

freenet AG

Büdelndorf

ISIN: DE000A0Z2ZZ5

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Invitation to the annual general meeting

In accordance with Article 2 of the German Act to Mitigate the Consequences of the COVID-19 Pandemic in Civil, Bankruptcy and Criminal Law Matters enacted 27 March 2020 (COVID-19 Relief Act) and with the approval of the Supervisory Board, we invite our shareholder to the

annual general meeting of freenet AG

to be held without the physical presence of the shareholders or their authorised representatives on

Wednesday, 27 May 2020 at 10:00 a.m. CEST.

The entire annual general meeting will be broadcast live on the Internet for shareholders. Shareholders or their authorised representatives will have no right or opportunity to be present on site. Shareholders will be exercising their voting rights exclusively by post or by authorising the proxies appointed by the company. The venue of the annual general meeting as defined by the German Stock Corporation Act (Aktengesetz – AktG) is Deelbögenkamp 4, 22297 Hamburg.

I. Agenda

- 1. Presentation of the adopted annual financial statements, the approved consolidated financial statements as well as the management reports for freenet AG and the Group, the proposal of the Executive Board regarding the appropriation of net retained profits, the report of the Supervisory Board and the explanatory report of the Executive Board regarding the information in accordance with sections 289a (1), 315 a (1) German Commercial Code (Handelsgesetzbuch – HGB) for financial year 2019**

The documents listed above will be available on the company's website at

<https://www.fn.de/hv2020>

from the day of convening the annual general meeting and also during the annual general meeting. They will be explained by the Executive Board and – in case of the report of the Supervisory Board – by the Chairman of the Supervisory Board at the annual general meeting. The Supervisory Board has approved the annual financial statements and consolidated financial statements prepared by the Executive Board; the annual financial statements have thus been adopted. A resolution by the annual general meeting is therefore not required.

- 2. Resolution regarding the appropriation of net retained profits**

The Executive Board and Supervisory Board propose that the net retained profits of 468,633,848.18 euros disclosed in the adopted annual financial statements of freenet AG for the period ending 31 December 2019 be appropriated as follows:

Payment of a dividend of 0.04 euros per eligible no-par-value share, i.e. 5,120,440.64 euros as the total amount of the dividend, and carrying forward the remaining amount of 463,513,407.54 euros to new account.

Total dividend amount	5,120,440.64	euros
Carried forward to new account	463,513,407.54	euros
Net retained profits	468,633,848.18	euros

The proposal regarding the appropriation of profit takes into account the 50,000 treasury shares held indirectly by the company at the time the annual financial statements were prepared by the Executive Board and which are not entitled to dividends pursuant to section 71b AktG. Should the number of shares entitled to dividends for the 2019 financial year change before the annual general meeting, an amended proposed resolution will be submitted to the annual general meeting, which will continue to provide for a dividend of 0.04 euros per share entitled to dividends as well as a corresponding adjustment of the total amount to be distributed and the profit carried forward.

Pursuant to section 58 (4) sentence 2 AktG, entitlement to the dividend is due on the third business day after the annual general meeting, i.e. on 2 June 2020.

3. Resolution regarding ratification of the actions of the members of the company's Executive Board for financial year 2019

The Executive Board and the Supervisory Board propose that the actions of the members of the company's Executive Board who were in office in financial year 2019 be ratified for this period.

4. Resolution regarding ratification of the actions of the members of the company's Supervisory Board for financial year 2019

The Executive Board and the Supervisory Board propose that the actions of the members of the company's Supervisory Board who were in office in financial year 2019 be ratified for this period.

5. Resolution regarding the appointment of the auditor of the annual financial statements and the auditor of the consolidated financial statements for financial year 2020 as well as the auditor for any review of the half-yearly financial report and other interim financial statements during financial year 2020 as well as financial year 2021 prior to the 2021 annual general meeting

Based on the recommendation of the audit committee, the Supervisory Board proposes that the following resolution be adopted:

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, is appointed as the auditor of the annual financial statements and the consolidated financial statements for financial year 2020 and as the auditor for any review of the interim financial report (half-yearly and quarterly financial reports) for financial year 2020 and the first quarter of financial year 2021 if and to the extent that such interim financial reports are prepared and to be reviewed prior to the 2021 annual general meeting.

In its recommendation, the Audit Committee stated that it is free from undue influence by third parties and that no restriction was imposed on it with regard to the selection of a particular auditor as defined by Article 16 (6) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities (AP-VO).

6. Resolution regarding amendments of the articles of association

Due to changes to the AktG, it is necessary to amend section 4 (5) of the articles of association. In addition, the company is to be enabled to increase its volume of communication with shareholders by electronic means, subject to their consent.

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Finally, amendments of the articles of association due to changes to the law are to be avoided where possible.

The Executive Board and Supervisory Board therefore propose that the following resolution be adopted:

- 1)
 - a) The title of section 3 is to be renamed “Section 3 Notifications; forwarding of information; references”
 - b) The existing provision in section 3 will become paragraph 1.
 - c) A second paragraph is to be inserted in section 3 with the following wording:

„2. *The company is entitled to forward information to its shareholders by means of remote data transmission, subject to the fulfilment of applicable additional statutory requirements.*”
 - d) A third paragraph is to be inserted in section 3 with the following wording:

„3. *References to provisions of the articles of association, statutory provisions or statutory regulations shall be deemed to be references to the currently applicable version of such provisions or regulations.*”
- 2)
 - a) In section 4 (5) sentence 3 of the articles of association, the second clause is to be deleted. section 4 (5) sentence 3 of the articles of association is therefore worded

as follows: *“Shareholders with registered shares have to furnish the company with the statutorily prescribed information for entry in the share register.”*

- b) The Executive Board is instructed to notify the commercial register of the amendment to section 4 (5) sentence 3 of the articles of association in such a way that the entry is carried out as soon as possible after 3 September 2020.

7. Resolution regarding the creation of new authorised capital 2020 with the authorisation to disapply pre-emption rights and the corresponding amendments of the articles of association

The annual general meeting of 12 May 2016 adopted authorised capital of 12,800,000.00 euros limited for a period of five years for issuing on one or more occasions up to 12,800,000 new shares in return for cash and/or non-cash contributions, with the possibility of disapplying pre-emption rights (authorised capital 2016; section 4 (8) of the articles of association). The authorised capital 2016 has so far not been utilised. In order to ensure that the company remains capable of strengthening its own funds in case of need and to ensure that it has planning reliability for this purpose, the authorised capital 2016 is to be cancelled and replaced by an authorised capital in the same amount and with the same terms, and the articles of association are to be amended accordingly.

The Executive Board and Supervisory Board therefore propose that the following resolution be adopted:

- 1) The authorised capital 2016 in section 4 (8) of the articles of association is cancelled with effect as of the date of entry of the new authorised capital 2020 stipulated below, insofar as the authorised capital 2016 still exists as of this date.
- 2) A new section 4 (8) is to be inserted in the articles of association:

“(8) The Executive Board is authorised, for a period of five years after this authorisation has been entered in the commercial register, to increase the share capital, with the approval of the Supervisory Board, by issuing new shares against contributions in cash and/or contributions in kind, once or several times, however by

no more than a total of 12,800,000 euros (in words: twelve million eight hundred thousand euros) (authorised capital 2020). The shareholders can also be granted the statutory pre-emption rights in such a way that the new shares are offered to one or more credit institutions and/or companies which are equivalent in accordance with section 186 (5) AktG or a group or a syndicate of credit institutions and/or such equivalent companies for purchase on condition that they offer them to the shareholders for subscription (indirect pre-emption right). The Executive Board is authorised, with the approval of the Supervisory Board, to disapply the pre-emption rights of shareholders for issues of shares in return for non-cash contributions. The Executive Board is also authorised, with the approval of the Supervisory Board, to exclude fractions from the pre-emption rights and also the pre-emption rights from being issued to persons who are or have been in an employment or work relationship with the company (apart from members of the governing bodies of the company) or with affiliated companies (employee shares). In addition, the Executive Board, with the approval of the Supervisory Board, can disapply the pre-emption rights of shareholders if the new shares are issued in return for a cash contribution for an issue price which is not significantly lower than the market price of the already listed shares of the company at the time at which the issue amount is definitively fixed (this should be as close as possible to the date on which the shares are placed). However, the authorisation to disapply the pre-emption rights in accordance with the previous sentence can only be utilised if the proportionate amount of the new shares in relation to the share capital does not exceed 10% of the share capital at the time at which this authorisation is entered in the commercial register or – if lower – at the time of the resolution on utilisation of the authorisation. The following must be deducted from this 10% limit: The proportionate amount of the share capital which is attributable to shares which may have been issued since the adoption of the resolution of the annual general meeting regarding this authorisation as a result of an authorisation to issue new shares with pre-emption rights disappplied in accordance with sections 202 (2), 203 (1), 186 (3) sentence 4 AktG or which may have been sold since the adoption of the resolution of the annual general meeting regarding this authorisation as a result of an authorisation to acquire treasury shares with the exclusion of pre-emption rights in accordance with sections 71 (1) no. 8, 186 (3) sentence 4 AktG, or subject to application of these provisions mutatis mutandis. The following must also be deducted: The proportionate amount of the share capital which is attributable to shares which can be issued as a result of bonds with an option or conversion right or an option or

conversion obligation or a right to delivery of shares of the company if these bonds have been issued in accordance with sections 221 (4) sentence 2, 186 (3) sentence 4 AktG since the adoption of a resolution of the annual general meeting regarding this authorisation. The Executive Board is also authorised, with the approval of the Supervisory Board, to define the further details of the respective capital increase and the way in which it is carried out.”

