



**Explanations concerning the rights of shareholders  
(in accordance with §§ 122 para 2, 126 para 1, 127, 131 para 1 AktG  
– German Stock Corporation Act)**

**for the ordinary Annual General Meeting on June 27, 2017**

**1. Motions and election proposals of shareholders in accordance with Sections 126 (1) and 127 AktG**

Shareholders may submit countermotions to DEAG Deutsche Entertainment Aktiengesellschaft in respect of a proposal by the Executive Board and / or Supervisory Board relating to a specific agenda item, and also submit election proposals. Countermotions (Section 126 AktG) and election proposals (Section 127 AktG) by shareholders in respect of a specific agenda item must be sent to the following address:

DEAG Deutsche Entertainment Aktiengesellschaft  
FAO Mr Daniel Rothhammer  
Potsdamer Straße 58  
10785 Berlin  
Fax No: (+49) (0)30 81075 619  
Email: hauptversammlung@deag.de

Countermotions sent to a different address will not be considered. Countermotions submitted no later than by the end of 12 June 2017, midnight (CEST) to the aforementioned address are made immediately available subject to Section 126 (2) and (3) AktG including the name of the shareholder and the statement of reasons to all shareholders on the internet on [www.deag.de](http://www.deag.de) -> Investor Relations -> General Meeting -> 2017. Any comments by the Company's management will likewise be published under the above-mentioned internet address. A countermotion and its statement of reasons do not have to be made available unless the conditions of Section 126 (2) Sentence 1 AktG; the statement of reasons of a countermotion in accordance with Section 126 (2) Sentence 2 AktG does not have to be made available if it exceeds a total of 5,000 characters.

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

**§ 126 Motions brought by shareholders.**

- (1) <sup>1</sup>Motions put forward by a shareholder stating the name of the shareholder, the reasons for the motion and any comments on the part of the administration shall be made accessible to the entitled persons named in sec. 125 para. 1 to 3 subject to the conditions stated therein if, at least fourteen days prior to the meeting, the shareholder sends a counter motion against a proposal made by the management board and the supervisory board on a particular item on the agenda to the company at the address given for this purpose in the notification of convening the meeting together with his reasons for such motion. <sup>2</sup>The day of receipt shall

not be included in the calculation. <sup>3</sup>In the case of listed companies, access shall be provided via the website of the company. <sup>4</sup>Sec. 125 para. 3 shall apply accordingly.

(2) <sup>1</sup>The counter motion and the reasons therefor need not be made accessible

1. if the management board would render itself liable to prosecution by making such counter motion and reasons accessible,
2. if the counter motion would result in a resolution of the general meeting which is either unlawful or in breach of the articles of association,
3. if the reasons contain key statements which are manifestly incorrect or misleading or if they are slanderous,
4. if a counter motion of the shareholder based on the same subject matter has already been made accessible in connection with a general meeting of the company pursuant to sec. 125,
5. if the same counter motion of the shareholder with essentially the same reasons has within the previous five years already been made accessible in the context of at least two general meetings of the company pursuant to sec. 125 and less than one-twentieth of the registered share capital represented at the general meeting voted in favor of such counter motion,
6. if the shareholder indicates that he shall neither attend the general meeting nor arrange for a representative to attend on his behalf, or
7. if in the previous two years the shareholder has failed in two general meetings to make or cause to be made on his behalf a counter motion communicated by him.

<sup>2</sup>The reasons need not be made available if the text thereof exceeds a total of 5,000 characters.

(3) If several shareholders file a counter motion in respect of the same resolution, the management board may combine the counter motions and reasons.

### **§ 127 Nominations brought by shareholders.**

<sup>1</sup>Sec. 126 shall apply accordingly to nominations made by shareholders for the election of supervisory board members or auditors of annual financial statements. <sup>2</sup>There is no need for reasons to be given for the nomination. <sup>3</sup>Furthermore, the management board need not make the nomination available if the nomination does not contain the information pursuant to sec. 124 para. 3 sentence 3 and sec. 125 para. 1 sentence 5. <sup>4</sup>The management board shall add to the shareholder's proposal regarding the election of supervisory board members in listed companies, which are subject to the Codetermination Act, the Coal, Iron and Steel Codetermination Act or the Codetermination Amendment Act the following information:

1. reference to sec. 96 para. 2,
2. a declaration on whether the overall fulfillment according to sec. 96 para. 2 sentence 3 has been contradicted, and
3. a declaration on how many seats in the supervisory board need to be filled by women and men, to achieve the minimum fulfillment according to sec. 96 para. 2 sentence 1.

