postal voting, and by granting proxies,
3. shareholders connected electronically to the meeting shall be granted the right to submit motions and election proposals by means of video communication at the meeting,
4. shareholders shall be granted a right to information pursuant to § 131 by way of electronic communication,
5. the shareholders shall be given access to the report of the management board or the main content thereof no later than seven days before the meeting if the management board makes use of the option under § 131 (1a) sent. 1,
6. shareholders shall be granted the right to submit statements in accordance with § 130a (1) to (4) by means of electronic communication,
7. shareholders connected electronically to the meeting shall be granted the right to speak at the meeting by means of video communication in accordance with § 130a (5) and (6),
8. shareholders connected electronically to the meeting shall be granted the right to object to a resolution of the general meeting by means of electronic communication.

§ 121 (7) shall apply to the calculation of the deadline pursuant to sent. 2 no. 5; in the case of listed

* Non-binding convenience translation.

companies, such access shall be made available via the Company's website. § 118 (1) sent. 3 and 4 and § 67a (2) sent. 1 and (3) shall apply mutatis mutandis.

(2) The members of the management board shall attend the general meeting at the venue. The same shall apply to the members of the Supervisory Board, unless they may participate by means of video and audio transmission in accordance with § 118 (3) sent. 2. The chairman of the meeting and, in the cases of § 176 par. 2 sent. 1 and 2, the auditor shall participate at the place of the general meeting. A proxy appointed by the Company in accordance with § 134 (3) sent. 5 may attend the general meeting.

(3) A provision in the Articles of Association pursuant to (1) sent. 1 which provides for the holding of virtual general meetings must be limited in time. The holding of virtual general meetings may be provided for in such a provision for a maximum period of five years after the registration of the company.

(4) An authorization of the management board by the Articles of Association pursuant to (1) sent. 1 to provide for the holding of virtual general meetings must be limited in time. It may be granted for a maximum period of five years after registration of the company.

(5) If provisions or authorizations made in accordance with (1) sent. 1 are created by amending the Articles of Association,

1. the provision may provide for the holding of virtual general meetings for a period of no more than five years after registration of the amendment to the Articles of Association, and
2. the authorization of the management board may be granted for a period not exceeding five years after registration of the amendment to the Articles of Association.

(6) If this or another law stipulates that documents are to be made available at the general meeting, the documents shall be made available to the shareholders electronically connected to the general meeting during the period of the meeting via the Company's website or a third-party website accessible via the Company's website.

§ 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.

(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 – Notifications for the shareholders
and to 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.

(4) In the case of a virtual general meeting, motions which are to be made accessible in accordance with (1) to (3) shall be deemed to have been submitted at the time they are made accessible. The Company shall enable voting rights on these motions to be exercised as soon as the shareholders can prove that they meet the legal or statutory requirements for exercising their voting rights. If the shareholder who has submitted the motion is not duly authorized and, if registration is required, has not duly registered for the general meeting, the motion need not be dealt with at the meeting.

§ 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.

§ 130a German Stock Corporation Act – Right to submit statements and right to speak at virtual general meetings

(1) In the case of virtual general meetings, shareholders shall have the right to submit statements on the items on the agenda prior to the meeting by way of electronic communication using the address communicated for this purpose in the convening of the meeting. This right may be restricted to shareholders who have duly registered for the meeting. The scope of statements may be appropriately limited in the convening of the meeting.

(2) Statements shall be submitted no later than five days before the meeting.

(3) The statements submitted shall be made available to all shareholders no later than four days before the meeting. Such disclosure may be restricted to shareholders who have duly registered for the meeting. In the case of listed companies, such disclosure shall be made on the website of the company; in the case of sent. 2, disclosure may also be made on the website of a third party. § 126 (2) sent. 1 no. 1, 3 and 6 shall apply mutatis mutandis.

(4) § 121 (7) shall apply to the calculation of the deadlines specified in (2) and (3) sent. 1.

(5) Shareholders connected electronically to the meeting shall be granted the right to speak at the meeting by way of video communication. The form of video communication offered by the Company shall be used for the speeches. Motions and election proposals pursuant to § 118a (1) sent. 2 no. 3, the request for information pursuant to § 131 (1), follow-up questions pursuant to § 131 (1d) and further questions pursuant to § 131 (1e) may be part of the speech. § 131 (2) sent. 2 shall apply mutatis mutandis.

(6) The Company may reserve the right in the convening the meeting to check the functionality of the video communication between the shareholder and the Company in the meeting and prior to the speech and to reject the speech if the functionality is not ensured.