8. Resolution regarding the authorisation to issue convertible and/or option bonds and for disapplying the pre-emption rights, cancelling the authorisation of 12 May 2016, and also resolution regarding the creation of conditional capital 2020 and corresponding amendment of the articles of association; cancellation of conditional capital 2016

No use has been made of the authorisation to issue option and/or convertible bonds with the possibility of disapplying pre-emption rights which has existed since 12 May 2016. It will expire in the early summer of 2021. For the purpose of long-term planning reliability, this authorisation – including the underlying conditional capital (section 4 (7) of the articles of association) – is therefore to be replaced by a new authorisation with the same volume and with the same terms.

The Executive Board and Supervisory Board therefore propose that the following resolution be adopted:

1) Authorisation for issuing convertible and/or option bonds and for disapplying the pre-emption rights, cancelling the authorisation of 12 May 2016

The Executive Board is authorised to issue, up to 27 May 2025, on one or more occasions bearer or registered convertible and/or option bonds (together: “bonds”) with or without limited maturity with a total nominal amount of up to 640,000,000 euros, and to grant to the holders or creditors of bonds conversion or option rights relating to registered no-par value shares of the company with a proportionate amount of the share capital totalling up to 12,800,000 euros, subject to the terms of the bonds. The terms of the bonds can also establish (i) an option or conversion obligation at the end of the term or at an earlier date (“final maturity” in each case; this also covers cases in which a

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bond falls due as a result of termination) in accordance with the terms of the bond or in accordance with an exchange right or conversion right granted to the company in the terms of the bond or (ii) may specify that the company has the right, upon final maturity, to grant shares in the company to the creditors or holders of the option or convertible bonds in part or in whole instead of paying the cash amount which falls due (“right to delivery of shares”).

The bonds can be denominated in euros or in the legal currency of an OECD country, limited to the equivalent amount in euros. The bonds may also be issued by a directly or indirectly wholly-owned subsidiary of the company. For this case, the Executive Board is authorised to issue the guarantee for the bonds for the company and to grant a right to delivery of shares in relation to new registered no-par value shares of the company to the holders or creditors of conversion or option rights or option or conversion obligations or to the company.

The individual issues can be broken down into bonds with equal rights.

In the event bonds with warrants are issued, one or several warrants are attached to each individual bond that entitle and/or – based on a right to delivery of shares – oblige the holder or creditor to subscribe for registered no-par value shares of the company in accordance with the details of the bond or option terms to be determined by the Executive Board. For option bonds issued in euros by the company, the option terms may specify that the option price may also be settled in part or in whole by way of transferring bonds and, where necessary, an additional cash payment. The subscription ratio is defined by dividing the nominal amount of a bond by the option price fixed for a registered no-par-value share of the company. If this results in fractions of shares, it may be specified that these fractions can be aggregated to take up whole shares subject to the bond and option terms, where appropriate in return for an additional payment. The proportionate amount in relation to the share capital of the registered no-par-value shares of the company to be taken up for each bond must not exceed the nominal amount of the bond.

In the event convertible bonds are issued, the holders or creditors of the bonds have the right or the obligation to convert these bonds into registered no-par value shares of the company in accordance with the bond terms defined by the Executive Board, or to

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accept these shares. The conversion ratio is defined by dividing the nominal amount of a bond by the fixed conversion price for one registered no-par-value share of the company, and may be rounded up or rounded down to the nearest whole number. The conversion ratio can also be defined by dividing the issue amount of a bond which is lower than the nominal amount by the fixed conversion price for one new registered no-par-value share of the company. Moreover, an additional cash payment and the aggregation of or compensation for non-convertible fractions may be stipulated. The bond terms may provide for a variable conversion ratio and may determine the conversion price (subject to the minimum price specified in the following) within a defined range depending on the development of the market price of the shares of the company during the life of the bond. The proportionate amount in relation to the share capital of the registered no-par-value shares to be issued upon conversion must not exceed the nominal amount of the bond.

The bond terms may specify that the company may also grant treasury shares when a conversion or exercise right is exercised. The bond conditions may also specify that the company does not have to grant registered no-par-value shares of the company to the beneficiary of the convertible or option bonds, and instead may pay the consideration in cash.

The respective option or conversion price to be fixed for a no-par-value share of the company, with the exception of those cases in which there is an option or conversion obligation or a right to delivery of shares, must be at least 80% of the unweighted average closing price of the shares of the company in electronic trading on the Frankfurt Stock Exchange on the last 10 market trading days before the day of the resolution adopted by the Executive Board regarding the issue of the bonds or – if a pre-emption right is granted – must be at least 80% of the unweighted average market price of the shares of the company in electronic trading on the Frankfurt Stock Exchange on the last 10 market trading days before the start of the subscription period. In cases involving an option or conversion obligation or a right to delivery of shares, the option or conversion price (subject to the bond terms) may be at least either the minimum price specified above or the volume-weighted average price of the shares of the company in electronic trading on the Frankfurt Stock Exchange during a reference period of 15 market trading days before the day of final maturity or another defined time, even if this average price is lower than the minimum price specified above (80%). The

proportionate amount in relation to the share capital of the no-par-value shares of the company to be issued must not exceed the nominal amount of the bonds. Section 9 (1) and 199 (2) AktG are not affected.

The bond terms can specify that, during the conversion or option period, the conversion or option price can be adjusted in the following cases in order to maintain existing ratios, notwithstanding the minimum issue amount, in accordance with section 9 (1) in conjunction with section 199 (2) AktG:

- Capital increases by converting the capital reserve or revenue reserves into share capital by issuing new shares;
- Pooling shares;
- Capital increases or sales of shares in conjunction with the granting of a pre-emption right (irrespective of a disapplication of pre-emption rights for fractions), without a pre-emption right being granted to the holders or creditors of existing convertible or option bonds with conversion or option rights or conversion obligations to the extent to which they would be legally entitled after exercising the conversion or option right or after fulfilling the conversion obligation;
- Issuing further convertible or option bonds or granting or guarantee of other conversion or option rights or obligations, with the granting of an exclusive pre-emption right to the shareholders (irrespective of a disapplication of pre-emption rights for fractions), without a pre-emption right being granted to the holders or creditors of existing conversion or option rights or obligations to the extent to which they would be legally entitled after exercising the conversion or option right or after fulfilling the conversion obligation;
- Capital reductions (if not simply in the form of a reduction of the proportionate amount attributable to individual shares in relation to the share capital);
- In case of measures in accordance with the German Business Reorganisation Act (Umwandlungsgesetz – UmwG) and in case of other unusual measures or events which have an impact on the capital structure or the value of the company.

In these cases, the adjustment is carried out in accordance with section 216 (3) AktG and also in line with normal market practice in such a way that the economic value of the conversion and/or option rights or conversion obligations which existed immediately before the measure which triggered off the adjustment is not affected, as

the conversion or option price and/or the number of option or conversion rights or obligations for each bond is adjusted.

Instead of an adjustment to the conversion or option price, and subject to the conditions of the convertible or option bonds, it is also possible in all cases for the company to pay a corresponding amount in cash if the conversion or option right is exercised or if the conversion or option obligation is fulfilled.

The shareholders have the right to subscribe to the bonds. The bonds can also be acquired by one or more credit institutions, one or more companies operating in accordance with section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) of the German Banking Act (Gesetz über das Kreditwesen – KWG) or a group or a syndicate of credit institutions and/or such companies on condition that they offer a pre-emption right to the shareholders for these bonds (indirect pre-emption right). If bonds are issued by a subsidiary of the company, the company must ensure that the statutory pre-emption right is granted for the shareholders in accordance with the above sentences if the pre-emption right is not disapplied in accordance with the following provisions.

The Executive Board is authorised, by way of appropriate application of section 186 (3) sentence 4 AktG, to issue bonds (disapplying the pre-emption rights) if the issue price is not significantly lower than the hypothetical market value of the bonds determined in accordance with recognised and, in particular, actuarial methods. This authorisation to disapply pre-emption rights is only applicable if the shares which have been issued or which are to be issued for servicing the conversion and/or option rights or for fulfilling the conversion or option obligation or the right to delivery of shares overall do not account for more than 10% of the proportionate share capital at the time at which this becomes effective or – if this figure is lower – at the time at which the authorisation is exercised. This maximum figure for disapplying pre-emption rights has to be netted against the proportionate amount in relation to the share capital of shares which are issued after 27 May 2020 up to the point at which the bonds are issued (if the authorised capital is used) or which can be taken up as a result of conversion or option rights issued after 27 May 2020 or conversion or option obligations or a right to delivery of shares established after 27 May 2020, if the pre-emption rights of shareholders are disapplied in accordance with or in line with section 186 (3) sentence 4 AktG if the authorised capital is utilised or if the convertible and/or option bonds are

issued. It is also necessary to net the proportionate amount in relation to the share capital of treasury shares which the company has acquired on the basis of an authorisation in accordance with section 71 (1) no. 8 AktG and which it has sold to third parties after 27 May 2020 and up to the point at which this authorisation which has been granted is exercised in return for a cash payment with shareholders' pre-emption rights disapplied and with appropriate application of section 186 (3) sentence 4 AktG.

In addition, the Executive Board is authorised to disapply the pre-emption rights of shareholders in relation to bonds for fractions and also to disapply the pre-emption right to the extent that is necessary to be able to grant registered no-par-value shares of the company to the creditors or holders of conversion or option rights or to grant a pre-emption right to the holders or creditors of bonds with conversion or option obligations or a right to delivery of shares to the extent to which they would be entitled after the conversion or option right or right to delivery of shares has been exercised or when the conversion or option obligation is fulfilled.

The Executive Board is authorised, subject to the principles defined in this authorisation, to define the further details of the issue and terms of the bonds and the corresponding conditions or to define these details with the approval of the governing bodies of the issuing direct or indirect subsidiary. This is applicable particularly in relation to conversion or option rights or obligations or rights to delivery of shares, the coupon, the type of interest, the maturity and denomination, the conversion or option period, the definition of an additional cash payment, compensation for or pooling of fractions, dilution protection provisions, cash payment instead of delivery of registered no-par-value shares and the delivery of existing instead of the issuing of new registered no-par-value shares.

