

## **Explanations concerning the rights of shareholders**

**(in accordance with §§ 122 para 2, 126 para 1, 127, 131 para 1 AktG – German Stock Corporation Act)**

### **Motions and proposals of election by shareholders in accordance with § 126 para 1 and § 127 AktG**

Shareholders may provide DEAG Deutsche Entertainment Aktiengesellschaft with counter-motions in respect of a proposal by the Executive Board and/or the Supervisory Board on a specific Agenda item and submit proposals for elections. Counter-motions (§ 126 AktG) and proposals for election (§ 127 AktG) by shareholders in respect of a specific Agenda item must be sent exclusively to the address mentioned below:

DEAG Deutsche Entertainment Aktiengesellschaft  
Legal Department  
Potsdamer Strasse 58  
10785 Berlin  
Germany  
Fax: +49-30 81075 619  
Email: [hauptversammlung@deag.de](mailto:hauptversammlung@deag.de)

Any counter-motions sent to a different address will not be taken into account. Counter-motions which are received no later than at the end of June 10, 2015 (midnight) under the above-mentioned address, will be made available without delay with reservation as to § 126 paras 2 and 3 AktG including the name of the shareholder in the statement of reasons for all shareholders on the Internet under [www.deag.de](http://www.deag.de) -> Investor Relations -> Annual General Meeting -> 2015. Any position papers by the management are likewise published under the aforementioned Internet address. A counter-motion and its statement of reasons do not have to be made available under the conditions of § 126 para 2 sentence 1 AktG; the statement of reasons of a counter-motion does not have to be made available in accordance with § 126 para 2 sentence 2 AktG if it has a total of more than 5,000 characters.

These provisions apply in accordance with § 127 AktG *mutatis mutandis* to the proposal of a shareholder for the election of members of the Supervisory Board or external auditors. These proposals do not, however, have to be substantiated.

The corresponding provisions of the German Stock Corporation Act (AktG) are as follows:

**§ 126 Motions by shareholders**

- (1) Motions by shareholders including the shareholder's name, the statement of reasons and any position paper by the management shall be made available to the persons referred to in § 125 paras 1 to 3 under the conditions stated therein if at least 14 days before the meeting the shareholder sends to the address indicated in the notice of invitation a counter-motion in respect of a proposal of the Executive Board and Supervisory Board concerning 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 by the company's website. § 125 para 3 shall apply *mutatis mutandis*.
- (2) The counter-motion and its statement of reasons do not have to be made available, if
1. The Executive Board became criminally liable pursuant to such disclosure;
  2. The counter-motion resulted in a resolution of the Annual General Meeting which would be illegal or would infringe the Articles of Association;
  3. The statement of reasons includes statements which are obviously false or misleading or which are libelous;
  4. A counter-motion of the shareholder based on the same facts has already been submitted to an Annual General Meeting of the Company pursuant to § 125;
  5. The same counter-motion of the shareholder with essentially the same statement of reasons has already been submitted pursuant to § 125 to at least two Annual General Meetings of the Company within the past five years and at such Annual General Meetings less than one-twentieth of the share capital represented voted in favor of such counter-motion;
  6. The shareholder indicates that he will neither attend nor be represented at the Annual General Meeting; or
  7. Within the past two years at two Annual General Meetings the shareholder has failed to submit or failed to cause to have submitted on his behalf a counter-motion announced by him.

The statement of reasons does not have to be disclosed if it exceeds 5,000 characters.

- (3) If several shareholders submit counter-motions in respect of the same subject matter of resolutions, the Executive Board may combine the counter-motions and their statements of reasons.

## **§ 127 Nominations by shareholders**

§ 126 shall apply *mutatis mutandis* to a nomination by a shareholder for the election of a member of the Supervisory Board or external auditors. Such nominations shall not require a statement of reasons. Nor shall the Executive Board have to disclose such a nomination, if it does not include the particulars required by § 124 para 3 sentence 3 and § 125 para 1 sentence 5.

## **Motions to supplement the Agenda in accordance with § 122 para 2 AktG**

Shareholders whose shares reach together the 20<sup>th</sup> part of the share capital or the proportionate amount of EUR 500,000.00 may demand items to be placed on the Agenda and published. The applications must be directed in writing to the Executive Board of DEAG Deutsche Entertainment Aktiengesellschaft and must reach DEAG Deutsche Entertainment Aktiengesellschaft no later than with the expiration of May 25, 2015 (midnight). Please send corresponding applications to the following address:

DEAG Deutsche Entertainment Aktiengesellschaft  
Legal Department  
Potsdamer Strasse 58  
10785 Berlin  
Germany

Any requests for supplements received later or under a different address will not be taken into account. The application must be signed by all shareholders who reach together the 20<sup>th</sup> part of the share capital or the proportionate amount of EUR 500,000.00. Every new item must be accompanied by a statement of reasons or a draft resolution. The applicants must prove in accordance with § 122 para 1 sentence 3, para 2 sentence 1 in conjunction with § 142 para 2 sentence 2 AktG that they have been owners of the shares for at least three months before the date of the Annual General Meeting, i.e. at least since March 25, 2015 and that they hold the shares until the decisions of the Executive Board about the application for a supplement.