## **2. Motions to supplement the Agenda in accordance with § 122 para 2 in conjunction with § 124 para 1 sentence 2 AktG**

Shareholders whose shares amount to one-twentieth of the share capital or reach the proportionate amount of EUR 500,000.00 may demand that items be added to the agenda and published. The

request must be submitted in writing to the Executive Board of DEAG Deutsche Entertainment Aktiengesellschaft and must reach DEAG Deutsche Entertainment Aktiengesellschaft no later than by the end of 27 May 2017, midnight (CEST). A corresponding request must be sent to the following address:

DEAG Deutsche Entertainment Aktiengesellschaft  
FAO Mr Daniel Rothhammer  
Potsdamer Straße 58  
10785 Berlin

Requests to supplement the agenda will not be considered if they arrive later or are sent to a different address. Requests must be signed by all shareholders who together account for one-twentieth of the share capital or reach the proportionate amount of EUR 500,000.00. Each new agenda item must be accompanied by a statement of reasons or a draft motion. The applicants must prove that they are shareholders of a sufficient number of shares for the duration of the statutory minimum ownership time of 90 days before the day of receipt of the request and hold such shares until the decision about the request (Sections 122 (2), 122 (1) Sentence 3 AktG as well as Section 70 AktG).

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

**§ 122 Convening at the request of a minority.**

- (1) <sup>1</sup>A general meeting shall be convened if shareholders having an aggregate shareholding amounting to one twentieth of the registered share capital file a written request for such meeting to be held, stating the purpose and the reasons therefor; such request shall be directed to the management board. <sup>2</sup>The articles of association may link the right to request that the general meeting be convened to another form and to a lesser share in the registered share capital. <sup>3</sup>The petitioners must prove that they have held their shares for a period of at least 90 days prior to the date the demand is received and that they will hold the shares until a decision is taken on the motion by the management board. <sup>4</sup>Sec. 121 para. 7 shall apply accordingly.
- (2) <sup>1</sup>In the same way, shareholders with an aggregate shareholding of one twentieth of the registered share capital or the proportionate amount of EUR 500,000 may request that items are put on the agenda and are announced as items on the agenda. <sup>2</sup>Each new item shall be accompanied by a statement of reasons or a draft resolution. <sup>3</sup>The request pursuant to sentence 1 must be received by the company at least 24 days, or in the case of listed companies at least 30 days, prior to the meeting; the date of receipt shall not be included in the calculation.
- (3) <sup>1</sup>If such request is not met, the court may authorize those shareholders who filed the request to convene the general meeting or to publish the item. <sup>2</sup>The court may also appoint the chairman of the meeting at the same time. <sup>3</sup>Reference shall be made to the authorization granted by the court and the convening or the publication. <sup>4</sup>The decision shall be subject to appeal. <sup>5</sup>The petitioners must prove that they will hold their shares until a decision is taken by the court.
- (4) The company shall bear the costs of the general meeting and, in the case of para. 3, the court costs if the court grants the application.

### **§ 70 Calculation of the period of share ownership.**

*<sup>1</sup>If the shareholder is required to have held the share for a certain period before being able to exercise the rights arising therefrom, a claim to assignment against a credit institution, a financial services institution or enterprise acting pursuant to sec. 53 para. 1 sentence 1 or sec. 53b para. 1 sentence 1 or para. 7 of the Banking Act shall be deemed equivalent to ownership. <sup>2</sup>The period of ownership of a legal predecessor shall be attributed to a shareholder if he acquired the share free of charge from his trustee, as universal successor, upon severance of co-ownership or as a result of a transfer of assets pursuant to sec. 14 of the Insurance Supervisory Act or sec. 14 of the Savings and Loan Association Act.*