The Supervisory Board can specify that measures on the basis of this authorisation may be carried out only with the approval of the Supervisory Board or the approval of a Supervisory Board Committee.

This authorisation will become effective at the point at which the conditional capital adopted under 2) becomes effective.

2) Conditional capital and amendment of the articles of association**a) Conditional capital 2020**

The company's share capital is increased subject to a conditional capital increase of up to 12,8000,00 million euros by issuing up to 12,800,000 new no-par-value registered shares, with each individual no-par-value share accounting for 1.00 euro of the share capital (Conditional Capital 2020). The purpose of the conditional capital increase is to enable registered no-par-value shares to be granted to the holders or creditors of convertible and/or bonds with warrants which are issued by the company or one of its direct or indirect subsidiaries on the basis of the authorisation as adopted by the annual general meeting of 27 May 2020 under agenda item 8, 1) and which provides a conversion or option right or a right to delivery of shares of the company in relation to the registered no-par-value shares of the company or which establishes a conversion or option obligation in relation to these shares. The shares are issued at the conversion or option price to be determined according to the authorisation resolution described above.

The conditional capital increase is to be carried out only if bonds are issued in accordance with the authorisation resolution adopted by the annual general meeting on 27 May 2020 (agenda item 8) and to the extent to which conversion or option rights or a right to delivery of shares are utilised or to which holders or creditors with a conversion or option obligation meet their conversion or option obligation and if treasury shares are not used for settlement or if the company does not provide a cash settlement. The new registered no-par-value shares participate in the profits from the beginning of the financial year in which they are created. The Executive Board is authorised to determine the further details of carrying out the conditional capital increase.

b) Amendment of the Articles of Association

The following paragraph 7 shall be added to Article 4 of the Articles of Association:

“The company's share capital is increased subject to a conditional capital increase of up to 12,8000,00 million euros by issuing up to 12,800,000 new no-par-value registered shares, with each individual no-par-value share accounting for 1.00 euro of

the share capital (Conditional Capital 2020). The purpose of the conditional capital increase is to enable registered no-par-value shares to be granted to the holders or creditors of convertible and/or bonds with warrants which are issued by the company or one of its direct or indirect subsidiaries on the basis of the authorisation as adopted by the annual general meeting of 27 May 2020 under agenda item 8, 1) and which provides a conversion or option right or a right to delivery of shares of the company in relation to the registered no-par-value shares of the company or which establishes a conversion or option obligation in relation to these shares. The shares are issued at the conversion or option price to be determined according to the authorisation resolution described above.

The conditional capital increase is to be carried out only if bonds are issued in accordance with the authorisation resolution adopted by the annual general meeting on 27 May 2020 (agenda item 8) and to the extent to which conversion or option rights or a right to delivery of shares are utilised or to which holders or creditors with a conversion or option obligation meet their conversion or option obligation and if treasury shares are not used for settlement or if the company does not provide a cash settlement. The new registered no-par-value shares participate in the profits from the beginning of the financial year in which they are created. The Executive Board is authorised to determine the further details of carrying out the conditional capital increase.

3) Cancellation of the existing authorisation and of conditional capital 2016

The authorisation resolution of the annual general meeting of 12 May 2016 (agenda item 10, letter A)) is cancelled at the point at which the authorisation resolution in accordance with 1) as well as the conditional capital 2020 and the amendment of the articles of association in accordance with 2) a) and b) become effective. The existing authorisation can be utilised until that time. The resolution regarding the conditional capital 2016 of 12 May 2016 (agenda item 10, letter B) a)) as well as section 4 (7) of the articles of association are cancelled. The Executive Board is instructed to notify for entry the cancellation of the conditional capital 2016 of 12 May 2016 (agenda item 10, letter B) a)) as well as section 4 (7) of the articles of association in such a way that the

entry is carried out immediately before the entry of the new conditional capital 2020 and section 4 (7) of the articles of association in the resolution of 27 May 2020.

9. Resolution regarding the authorisation to acquire and use treasury shares in accordance with section 71 (1) no. 8 AktG, including the authorisation to retire treasury shares and reduce capital as well as the authorisation to disapply put options and pre-emption rights; cancellation of the existing authorisation

The annual general meeting of 12 May 2016 has adopted an authorisation for the acquisition of treasury shares; this has so far not been utilised.

In order to be able to continue to acquire and use treasury shares with adequate planning reliability in future, the Executive Board is again to be authorised to acquire treasury shares, and the currently existing authorisation is to be cancelled in accordance with section 71 (1) no. 8 AktG.

The Executive Board and Supervisory Board therefore propose that the following resolution be adopted:

- 1) The Executive Board is authorised, with the approval of the Supervisory Board, on one or more occasions to acquire treasury shares of up to a total of 10% of the share capital existing at the time of the resolution on 27 May 2020 or, if this amount is lower, the share capital existing at the time at which the authorisation is exercised; this authorisation is applicable for every permissible purpose subject to the statutory restrictions and in line with the following requirements.

The authorisation will become effective with the resolution on 27 May 2020 and is applicable until 26 May 2025. The authorisation can be utilised by the company and also by dependent entities of the company or by entities in which the company holds a majority interest or else for its or their account by third parties engaged by the company or by such an entity.

At the choice of the Executive Board, the acquisition in each case shall be carried out (i) via the stock exchange, (ii) by means of a public offer to purchase shares, (iii) by means of a public invitation to submit offers to sell shares or (iv) by way of issuing put options to the shareholders.

- In the event of an acquisition via the stock exchange, the consideration per share paid by the company (excluding incidental purchasing costs) must not be more than 10% higher or lower than the average of the share price of the company in the closing auction in electronic trading on the Frankfurt Stock Exchange on the three market trading days preceding the day on which the obligation to purchase shares is taken on.
- In the event of a public invitation to submit offers to sell shares, the consideration per share paid by the company (excluding incidental purchasing costs) must not be more than 10% higher and must not be more than 20% lower than the average of the share price of the company in the closing auction in electronic trading on the Frankfurt Stock Exchange on the last three market trading days preceding the reference date; the reference date is the date on which the Executive Board definitively makes a formal decision on publication of the request to submit offers to sell shares or its adjustment. The company may prescribe a purchase price range.
- In the event of a public offer to purchase shares or an acquisition by way of granting put options, the consideration per share paid by the company (excluding incidental purchasing costs) must not be more than 10% higher or more than 20% lower than the average of the share price of the company in the closing auction in electronic trading on the Frankfurt Stock Exchange on the last three market trading days preceding the reference date. The reference date is the date of publication of the public purchase offer or of the purchase offer subject to the grant of put options or of the respective adjustment.

If, after the publication of a public offer to purchase shares or a public invitation to submit offers to sell shares or after the granting of put options, the share price differs considerably from the offered purchase or selling price or the limits of any purchase or selling price range, the offer to purchase shares, the invitation to submit offers to sell shares or the put options can be adjusted. In this case, the relevant amount is based on the corresponding price on the last market trading day before the publication of the adjustment; this amount is subject to the condition

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that the price which is paid must not be more than 10% higher or more than 20% lower than the averages detailed above.

The volume of a public offer to purchase shares or a public invitation to submit offers to sell shares can be limited. If a public offer to purchase shares or if a public invitation to submit offers to sell shares is oversubscribed, the acquisition or the acceptance must be scaled down in the ratio of the respective shares which are offered and which have to be taken into consideration (tendering ratios), with a potential right of the shareholders for tendering their shares being partially disappplied. In addition, a provision may be made for preferential acquisition or preferential acceptance of small quantities of up to 50 tendered shares per shareholder as well as rounding in accordance with commercial principles with a potential right of shareholders for tendering their shares being partially disappplied.

The volume of the put options which overall are offered to the shareholders can also be limited. If put options are granted to the shareholders for the purpose of the acquisition, these put options are allocated to the shareholders in the ratio of their shareholding compared with the ratio of the volume of shares to be repurchased by the company to the share capital. Fractions of put options do not have to be allocated; any partial put options are disappplied for this case.

The Executive Board is responsible for defining the details of the respective acquisition, in particular any offer to purchase shares or any invitation to submit offers to purchase shares. This is also applicable for the details regarding any put options, particularly with regard to the contents, the term and where appropriate their negotiability. Due consideration also has to be given to restrictions and requirements of capital market law and other statutory restrictions and requirements.

- 2) The Executive Board is authorised to use the treasury shares acquired on the basis of this authorisation or previous authorisations as follows:
 - a) The shares can be sold via the stock exchange or via a public offer to all shareholders in the ratio of their shareholding; in the case of an offer to all shareholders, the pre-emption right for fractions is disappplied.

- b) The shares can also be sold otherwise in return for cash payment at a price which is not significantly lower than the market price of the shares of the company with the same terms at the time of the sale. The proportionate amount of the share capital attributable to the number of shares sold under the terms of this letter B) must not exceed 10% of the share capital existing at the time of the adoption of the resolution of the annual general meeting regarding this authorisation or – if this is lower – the share capital of the company existing at the time at which this authorisation is exercised. The proportionate amount of the share capital of new shares which have been issued after the adoption of the resolution of the annual general meeting regarding this authorisation up to the point of the disposal of the shares as a result of authorisations for issuing shares out of authorised capital subject to the disapplication of pre-emption rights in accordance with sections 203 (1), 186 (3) sentence 4 AktG must be netted against the 10% limit. The proportionate amount of the share capital which is attributable to shares which can be issued and/or are issued as a result of bonds with an option or conversion right or an option or conversion obligation or a stock delivery right of the company, to the extent that these bonds have been issued as a result of authorisations in accordance with sections 221 (4), 186 (3) sentence 4 AktG since the adoption of the resolution of the annual general meeting regarding the authorisation up to the point at which the shares are sold, must also be netted against the 10% limit.
- c) The shares can be offered and transferred to third parties as a (partial) consideration for the direct or indirect acquisition of companies, parts of companies or equity interests in companies or other assets, including real assets and receivables (including receivables due from the company) or within the framework of business combinations.
- d) The shares can be offered for sale to persons who are or have been in an employment or work relationship with the company (with the exception of members of the governing bodies of the company) or a subsidiary, or can be transferred to such persons.
- e) The shares can be used for fulfilling option or conversion rights or conversion or conversion obligations or a right to delivery of shares of the company resulting

from option and/or convertible bonds which the company or a direct or indirect subsidiary of the company will issue on the basis of an authorisation of the annual general meeting.