The provisions underlying these shareholder rights are as follows in the German Stock Corporation Act:

**§ 122 Calling at the request of a minority (extract)**

- (1) The Annual General Meeting shall be called if shareholders whose total shareholding equals or exceeds one-twentieth of the share capital, demand such meeting in writing, stating the purpose and the reasons for such meeting; such demand shall be addressed to the Executive Board. The Articles of Association may provide that the right to demand an Annual General Meeting requires another form or the holding of a lower proportion of the share capital. § 142 para 2 sentence 2 shall apply *mutatis mutandis*.
- (2) In the same manner, shareholders whose total shareholding amounts to no less than one-twentieth of the share capital or presents an amount of the share capital corresponding to EUR 500,000.00 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 within the meaning of sentence 1 shall be provided to the Company at least 24 days, or in the event of listed companies at least 30 days, prior to the meeting; the day of receipt shall not be included in this calculation.

**§ 142 para 2 Appointment of the special auditors (extract)**

- (2) [...] The applicants must furnish evidence that they have been the holders of the shares for at least three months prior to the date of the Annual General Meeting and will continue to hold the shares until a decision on the motion is rendered. § 149 shall apply *mutatis mutandis* to agreements that are concluded in order to avoid such special audit.

**Right to information in accordance with § 131 para 1 AktG**

At the Annual General Meeting every shareholder or representative of a shareholder may demand that the Executive Board informs about matters relating to DEAG Deutsche Entertainment Aktiengesellschaft insofar as this is necessary for a proper assessment of the subject matter of the Agenda. The duty of information also includes the legal and business relationships of DEAG Deutsche Entertainment Aktiengesellschaft with an associated company insofar as the information is necessary for an appropriate assessment of the subject matter of the Agenda. Requests for information must be made orally during the Annual General Meeting within the framework of the general debate. Under certain circumstances specified in more detail in § 131 para 3 AktG, the Executive Board may refuse to divulge information, e.g. if the information could cause considerable disadvantages to

DEAG Deutsche Entertainment Aktiengesellschaft or an associated company in accordance with a reasonable commercial assessment.

The provisions of the German Stock Corporation Act (AktG) underlying these rights of shareholders, which also define the conditions under which it may be refrained from providing information, are as follows:

**§ 131 Right of shareholders to information**

- (1) Each shareholder shall upon request be provided with information at the Annual General Meeting by the Executive Board regarding the Company's affairs, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the Agenda. The duty to provide information shall also extend to the Company's legal and business relations with any affiliate. If a Company makes use of the simplified procedure pursuant to § 266 para 1 sentence 3, § 276 or § 288 of the German Commercial Code (HGB), each shareholder may request that the financial statements be presented to him at the Annual General Meeting in the form which would have been used if such provisions on the simplified procedure had not been applied. The duty to inform of the Executive Board of parent companies (§ 290 para 1, 2 of the Commercial Code) in the Annual General Meeting that reviews the consolidated financial statements and consolidated Group Management Report shall cover the situation of the Group and the companies included in the consolidated financial statements.
- (2) The information provided shall comply with the principles of conscientious and accurate accounting. The Articles of Association or the rules of procedure pursuant to § 129 may authorize the chairperson of the meeting to limit the number of questions and speaking time of shareholders as appropriate and to lay down specific rules in this respect.
- (3) The Executive Board may refuse to provide information,
  1. To the extent that providing such information is, according to sound business judgment, likely to cause material damage to the Company or an affiliate;
  2. To the extent that such information relates to tax valuations or the amount of certain taxes;
  3. On the difference between the value at which items are shown in the annual balance sheet and the higher market value of such items, unless the Annual General Meeting is to approve the financial statements;
  4. On the accounting and valuation methods, if disclosure of such methods in the notes suffices to provide a clear view of the actual condition of the Company's assets, financial and earnings position within the meaning of § 264 para 2 of the Commercial Code (HGB); this shall not apply if the Annual General Meeting is to approve the financial statements;

5. If provision of such information were to render the Executive Board criminally liable;
6. If in the case of a credit institution or a financial services institution information about the applied accounting and valuation methods or calculations made in the financial statements, the management report, the consolidated financial statements or the consolidated Group Management Report do not need to be provided;
7. If the information is continuously available on the Company's website for at least seven or more days prior to the Annual General Meeting as well as during the Annual General Meeting.

The provision of information may not be refused for other reasons.

- (4) If information has been provided outside an Annual General Meeting to a shareholder by reason of his status as a shareholder, such information shall upon request be provided to any other shareholder at the Annual General Meeting, even if such information is not necessary to permit a proper evaluation of an item on the Agenda. The Executive Board may not refuse to provide such information on the grounds of para 3 sentence 1 No. 1 to 4. Sentences 1 and 2 shall not apply if a subsidiary (§ 290 para 1, 2 of the Commercial Code), a joint venture (§ 310 para 1 of the Commercial Code) or an affiliate (§ 311 para 1 of the Commercial Code) provides the information to a parent company (§ 290 para 1, 2 of the Commercial Code) for the purpose of inclusion in the consolidated financial statements of the parent company and the information is required for this purpose.
- (5) If information has been denied to a shareholder, the latter may request that his question and the reason for which the information was denied be recorded in the Minutes of the meeting.

Furthermore, the Chairman of the meeting is entitled to utilize various measures in connection with the chairing and good order during the Annual General Meeting, in particular also in respect of the restriction of the right to talk and ask questions. The corresponding provision in the Articles of Association of DEAG Deutsche Entertainment Aktiengesellschaft is as follows:

**§ 18 Chairing of the Annual General Meeting (extract)**

(2)The Chairman shall chair the meeting. He shall determine the order in which the items on the Agenda are dealt with as well as the type and order of the votes. He may restrict the right to ask questions and talk of shareholders in a reasonable manner in terms of time; he may, more particularly, determine the timeframe of the course of the meeting, the discussion on the Agenda items as well as the individual talks and questions in an appropriate manner.

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