### **3. Right to information in accordance with Section 131 (1) AktG**

At the General Meeting every shareholder or representative of shareholders may request that the Executive Board provides information about matters relating to DEAG Deutsche Entertainment Aktiengesellschaft if this is needed to enable a proper assessment of the subject matter on the agenda. The duty to provide information also includes the legal and business relations of DEAG Deutsche Entertainment Aktiengesellschaft with an affiliated company insofar as the information is necessary to enable a proper assessment of the subject matter on the agenda. All requests for information at the General Meeting must be submitted orally during the discussion. Under certain circumstances specified in more detail in Section 131 (3) AktG, the Executive Board may refuse to provide information, eg if providing such information would cause DEAG Deutsche Entertainment Aktiengesellschaft or an affiliated company considerable damage based on 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 Shareholder's right to information.**

- (1) <sup>1</sup>Each shareholder shall upon request be given information from the management board in the general meeting regarding the company's affairs to the extent required to allow a proper assessment of the items on the agenda. <sup>2</sup>The obligation to provide information shall also extend to the legal and business relationships between the company and an affiliated enterprise. <sup>3</sup>If a company makes use of the simplifications pursuant to sec. 266 para. 1 sentence 3, sec. 276 or sec. 288 of the Commercial Code, each shareholder may request that the annual financial statements be presented to him at the general meeting dealing with the annual financial statements in the form they would take if such facilitations were not applied. <sup>4</sup>The obligation on the part the management board of a parent enterprise (sec. 290 paras. 1, 2 of the Commercial Code) to provide information in the general meeting in which the consolidated financial statements and consolidated management report are presented shall also extend to the situation of the group of companies and the enterprises included in the consolidated financial statements.*
- (2) <sup>1</sup>The information shall comply with the principles of conscientious and true accounting. <sup>2</sup>The articles of association or the rules of procedure pursuant to sec. 129 may authorize the chairman of the meeting to restrict the rights of the shareholders to ask questions and to speak to an adequate period of time and to regulate other details.*
- (3) <sup>1</sup>The management board may refuse to provide information*

1. *insofar as according to reasonable business judgment the providing of such information is likely to cause not inconsiderable damage to the company or an affiliated enterprise;*
2. *insofar as it pertains to tax valuations or the amount of individual taxes;*
3. *concerning the difference between the value at which items are shown in the annual balance sheet and a higher value of such items, unless the general meeting formally approves the annual financial statements;*
4. *concerning the accounting and evaluation methods, provided that the details given in the notes concerning such methods are sufficient to give an accurate portrayal of the situation regarding the assets, finances and profits of the company within the meaning of sec. 264 para. 2 of the Commercial Code; this shall not apply if the general meeting formally approves the annual financial statements;*
5. *insofar as the management board would make itself liable to prosecution by giving such information;*
6. *insofar as, in the case of a credit institution or a financial services institute, there is no requirement for information concerning the accounting and valuation methods used and set-offs made to be given in the annual financial statements, management report, consolidated financial statement or consolidated management report;*
7. *insofar as the information is continuously accessible on the website of the company from the seventh day prior to the general meeting through and during the general meeting.*

<sup>2</sup>*Information may not be denied for any other reason.*

- (4) <sup>1</sup>*If a shareholder has been given information outside of the general meeting as a result of him being a shareholder, such information shall be given to any other shareholder in the general meeting upon request, even if such information is not necessary for a proper assessment of the item on the agenda. <sup>2</sup>The management board may not refuse to give the information pursuant to para. 3 sentence 1 nos. 1 to 4. <sup>3</sup>Sentences 1 and 2 shall not apply if a subsidiary (sec. 290 paras. 1, 2 of the Commercial Code), a joint venture (sec. 310 para. 1 of the Commercial Code) or an associated enterprise (sec. 311 para. 1 of the Commercial Code) provides the information to a parent enterprise (sec. 290 paras. 1, 2 of the Commercial Code) for the purpose of the inclusion of the company in the parent enterprise's consolidated annual financial statements and the information is required for this purpose.*
- (5) *If information is denied a shareholder, such shareholder may request that his question and the reason given for the refusal of the information be recorded in the minutes of the proceedings.*

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.*

\*\*\*\*\*