- f) The Executive Board is also authorised to retire treasury shares without a further resolution of the annual general meeting being required for such retirement and the performance of the retirement. In accordance with section 237 (3) no. 3 AktG, the retirement can be carried out without a capital reduction in such a way that, as a result of the retirement, there is an increase in the proportion of other shares of the company in relation to the share capital in accordance with section 8 (3) AktG. In accordance with section 237 (3) no. 3, second clause AktG, the Executive Board is authorised to adjust the disclosure of the number of shares in the articles of association accordingly. The retirement can also be linked with a capital reduction; in this case, the Executive Board is authorised to reduce the share capital by the proportionate amount of share capital which is attributable to the retired shares, and the Supervisory Board is authorised to adjust the disclosure of the number of shares and the share capital in the articles of association accordingly.

- 3) The pre-emption rights of the shareholders in relation to the shares used in accordance with point 2) are disapplied as detailed in point 2) a) and in other respects to the extent that these shares are used in accordance with the above authorisations detailed in points 2) b), c), d) and e).

- 4) The authorisations for acquiring treasury shares and for disposing of or otherwise using or retiring such shares can be exercised independently of each other, on one or several occasions, in part or also in their entirety. If shares are used as a consideration, this can also be carried out in combination with other forms of consideration. They also cover the use of shares of the company which may be held by the company or an affiliated company at the time at which the resolution regarding this authorisation is adopted.

- 5) The Supervisory Board can specify that measures in accordance with these authorisations can only be carried out with the approval of the Supervisory Board or the approval of a Supervisory Board Committee.

- 6) The authorisation to acquire treasury shares granted by the resolution of the annual general meeting of 12 May 2016 (agenda item 8) is cancelled at the point at which this resolution becomes effective and is replaced by this resolution.

10. Resolution regarding the authorisation to use equity derivatives within the framework of the acquisition of treasury shares in accordance with section 71 (1) no. 8 AktG and also regarding the disapplication of put options and pre-emption rights; cancellation of the existing authorisation

As an extension to the authorisation for the acquisition of treasury shares in accordance with section 71 (1) no. 8 AktG proposed for the adoption of a resolution under agenda item 9, the company is to be authorised to acquire treasury shares, including the use of equity derivatives, with the cancellation of the existing corresponding authorisation of 12 May 2016. This does not result in an increase in the maximum volume of shares which is permitted to be purchased; it only provides further alternatives to acquire treasury shares.

The Executive Board and Supervisory Board therefore propose that the following resolution be adopted:

- 1) As an extension of the authorisation to acquire treasury shares in accordance with section 71 (1) no. 8 AktG proposed for the adoption of a resolution under agenda item 9 of the annual general meeting of 27 May 2020, shares of the company may be acquired by the means described under that agenda item 9 and also by means of using equity derivatives. The Executive Board is authorised to acquire options which entitle the company to acquire shares of the company by way of exercising the options (call options). The Executive Board is also authorised to sell options which oblige the company, when the options are exercised by their holders, to acquire shares of the company (put options). In addition, the acquisition can be carried out using a combination of call and put options or forward purchase contracts (these instruments are also referred to hereinafter, individually or in combination with one another, as “equity derivatives”) and also by using other equity derivatives, as detailed in the following. The authorisation will become effective with the resolution on 27 May 2020 and is applicable until 26 May 2025.

The authorisation may be exercised in part or in whole, through one or more transactions, including different types of transactions. The authorisation can be utilised by the company and also by dependent or majority-owned entities or else for its or their account by third parties engaged by the company or by such an entity.

All acquisitions of shares using equity derivatives are limited to shares with a volume not exceeding 5% of the share capital existing at the time of the resolution of the annual general meeting or – if this amount is lower – the share capital existing at the time at which this authorisation is exercised.

- 2) The equity derivatives must be concluded with one or more credit institution(s), one or more companies operating in accordance with section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) KWG or a group or syndicate of credit institutions and/or such companies. They must be designed in such a way as to ensure that the equity derivatives are only implemented with shares which have been acquired in line with the principle of equal treatment for the shareholders; this requirement is satisfied if the shares are acquired via the stock exchange. The term of the equity derivatives must not exceed 18 months in each case, and must be chosen in such a way that the shares cannot be acquired after 26 May 2025. The acquisition or disposal price (option premium) paid for call options or received for put options or paid or received by the company for a combination of call and put options must not be significantly higher or lower than the theoretical market value established using recognised actuarial methods. An agreed forward rate must not be significantly higher than the theoretical forward rate established using recognised actuarial methods.
- 3) The consideration for the acquisition of a share as a result of the exercising of a put option, consisting of the purchase price/exercise price of the share which is agreed in the option and which is payable when the put option is exercised or the purchase price payable upon the maturity of the forward purchase (excluding incidental purchasing costs, but including the option premium or forward rate) must not be more than 10% higher or more than 20% lower than the market price of the shares of the company established by the opening auction in electronic trading on the Frankfurt Stock Exchange on the day on which the relevant

transaction is concluded. The consideration for the acquisition of a share as a result of the exercising of a call option, consisting of the purchase price/exercise price for the share which is agreed in the option and which is payable upon the exercising of the call option (excluding incidental purchasing costs, but including the option premium paid) must not be more than 10% higher or more than 10% lower than the average of the market prices of the shares of the company established by the closing auctions in electronic trading on the Frankfurt Stock Exchange on the three market trading days preceding the day on which the call option is exercised.

- 4) Furthermore, it can be agreed with one or more of the credit institutions specified in point 2) and/or equivalent companies that such credit institutions or equivalent companies deliver to the company within a pre-defined period a previously specified quantity of shares or a previously specified Euro consideration in relation to shares of the company. The price for which the company acquires treasury shares must feature a discount to the arithmetic mean of the volume-weighted average prices of shares in electronic trading on the Frankfurt Stock Exchange, calculated over a previously defined number of market trading days. However, the price of the shares must not be more than 20% lower than the above-mentioned mean. In addition, the credit institutions specified in point 2) and/or equivalent companies must undertake to purchase the shares to be delivered on the market at prices which are within the range which would be applicable if the company itself were to directly acquire the shares via the stock exchange.
- 5) If treasury shares are acquired using equity derivatives in accordance with the above-mentioned provisions, any shareholder rights to conclude such equity derivatives with the company as well as any put option of the shareholders are disapplied.
- 6) The provisions defined in points 2) and 4) of the resolution proposal relating to agenda item 9 of the annual general meeting of 27 May 2020 are applicable accordingly for the use of treasury shares which are acquired using equity derivatives. The pre-emption right of shareholders in relation to treasury shares is disapplied in accordance with point 2) a) of the above-mentioned resolution proposal and also to the extent that these shares are used in accordance with the

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authorisations in point 2) b), c), d) or e) of the resolution proposal in relation to agenda item 9.

- 7) The Supervisory Board can specify that measures in accordance with these authorisations can only be carried out with the approval of the Supervisory Board or the approval of a Supervisory Board Committee.
- 8) The authorisation to acquire treasury shares using equity derivatives granted by the resolution of the annual general meeting of 12 May 2016 (agenda item 9) is cancelled at the point at which this resolution becomes effective and is replaced by this resolution.

II. Report to the annual general meeting regarding the agenda items 7, 8, 9 and 10**1. Report to the annual general meeting regarding agenda item 7**

Under agenda item 7, the Executive Board and Supervisory Board propose that new authorised capital totalling 12,800,000 euros should be created for a duration of 5 years by way of the amendment to the articles of association.

For this purpose, the Executive Board submits a written report in accordance with sections 203 (2), 186 (4) sentence 2 AktG, which is published in full in the following:

Report regarding agenda item 7

The authorisation for issuing new shares in accordance with section 4 (8) of the articles of association proposed by the annual general meeting 2020 under agenda item 7 can be utilised subject to the statutory pre-emption rights of the shareholders, also in the form of indirect pre-emption rights.

Authorisation to disapply pre-emption rights

However, the authorisation to issue new shares also comprises the authorisation of the Executive Board, with the approval of the Supervisory Board, to disapply the statutory pre-emption rights of shareholders. This is also applicable for cases in which the consideration for non-cash contributions is provided partially in the form of shares which are issued and partially in the form of a cash payment or other consideration (possibly also treasury shares). The authorisation for disapplying pre-emption rights serves the following purposes:

- 1) The Executive Board and Supervisory Board are to have the opportunity of being able to access authorised capital for the purpose of the business combination or for the acquisition of equity interests, companies or parts of companies as a non-cash contribution in return for issuing shares of the company. A contribution of equity interests, companies and parts of companies to a subsidiary of the company or a business combination with a subsidiary may also be considered.

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The value at which the new shares are issued in this case depends on the specific circumstances of the individual case and also on the timing. In fixing the price, the Executive Board and Supervisory Board will take into consideration the interests of the company and, where possible, the market price.

As has been the case in the past, the Executive Board constantly reviews opportunities for the company to acquire companies, parts of companies or equity interests in companies which are operating in the business area of the company. The acquisition of such equity interests, companies or parts of companies in return for the granting of shares is in the interest of the company if the acquisition can consolidate or strengthen the respective market position of the freenet Group or if it enables the freenet Group to break into new areas of operation or if it makes it easier for the freenet Group to do so. In order to be able to take account of the interests of the vendor or the company in a payment in the form of shares of the company for such acquisitions in a prompt and flexible manner, it is necessary, if it is not possible and not intended for treasury shares to be used, that the Executive Board is authorised to issue new shares with pre-emption rights of the shareholders disapplied with the approval of the Supervisory Board. Because the shares are to be issued at a price which, as far as possible, reflects the market price, interested shareholders are able, at a time which is closely linked with an issue of new shares which is carried out for the above-mentioned purposes, and for which the pre-emption right of shareholders is disapplied, to acquire shares at the market price and thus subject to essentially equivalent conditions via the stock exchange.