§ 131 German Stock Corporation Act – Right of shareholders to request information

(1) Upon request, each shareholder shall be provided with information by the management board at the general meeting regarding the Company's affairs to the extent that such information is necessary for a proper evaluation of the item on the agenda. The duty to provide information shall also extend to the legal and business relations of the Company with an affiliated company. If a company makes use of the simplifications pursuant to § 266 (1) sent. 3, § 276 or § 288 of the German Commercial Code, each shareholder may demand that the annual financial statements be presented to him at the general meeting on the annual financial statements in the form which would have been used without these simplifications. The duty of the management board of a parent company (§ 290 (1), (2) of the German Commercial Code) to provide information at the general meeting at which the consolidated financial statements and the group management report are presented also extends to the situation of the Group and the companies included in the consolidated financial statements.

(1a) In the case of a virtual general meeting, (1) sent. 1 shall apply subject to the proviso that the management board may specify that shareholders' questions must be submitted by electronic communication no later than three days before the meeting. § 121 (7) shall apply to the calculation of the deadline. Questions not submitted by the deadline need not be taken into account.

(1b) The scope for submitting questions may be appropriately limited in the convening of the meeting. The right to submit questions may be restricted to shareholders who have duly registered for the meeting.

(1c) The Company shall make duly submitted questions available to all shareholders prior to the meeting and answer them no later than one day before the meeting; § 121 (7) shall apply to the calculation of the deadline. In the case of listed companies, the questions shall be made available and answered on the Company's website. § 126 (2) sent. 1 no. 1, 3 and 6 shall apply mutatis mutandis to the making available of the questions. If the answers are continuously accessible one day before the start of and at the meeting, the management board may refuse to provide information on these questions at the meeting.

(1d) Every shareholder who is electronically connected to the meeting shall be granted a right to ask follow-up questions at the meeting by means of electronic communication regarding all answers given by the management board before and at the meeting. (2) sent. 2 also applies to the right to ask follow-up questions.

(1e) In addition, every shareholder who is electronically connected to the meeting shall be granted the right at the meeting by means of electronic communication to ask questions on matters which have only arisen after the expiry of the period pursuant to (1a) sent. 1. (2) sent. 2 shall also apply to this right to ask questions.

(1f) The chairman of the meeting may determine that the right to information pursuant to (1), the right to ask follow-up questions pursuant to (1d) and the right to ask questions pursuant to (1e) may be exercised at the general meeting exclusively by means of video communication.

(2) The information shall comply with the principles of conscientious and faithful accountability. The Articles of Association or the Rules of Procedure pursuant to § 129 may authorize the chairman of the meeting to impose reasonable time limits on the shareholder's right to ask questions and to speak and may specify further details.

(3) The management board may refuse to provide information,

1. insofar as the provision of the information is likely, according to sound business judgment, to cause not inconsiderable disadvantage to the Company or an affiliated company;
2. insofar as it relates to tax valuations or the amount of individual taxes;
3. about the difference between the value at which items are shown in the annual balance sheet and a higher value of these items, unless the general meeting ascertains the annual financial statements;
4. on the accounting and valuation methods, insofar as the disclosure of these methods in the notes suffices to provide a true and fair view of the net assets, financial position and results of operations of the Company within the meaning of § 264 (2) of the German Commercial Code; this shall not apply if the general meeting ascertains the annual financial statements;
5. insofar as the management board would render itself liable to prosecution by providing the information;
6. insofar as, in the case of a credit institution, a financial services institution or a securities institution, information need not be provided on the accounting and valuation methods applied and the calculations made in the annual financial statements, management report, consolidated financial statements or group management report;
7. insofar as the information is continuously accessible on the company's website for at least seven days prior to the beginning and during the general meeting.

Information may not be refused for other reasons.

(4) If information has been provided to a shareholder outside the general meeting in his capacity as a shareholder, it shall be provided to any other shareholder at his request during the general meeting, even if it is not necessary for the proper assessment of the item on the agenda. In the case of a virtual general meeting, it must be ensured that any shareholder connected to the meeting electronically can submit his request in

accordance with sent. 1 by means of electronic communication. The management board may not refuse to provide information in accordance with (3) sent. 1 nos. 1 to 4. Sent. 1 to 3 shall not apply if a subsidiary (§ 290 (1), (2) of the German Commercial Code), a joint venture (§ 310 (1) of the German Commercial Code) or an associated company (§ 311 (1) of the German Commercial Code) provides the information to a parent company (§ 290 (1), (2) of the German Commercial Code) for the purpose of including the company in the consolidated financial statements of the parent company and the information is required for this purpose. (5) If a shareholder is refused information, he may request that his question and the reason for which the information was refused be recorded in the minutes of the meeting. In the case of a virtual general meeting, it must be ensured that every shareholder who is electronically connected to the meeting can submit his request in accordance with sent. 1 by means of electronic communication.

§ 17 of the Articles of Association of CECONOMY AG

(Version: 12 April 2022)

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.