In view of the above considerations, from the point of view of the Executive Board, the proposed authorisation to issue new shares is in the interest of the company and may justify the disapplication of shareholders' pre-emption rights in individual cases. Accordingly, for each individual acquisition, the Executive Board and the Supervisory Board will assess and consider whether the acquisition in return for the issue of shares subject to the disapplication of pre-emption rights is necessary and in the interest of the company.

- 2) The proposed authorisation in section 4 (8) of the articles of association is also intended to enable the Executive Board and Supervisory Board to also use the authorised capital for issuing shares as a consideration in return for the contribution of other assets which can be contributed as non-cash assets, and in particular licences, commercial property rights, receivables (including receivables due from the company – also dividends receivable – or

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due from subsidiaries), real estate and rights relating to real estate. In the above-mentioned cases, the granting of shares is in the interest of the company if the assets which are contributed in the form of a non-cash contribution are of benefit for the activity of the company or the acquisition is beneficial for the financial position, net assets or results of operations of the company, also in the form of a reduction of debt, and an acquisition in return for a cash payment is not possible at all or is not possible subject to reasonable conditions.

The decision as to whether new shares of the company are to be granted as a consideration must always be taken by the Executive Board with the approval of the Supervisory Board, with due consideration of the interest of the company in relation to the specific measure, the necessity of granting shares and the valuation. The considerations regarding the issue amount specified under point 1 are applicable accordingly.

- 3) Instead of the non-cash contributions specified in the above points 1) and 2), the obligation to transfer the asset to the company can also be contributed as a non-cash contribution if the payment is due within five years after the performance of the capital increase has been recorded.
- 4) In addition, the Executive Board, as a result of the authorised capital in section 4 (8) of the articles of association, is to be given the opportunity of issuing shares to persons who are in an employment or work relationship with the company or with affiliated companies (with the exception of members of the governing bodies of the company) (employees' shares) in return for cash contributions, netting of salary claims, the contribution of payment claims and/or other assets. At present, it is of course not possible to provide any details of any issue amounts. The Executive Board will fix a reasonable issue amount with due consideration being given to the interests of the company and its shareholders as well as the respective purpose, in line with the market price. The issue price of the new shares should only be lower than the current market price of the already listed shares to the extent that this is not unusual for employees' shares.
- 5) If the administration utilises the authorisation to increase the capital in conjunction with the statutory shareholder pre-emption rights, it may be necessary for the pre-emption right to be disapplied for fractions in order to achieve practical subscription figures. The Executive Board is also authorised to do this with the approval of the Supervisory Board.

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If the pre-emption rights were not disapplied with regard to fractions, it might not be possible under certain circumstances to carry out a capital increase particularly by a round figure or to a round figure with a practical subscription ratio. The new shares which are excluded as fractions from the pre-emption rights of shareholders are either sold via the stock exchange or are otherwise utilised for the company in an optimum manner.

- 6) The Executive Board and Supervisory Board are also to be given the opportunity, in line with the statutory provision in sections 203 (1) sentence 1, 186 (3) sentence 4 AktG, to issue new shares in a manner other than safeguarding the statutory pre-emption rights of shareholders if the issue for cash payment is carried out for an issue amount which is not significantly lower than the market price of the shares of the company.

The possibility of issuing new shares as described above is in the interest of the company and the shareholders since, as a result of issuing shares for instance to institutional investors, it is possible for additional domestic and international shareholders to be gained. The company is also enabled to adjust its equity and bring it into line with the respective business requirements and to respond quickly and in a flexible manner to favourable situations on the market. The shareholders' interests in relation to assets and voting rights are safeguarded. In view of the low volume of authorised capital of approximately 10% of share capital and the fact that the authorisation to disapply pre-emption rights is limited to max. 10% of the share capital (with due consideration being given to equivalent measures), the shareholders do not suffer any disadvantage as the shares are only permitted to be issued for a price which is not significantly lower than the market price of the shares of the company at the time of the sale. Interested shareholders are therefore able to acquire a number of shares necessary for maintaining the percentage of their shareholding in relation to all shares via the stock exchange at conditions which are essentially equivalent.

At present, there are no specific plans for using the authorised capital 2020.

Reporting

The Executive Board will always carefully assess whether the utilisation of the authorised capital 2020 and the disapplication of shareholders' pre-emption rights are in the interest of the company and its shareholders. The Executive Board will report to the annual general meeting with regard to any utilisation of the authorised capital 2020.

2. Report to the annual general meeting regarding agenda item 8

Under agenda item 8, the Executive Board and Supervisory Board propose that the existing authorisation to issue bonds which has not been utilised and the conditional capital 2016 should be cancelled, and that a new resolution should be adopted regarding authorisation for issuing option and/or convertible bonds and a new conditional capital, and that the articles of association should be amended accordingly in order to achieve planning reliability for the next few years.

The Executive Board submits a written report regarding the authorisation to disapply the pre-emption right within the framework of the new authorisation proposed in accordance with sections 221 (4) sentence 2, 186 (4) sentence 2 AktG, which is published in full in the following:

Report regarding agenda item 8

For the company, in addition to the traditional methods of raising equity and borrowings, the issuing of bonds in the form of option and/or convertible bonds provides the opportunity of taking advantage of attractive financing opportunities on the capital market depending on the market situation and thus also to replace any borrowings which may exist. For the above-mentioned reasons, a proposal will again be submitted to the annual general meeting regarding the creation of an authorisation to issue such bonds.

The issuing of bonds enables the company to raise debt which, depending on the terms of the bonds, can be classified as equity or similar to equity for rating purposes and also for accounting purposes. The conversion and option premiums which are received and also the recognition in equity benefit the capital base of the company. The further options, in addition to the granting of conversion and/or option rights of also establishing conversion or option obligations or a right to delivery of shares or a combination of convertible bonds and option bonds, extend the scope for the terms of these financing instruments. The authorisation also enables the company to place the bonds itself or via its direct or indirect subsidiaries.

In principle, the shareholders are entitled to a statutory pre-emption right, which can also be granted as an indirect pre-emption right. However, subject to the following conditions, it should also be possible for the pre-emption right to be disappplied:

The Executive Board is to be authorised to disapply the pre-emption rights in accordance with section 186 (3) sentence 4 AktG if the issue of shares as a result of conversion or option rights, rights to delivery of shares or conversion or option obligations is restricted to 10% or less of the share capital of the company. This maximum limit for the simplified disapplication of pre-emption rights will be reduced on account of netting, if the measures stipulated in the authorisation are carried out while disapplying pre-emption rights. This ensures that, unless a further resolution is adopted by the annual general meeting, no bonds are issued if this would mean that the pre-emption rights of shareholders would in total be disappplied for more than 10% of the share capital with the direct or corresponding application of section 186 (3) sentence 4 AktG. This further restriction is in the interest of the shareholders who, in the event of corporate actions, wish to maintain their percentage stake as far as possible.

In the event of such a disapplication of pre-emption rights, the relevant application of section 186 (3) sentence 4 AktG results in the need for the issue price of the bonds to be fixed at a level which is not significantly lower than the market value. This takes account of the shareholders' need for protection with regard to a dilution of their shareholdings. Because the issue price of the bonds as specified in the authorisation is not significantly lower than the calculated market value, the value of a pre-emption right would decline to virtually zero. In order to ensure compliance with this requirement for the issuing of bonds, the issue price must not be significantly lower than the theoretical market value of the bonds calculated in accordance with recognised and, in particular, actuarial methods. This guarantees that shareholders are protected against any dilution in their shareholding and the shareholders do not suffer any financial disadvantage as a result of having their pre-emption rights disappplied. Shareholders who wish to maintain their percentage interest in the share capital of the company can do so by means of additional purchases via the market.

With the option described above for disapplying the pre-emption rights, the company is given the flexibility of quickly taking advantage of favourable situations on the capital market, and the company is enabled to take advantage, in a flexible manner and at short notice, of a low level of interest rates or a favourable demand situation for an issue. The relevant aspect is that, unlike a situation involving an issue of bonds with pre-emption rights, the issue price can only be fixed immediately before the placing, which means that an increased risk of price changes during a subscription period can be avoided and the issue proceeds can be maximised in the interest of all shareholders. In addition, there are further benefits due to the absence of the lead time which is associated with pre-emption rights with regard to the costs of raising funds and also with regard to

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the placing risk. With a placing which does not involve pre-emption rights, the safety margin which would otherwise be necessary and also the placing risk can be reduced, and there can be a corresponding reduction in the costs of raising funds for the benefit of the company and its shareholders.

The Executive Board is also authorised, with the approval of the Supervisory Board, to exclude fractions from the pre-emption rights. Such fractions may result from the amount of the respective issue volume and the need to present a practical subscription ratio. In these cases, the processing of the issue is facilitated by a disapplication of the pre-emption rights. The fractions which are excluded from the pre-emption rights of shareholders are either sold via the stock exchange or are otherwise utilised for the company in an optimum manner.

The Executive Board is also to be given the opportunity, with the approval of the Supervisory Board, of disapplying the pre-emption rights of shareholders in order to grant the creditors or holders of conversion and/or option rights or bonds featuring conversion or option obligations or rights to delivery of shares a pre-emption right to the extent to which they would be entitled after the conversion or option rights or rights to delivery of shares had been exercised or after the conversion or option obligations had been fulfilled. In general, the option or conversion conditions contain clauses which serve to protect the holders or creditors of option or conversion rights against dilution. This means that these financing instruments can be better placed on the market. A pre-emption right of holders or creditors of existing option or conversion rights or option or conversion obligations or share acceptance obligations provides the opportunity of preventing the option or conversion price for the holders or creditors having to be reduced in the event of the authorisation being utilised. This guarantees a higher issue price for the shares to be issued when the option or conversion is exercised. Because this facilitates the placing of the issue, the disapplication of pre-emption rights serves the interests of the shareholders in relation to an optimum financial structure of their company.

If the proposed authorisation is utilised, the Executive Board will submit a corresponding report at the next annual general meeting.

3. Report to the annual general meeting regarding agenda item 9

Under agenda item 9, the Executive Board and Supervisory Board propose that the company should be authorised, in accordance with section 71 (1) no. 8 AktG in line with standard company

practice (with the existing authorisation being cancelled), to acquire treasury shares in an amount of up to 10% of the share capital existing at the time of the resolution on 27 May 2020 or – if this figure is lower – the share capital existing at the time at which this authorisation is exercised.

For this purpose, in accordance with section 71 (1) no. 8 in conjunction with section 186 (4) sentence 2 AktG, the Executive Board submits a written report which is published in full in the following:

Report regarding agenda item 9

General

The existing authorisation to acquire treasury shares in accordance with section 71 (1) no. 8 AktG in line with the resolution of the annual general meeting of 12 May 2016 is due to expire on 11 May 2021. In order to provide planning reliability for the next few years, the Executive Board is again to be authorised to acquire treasury shares in accordance with section 71 (1) no. 8 AktG. Accordingly, at the annual general meeting of 27 May 2020, a new authorisation is to be created and the existing authorisation is to be cancelled.

The Supervisory Board can specify that measures as a result of this authorisation can be carried out only with the approval of the Supervisory Board or the approval of a Supervisory Board Committee.

Acquisition

With regard to the acquisition of treasury shares, the principle of equal treatment in accordance with section 53a AktG must be safeguarded. The proposed acquisition of the shares via the stock exchange, by way of a public offer to purchase shares, a public invitation to submit offers to sell shares or by the granting of put options to the shareholders takes account of this principle. However, even in the case of such an acquisition, it may become necessary to exclude fractions or not to allocate fractions of put options in order to permit practical processing. Accordingly, any partial put options are disappplied.

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If a public offer to purchase shares or a public invitation to submit offer to sell shares is oversubscribed, i.e. more shares are in total offered to the company than are to be purchased by the company, the acceptance must be scaled down on the basis of ratios. The relevant factor is accordingly the ratio of the number of shares offered by individual shareholders with respect to each other. On the other hand, the total number of shares held by a shareholder who offers the shares for sale is not the decisive factor. This is because only the shares which are offered are available to be purchased. Moreover, it would not be practical for the shareholding of the individual shareholder to be checked. Accordingly, any right of the shareholders to tender their shares is partially disapplied. In addition, in such a case it is possible to provide for preferential acceptance of small quantities of up to 50 tendered shares per shareholder as well as rounding in accordance with commercial principles. The purpose of these options is to avoid fractions for defining the ratios to be acquired and minor residual holdings and thus to facilitate technical processing. Here too, any right of the shareholders for tendering their shares is accordingly partially disapplied.

Disposal and other utilisation

In accordance with the proposed authorisation, the treasury shares acquired by the company can either be retired or resold by way of a public offer to all shareholders in accordance with their percentage shareholding or via the stock exchange. With the two latter possibilities of disposing of the acquired treasury shares, the right of shareholders to equal treatment is also safeguarded when the shares are disposed of. However, in accordance with sections 71 (1) no. 8, 186 (3) AktG, in the following cases, there should be the possibility of disapplying the pre-emption rights of shareholders or the pre-emption rights of shareholders is necessarily disapplied:

a) Firstly, the Executive Board is authorised, in the event of an offer to all shareholders, to exclude fractions from the pre-emption right in order to achieve round figures. If the pre-emption rights were not to be disapplied with regard to fractions, the technical performance of the disposal and the exercising of the pre-emption right would be much more difficult. The new shares which are excluded as fractions from the pre-emption rights of shareholders are either sold via the stock exchange or are otherwise utilised for the company in an optimum manner.

b) In line with the statutory provision in section 71 (1) no. 8 sentence 5 AktG, the proposed authorisation also specifies that the Executive Board can dispose of the acquired treasury shares in a manner other than via the stock exchange or via an offer to all shareholders if the acquired

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treasury shares, in line with the provision laid down in section 186 (3) sentence 4 AktG, are sold in return for cash payment for a price which is not significantly lower than the market price of the shares of the company with the same terms at the time of the disposal. The time of the disposal is defined as the time at which the obligation to transfer shares is entered into, even if this is still conditional. If the transfer is not preceded by a separate obligation, the time of the disposal is defined as the time of the transfer. This is also applicable if the time of the transfer is specified as the relevant time in the obligation agreement. The disposal price for the treasury shares is definitively defined just before the disposal of the treasury shares. This possibility of disposing of treasury shares is limited to 10% of the respective share capital, with due consideration being given to the netting specified in the resolution proposal.

The possibility of selling treasury shares as described above is in the interest of the company and the shareholders since, as a result of selling shares for instance to institutional investors, it is possible for additional domestic and international shareholders to be gained. The company is also enabled to adjust its equity and bring it into line with the respective business requirements and to respond quickly and in a flexible manner to favourable situations on the market. The shareholders' interests in relation to assets and voting rights are safeguarded. In view of the low volume of max. 10%, the shareholders do not suffer any disadvantage, as the shares sold subject to the disapplication of the pre-emption right of shareholders are only permitted to be sold for a price which is not significantly lower than the market price of the shares of the company at the time of the sale. Interested shareholders are therefore able to acquire via the stock exchange a number of shares necessary for maintaining their percentage of external shares at conditions which are essentially equivalent.

c) The company is also to have the opportunity of being able to offer treasury shares as a consideration within the framework of business combinations and in the case of acquisitions (including indirect acquisitions) of companies, parts of companies or equity interests or other assets including real estate and receivables (including receivables due from the company – also dividends receivable – or due from subsidiaries).

The price for which treasury shares are used in this case depends on the specific circumstances of the individual case and also on the specific time. For the purpose of fixing the price, the Executive Board will focus on the interests of the company and, where possible, the market price.

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The acquisition of equity interests, companies or parts of companies is in the interest of the company if the acquisition is likely to consolidate or strengthen the market position of the freenet Group or if it will enable the company to break into new areas of operation or facilitate this process. In the other cases of the acquisition of assets including real estate and receivables, the granting of shares is in the interest of the company if the acquired assets are beneficial for the activity of the company or are advantageous for the financial position, net assets or results of operations of the company and an acquisition in return for cash payment is not possible or is not possible subject to reasonable conditions.

In order to be able to take account of a legitimate interest of the vendors or the company in relation to payment (possibly also proportionate payment) in the form of shares of the company for such acquisitions in a timely and flexible manner, it is necessary, if there is no possibility or intention of using authorised capital, for the Executive Board to be authorised to use treasury shares with shareholders' pre-emption rights being disapplied. Because the volume of treasury shares will be limited and because the shares are to be issued for a price which, where possible, is linked to the market price, interested shareholders have the possibility of acquiring additional shares via the stock exchange subject to essentially equivalent conditions at a time which is closely linked with a disposal of treasury shares which is carried out for the above-mentioned purposes of the acquisition of a company, part of company or equity interest or which is otherwise carried out and for which the shareholder pre-emption rights are disapplied.

In view of the above considerations, and in the opinion of the Executive Board, the proposed authorisation for using treasury shares is in the interest of the company and may, in individual cases, justify disappling the pre-emption rights of shareholders. The specific decision to disapply the shareholders' pre-emption rights must be taken by the Executive Board, with due consideration being given to the interests of the company in relation to the specific measure, the necessity of (partial) granting of shares and the valuation of the shares and the consideration.

d) The company should also be given the opportunity of offering treasury shares for purchase to persons who are or were in an employment or work relationship which companies of the freenet Group (with the exception of members of the governing bodies of the company), or to transfer treasury shares to such persons.

The way in which employees and members of the governing bodies of downstream companies identify with their company is of considerable importance for motivation and commitment. The

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need to maintain or boost motivation and commitment is therefore in the interest of the company. Issues of shares to such persons can make a contribution in this respect. This is also applicable for former employees and members of the governing bodies of downstream companies, e.g. if the commitment is provided during the activity of such persons for the period after they no longer work for the company. The Executive Board should therefore be enabled to take advantage of this opportunity.

It is in the nature of things that the shares must not be offered to such persons at the current market price, and instead might have to be offered at a discount to the market price in order to achieve the desired effect. The Executive Board will therefore assess the conditions for the offer of shares to such persons, in each case giving due consideration to this aspect, and will base its decision on the interests of the company.

e) The company should also be given the opportunity of using treasury shares for fulfilling option or conversion rights or option or conversion obligations or a right to delivery of shares of the company by means of using bonds issued by the company or a downstream Group company on the basis of an authorisation of the annual general meeting.

The proposed resolution does not create a new or further authorisation for issuing bonds. The only purpose of the proposed resolution is to provide the company with the opportunity of using treasury shares instead of the otherwise specified conditional capital for meeting option or conversion rights or option or conversion obligations or rights to delivery of shares of the company which have been established on the basis of other authorisations of the annual general meeting, if this, following an assessment carried out by the Executive Board, is in the interest of the company. Option or conversion rights or option or conversion obligations or rights to delivery of shares which can be considered for servicing by treasury shares on the basis of the proposed authorisation are based on (i) bonds which will be issued in future on the basis of the authorisation for issuing option and/or convertible bonds adopted by the annual general meeting on 27 May 2020 as well as (ii) bonds which are issued on the basis of a future authorisation of the annual general meeting.

Reporting

The Executive Board will always carefully assess whether the utilisation of the authorisation and the disapplication of pre-emption rights are in the interest of the company and its shareholders.

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The Executive Board will report to the annual general meeting regarding any use of the authorisation.

4. Report to the annual general meeting regarding agenda item 10

In addition to the report regarding agenda item 9, the Executive Board also submits a written report regarding the resolution proposal in respect of agenda item 10 in accordance with section 71 (1) no. 8 in conjunction with section 186 (4) sentence 2 AktG; this is published completely in the following:

Report regarding agenda item 10

In addition to the possibilities for acquiring treasury shares detailed in point 9 of the agenda, the company is also to be authorised to acquire treasury shares using certain equity derivatives. The volume of shares which overall can be acquired should not thus be increased; this only provides further options for acquiring treasury shares. These additional options extend the opportunities of the company for providing a flexible structure for the process of acquiring treasury shares.

For the company, it may be beneficial to acquire call options, to sell put options or to acquire shares of the company using a combination of call and put options or other equity derivatives (e.g. forward purchase contracts) instead of directly acquiring shares of the company. These options are limited to 5% of the share capital existing at the time at which the resolution of the annual general meeting is adopted or – if this figure is lower – the share capital existing at the time at which this authorisation is exercised. The term of the equity derivatives must not exceed 18 months in each case, and must be fixed in such a way that, if the equity derivatives are exercised, the shares are not acquired after 26 May 2025. This ensures that, after the expiry of the authorisation to acquire treasury shares which is valid until 26 May 2025, the company will not acquire any treasury shares – unless a new authorisation is provided.

If a call option is agreed, the company, in return for the payment of an option premium, receives the right, within a specified period or at a specified time, to purchase a pre-defined number of shares of the company for a fixed price (exercise price) from the respective vendor of the option or his legal successor, the writer. From the point of view of the company, it makes sense to exercise

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the call option if the price of the share is higher than the exercise price, as the company can then buy the shares from the writer for a lower price than would be payable in the market. This is also applicable if, as a result of the option being exercised, the company acquires a package of shares which could otherwise only be purchased for higher costs. In addition, the use of call options has a positive impact on the liquidity of the company because the exercise price for the shares only has to be paid at the point at which the call option is exercised. In individual circumstances, these aspects may justify the decision of the company to use call options for a planned acquisition of treasury shares. The option premium must be established in line with general market conditions, and must therefore essentially correspond to the value of the call option, taking account of various factors, including the exercise price, the term of the option and the volatility of the shares.

By concluding put options, the company grants to the respective holder of the put option the right to sell, within a specific period or at a specific time, shares of the company to the company for a price specified in the put option (exercise price). In return for the obligation to acquire treasury shares in accordance with the put option, the company receives an option premium which in turn has to be established subject to conditions which reflect the market, in other words which essentially corresponds to the value of the put option, with due consideration being given to various factors, including the exercise price, the term of the option and the volatility of the shares. For the option holder, it only makes financial sense for the put option to be exercised if the price of the share at the time at which the option is exercised is lower than the exercise price, as he can then sell the shares to the company for a price which is higher than the price realisable on the market; the company can in turn use instruments available in the market to hedge against an excessive risk arising from the share price trend. For the company, the advantage of buying back shares by way of using put options is that a specific exercise price can already be defined at the point at which the option is concluded, whereas there is an outflow of liquidity only on the day on which the option is exercised. From the point of view of the company, the consideration provided for acquiring the shares is reduced by the option premium which has already been received. If the holder of the option does not exercise the option, in particular because the share price on the day on which the option is to be exercised or in the period in which the option is due to be exercised is higher than the exercise price, the company does not acquire any treasury shares in this way; however, it keeps the option premium without having to provide any further consideration.

In the case of equity derivatives being used, the consideration to be provided by the company for the shares is the respective exercise price (excluding incidental purchasing costs, but including the option premium which is paid or received). This may be higher or lower than the market price of

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the shares of the company on the day on which the transaction is concluded and on the day on which the shares are acquired as a result of the equity derivative being exercised.

The purchase price per share payable at the exercise of a put option or upon the maturity of the forward purchase must not be more than 10% higher and not more than 20% lower than the market price of the shares of the company established by the opening auction in electronic trading on the Frankfurt Stock Exchange on the day on which the respective option is concluded, in each case excluding incidental purchasing costs but including the agreed option premium or the forward rate. In the case of call options being used, the consideration for the shares to be provided by the company is the respective exercise price. This may be higher or lower than the market price of the shares of the company on the day on which the call option is concluded and on the day on which the shares are acquired as a result of the call option being exercised. However, it must not be more than 10% higher or 10% lower than the average closing price of the shares of the company in electronic trading on the Frankfurt Stock Exchange on the last three market trading days before the call option is exercised. The option premium paid will be included in this amount, but not incidental purchasing costs.

Finally, the company can also agree equity derivatives which provide for delivery of shares with a discount in relation to a weighted average price.

The obligation to agree options and other equity derivatives only with one or more credit institution(s) or equivalent companies and to ensure that the options and other equity derivatives are only serviced with shares which have been acquired in line with the principle of equal treatment means that shareholders are not disadvantaged when treasury shares are acquired using equity derivatives. In accordance with the statutory provision in section 71 (1) no. 8 AktG, it is sufficient, in order to comply with the principle of equal treatment, if the shares have been acquired via the stock exchange at the market price of the shares of the company which existed at the time at which they were acquired via the stock exchange. Because the price of the option (option price) is established in line with market conditions, nor will the shareholders who are not involved in the options suffer a value-related disadvantage. On the other hand, as a result of the possibility of agreeing equity derivatives, the company is enabled to take advantage of market opportunities which arise at short notice and to conclude corresponding options or other equity derivatives. Any right of the shareholders to conclude such options and other equity derivatives with the company is disappplied, as is any put option of the shareholders. This disapplication is necessary to enable equity derivatives to be used within the framework of a process of buying back treasury shares and

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in order to achieve the associated advantages for the company. It would not be possible for corresponding equity derivatives to be concluded with all shareholders.

After considering the interests of the shareholders and the interests of the company as a result of the benefits which may result for the company as a result of the use of call options, put options, a combination of call and put options or other above-mentioned equity derivatives, the Executive Board therefore considers that there are justified grounds for the authorisation not to grant or to limit shareholder rights for concluding such equity derivatives with the company and a put option of the shareholders.

With regard to the use of the treasury shares acquired on the basis of equity derivatives, there are no differences with respect to the possible uses proposed in agenda item 9. In respect of the justification for disapplying the pre-emption rights of shareholders for using the shares, please refer to the report of the Executive Board regarding agenda item 9.

The Executive Board will always carefully assess whether the utilisation of the authorisation is in the interest of the company and its shareholders. The Executive Board will report to the annual general meeting regarding any use of the authorisation.

III. Total number of shares and voting rights

At the time the annual general meeting is convened, the share capital of the company amounts to 128,061,016 euros, comprising 128,061,016 registered no-par-value shares (shares), each of which confer one vote. The total number of shares with voting rights of freenet AG in accordance with the terms of section 49 (1) sentence 1 no. 1 Securities Trading Act (Wertpapierhandelsgesetz – WpHG) amounts to 128,061,016 at the time the annual general meeting is convened. The above total number comprises 50,000 treasury shares currently held, which do not confer any rights to the company.

IV. Information on carrying out the virtual annual general meeting

The Executive Board of freenet AG has decided, in accordance with Article 2 of the German Act to Mitigate the Consequences of the COVID-19 Pandemic in Civil, Bankruptcy, and Criminal Law Matters enacted 27 March 2020 (COVID-19 Relief Act) and with the approval of the Supervisory Board, to hold the 2020 annual general meeting as a virtual annual general meeting without the physical presence of the shareholders or their authorised representatives. Consequently, it will not be possible for the shareholders or their authorised representatives to attend in person.

The entire annual general meeting will be broadcast for shareholders and their proxies live over the Internet starting at 10:00 a.m. (CEST) on 27 May 2020 via our Online Service (more details are provided below in point IV.8). Shareholders or their proxies will be able to cast their votes by post or authorise the proxies appointed by the company (more details provided below) to vote on their behalf. Furthermore, shareholders or their authorised representatives will be able, among other things (more details provided below), to submit questions in advance, to submit counterapplications, send nominations for elections and requests to add items to the agenda, and to have their objections recorded in the minutes.

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1. Conditions for participating in the virtual annual general meeting and exercising voting rights

Shareholders who – personally or through their authorised representatives – have registered no later than by **Friday, 22 May 2020 (midnight CEST)** with the company’s Executive Board, either by mailing their registration to

Hauptversammlung freenet AG
c/o ADEUS Aktienregister-Service-GmbH
Postfach 57 03 64
22772 Hamburg
E-mail: hv@freenet.ag

or, following the procedure stipulated by the company, over the Internet by utilising the Online Service at

<https://www.fn.de/online-service>

and who are entered in the share register for the relevant shares are eligible to participate in the virtual annual general meeting and to exercise their voting rights in accordance with the provisions of Germany’s Stock Corporation Act (*AktG*) and of the company’s articles of association in conjunction with the COVID-19 Relief Act. The date of record for share status entered in the share register establishing eligibility to exercise voting rights and other shareholder rights is the end of the day on 22 May 2020.

Shareholders will need their shareholder number and associated password to sign in to the Online Service. Shareholders who had already signed up to receive the invitation to the annual general meeting by e-mail will receive their shareholder number together with the e-mailed invitation to the annual general meeting and must use the password that they chose when they originally registered. All other shareholders entered in the share register will receive their shareholder number and password with the invitation to the annual general meeting sent to them.

Requests for share register changes received by the company after the end of the day on 22 May 2020 (midnight CEST) (referred to as the Technical Record Date) until the end of the annual general meeting on 27 May 2020 will only be processed in the company’s share register effective after the annual general meeting on 27 May 2020.

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The shares are not blocked as a result of registration for the annual general meeting. Shareholders can therefore continue to freely dispose of their shares even after they have registered.

2. Procedure for postal voting

Shareholders can exercise their voting rights by postal voting.

Only shareholders who – personally or through their authorised representatives – have registered no later than by Friday, 22 May 2020 with the company’s Executive Board via one of the options stated above in point IV.1 and who are entered in the share register for the relevant shares may exercise their voting rights by post. The date of record for share status in the share register establishing eligibility to exercise voting rights by post is the end of the day on 22 May 2020.

Votes to be cast by post can be submitted, changed, and even revoked by sending these to the company either in writing (preferably by using the form provided) to the address stated above in point IV.1 or to the e-mail address provided there

or via the Online Service at the website

<https://www.fn.de/online-service>

until **25 May 2020 (midnight CEST)**. After 25 May 2020, votes to be cast by post can be submitted, changed, or revoked only via the Online Service up until the start of voting during the virtual annual general meeting.

Duly authorised intermediaries (in particular financial institutions), shareholders’ associations, proxy advisors, or other individuals described in section 135 (8) of the Stock Corporation Act can also utilise the option of voting by post.

Where both votes by post as well as authorisations/instructions to the company’s appointed proxies concerning matters to be voted on at the meeting are received from shareholders or their authorised

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representatives, the statement/proxy card that was last submitted will always be deemed definitive. If conflicting statements/proxy cards are received via different channels and it is not clear which was submitted last, the statements/proxy cards submitted via the Online Service will be heeded.

3. Authorisation of proxies appointed by the company

We are also offering our shareholders the option of having their votes cast at the annual general meeting by the company's appointed proxies.

Only shareholders who – personally or through their authorised representatives – have registered no later than by Friday, 22 May 2020 with the company's Executive Board via one of the options stated above in point IV.1 and who are entered in the share register for the relevant shares may exercise their voting rights by authorising the proxies appointed by the company. The date of record for share status in the share register establishing eligibility to exercise voting rights is the end of the day on 22 May 2020.

Authorisations and instructions can be granted/issued, changed, and even revoked in text form by sending these to the address stated above in point IV.1 or to the e-mail address provided there

or via the Online Service at the website

<https://www.fn.de/online-service>

until **25 May 2020 (midnight CEST)**. After 25 May 2020, authorisations and instructions to the company's proxies can be granted/issued, changed, or revoked only via the Online Service up until the start of voting during the virtual annual general meeting.

The company's proxies will exercise voting rights solely on the basis of the instructions issued by the shareholder. If an item on the agenda is to be decided by separate ballot, any general instruction issued with regard to that item will be deemed applicable to all individual sub-items. Please note that the company's proxies will not be accepting any requests to raise objections to proposed annual general meeting resolutions or to ask questions or make requests.

If conflicting statements/proxy cards are received via different channels and it is not clear which was submitted last, the statements/proxy cards submitted via the Online Service will be heeded

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first, followed by statements/proxy cards submitted via e-mail, these in turn followed by statements/proxy cards submitted in paper form.

4. Procedure for voting by proxy

Shareholders entered in the share register can also have their voting rights exercised via a proxy holder, e.g., by an intermediary (in particular a financial institution), a shareholders' association, or proxy advisor. In this case as well, it is essential that the shareholder or proxy register before the deadline. Where an intermediary (in particular a financial institution) is entered in the share register, this party can exercise the voting rights for shares it does not own only on the basis of an authorisation completed by the shareholder, to which the following requirements apply accordingly.

Except in the specific situations described below, the appointment of a proxy or revocation of appointment as well as any proof of the appointment (for the company) must be declared in text form, which can be sent to the address stated above in point IV.1 or via e-mail to

hv@freenet.ag

In the event of revocation of a proxy appointment, this will then also result in any votes cast on the basis of such appointment being disregarded where such votes were cast prior to the revocation.

Where an intermediary, shareholders' association, proxy advisor, or other individual described in section 135 (8) AktG is appointed as proxy, the procedure and format for the appointment is based on the rules set by those parties, which can be requested from them. Any intermediaries, shareholders' associations, or proxy advisors who utilise the company's Online Service can also be authorised at

<https://www.fn.de/hv2020>

following the procedure stipulated by the company.

Even proxies (with the exception of the company's proxies) will only be able to exercise voting rights at the annual general meeting by post or authorising the proxies appointed by the company as described in points IV.3 and IV.4.

5. Forms for registering, appointing proxies, and postal voting

The form provided by the company can be used for registering, appointing proxies, and/or postal voting. Shareholders entered in the share register who have not signed up to receive the invitation to the annual general meeting by e-mail will receive the form by post. Shareholders entered in the share register who have signed up to receive the invitation to the annual general meeting by e-mail can access the Online Service for the annual general meeting via the link provided in the e-mail and use this to register, appoint proxies, and/or elect to vote by post. The form for registering, appointing proxies, and/or electing to vote by mail is also available online at

<https://www.fn.de/hv2020>

6. Information regarding shareholders' rights under section 122 (2), section 126 (1), section 127, and section 131 (1) AktG in conjunction with the Covid-19 Relief Act**a) Motions to add items to the agenda pursuant to section 122 (2) AktG, Article 2 section 1 (3) of the Covid-19 Relief Act**

Shareholders who are recorded in the share register and whose shares together account for a proportionate amount of 500,000 euros may demand that items be placed on the agenda and published. Every request for a new agenda item must be accompanied by an explanation of the reasons therefor or a proposed resolution. The applicants are required to provide evidence that they are holders of an adequate number of shares for a period of at least 90 days before receipt of the motion (sections 122 (2), 122 (1) sentence 3 AktG as well as section 70 AktG) and that they hold these shares up to the point at which the decision regarding the motion is taken.

The request must be sent to the company's Executive Board in writing and must be received by the company no later than by **12 May 2020 (midnight CEST)**. Please send your request only to the following postal address:

freenet AG
Investor Relations
Deelbögenkamp 4
22297 Hamburg
E-mail: hv@freenet.ag

Where notice is required, any requests to add items to the agenda not provided in the invitation to the meeting will be published in Germany's Legal Gazette, the Bundesanzeiger, promptly upon receipt of the request. They will also be published on the Internet at

<https://www.fn.de/hv2020>

and made available to shareholders there.

Valid motions to add items to the agenda submitted by properly registered shareholders and received by the company no later than the end of the day on 12 May 2020 will be considered at the virtual annual general meeting.

b) Counterapplications and shareholder nominations under sections 126 (1) and 127 AktG

Every shareholder has the right to submit applications countering the recommendations of the Executive and/or Supervisory Board regarding specific agenda items and to submit nominations for the selection of the auditor of the annual/consolidations financial statements (sections 126 (1) and 127 AktG).

The company will make counterapplications and shareholder nominations available online at

<https://www.fn.de/hv2020>

in accordance with sections 126 and 127 AktG; these will include the name of the shareholder, a supporting statement that is to be made accessible, and any position statement issued by the company's management.

Counterapplications must directly counter a recommendation by the Executive and/or Supervisory Board and be raised with regard to a specific agenda item. Nominations must be made for the selection of the auditor.

Counterapplications and shareholder nominations as described in sections 126 (1) and 127 AktG must be received by the company no later than **12 May 2020 (midnight CEST)** and are to be sent exclusively to the address stated below. Counterapplications and shareholder nominations sent in any other way cannot be considered:

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freenet AG
Investor Relations
Deelbögenkamp 4
22297 Hamburg
E-mail: hv@freenet.ag

However, in accordance with the concept of the COVID-19 Act, any such counterapplications and nominations for election will not be put to a vote at the annual general meeting and will not be dealt with in any other way.

c) Opportunity for shareholders to ask questions (section 131 (1) AktG, Article 2 section 1 (2) of the Covid-19 Relief Act)

Under Article 2 of the Covid-19 Relief Act, shareholders do not have a right to information at the Annual General Information as within the meaning of section 131 of the Stock Corporation Act, however, they will be given the opportunity to ask questions in accordance with the rules below. There is no associated right to a response.

With the approval of the Supervisory Board, the Executive Board has decided that questions from shareholders registered for the annual general meeting can be addressed to the Executive Board via the Online Service at

<https://www.fn.de/online-service>

Questions from shareholders must be received by the company via the Online Service by no later than 24 May 2020 (midnight CEST).

The Executive Board will decide, at its discretion in keeping with its obligations, which questions it will respond to and how. In particular, it may summarise questions and select reasonable questions in the interest of the other shareholders. Furthermore, the Executive Board may show preference to shareholders' associations and institutional investors holding significant percentages of shares. Questions in foreign languages will not be considered.

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d) More information

More information regarding shareholders' rights under section 122 (2), section 126 (1), section 127, and section 131 (1) AktG is available at

<https://www.fn.de/hv2020>

7. Website with information pursuant to section 124a of the AktG / Documents relating to the annual general meeting

The information pursuant to section 124a AktG is available on the Internet at

<https://www.fn.de/hv2020>

The following documents to be made available for the meeting can be found there: the approved consolidated financial statements and the group management report, the adopted annual financial statements and the management report of freenet AG for financial year 2019, the explanatory report of the Executive Board regarding the disclosures in accordance with sections 289a (1), 315a (1) HGB, the report of the Supervisory Board and the proposal of the Executive Board regarding the appropriation of net retained profits, and the reports of the Executive Board on agenda items 7, 8, 9 and 10.

Upon request, a copy of these documents will be sent to each shareholder immediately and free of charge.

After the end of the annual general meeting, the voting results of the annual general meeting can also be found on the website indicated.

8. Broadcast of the annual general meeting over the Internet

The entire annual general meeting will be broadcast for freenet AG shareholders live over the Internet starting at 10:00 a.m. (CEST) on 27 May 2020 (<https://www.fn.de/online-service>). There,

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they can also exercise their rights enumerated and described above. Shareholders will be able to gain online access by entering their shareholder number and the associated password. Other interested parties will also be able to follow the opening of the annual general meeting by the Meeting Chair and the speeches by the CEO and CFO live online (<https://www.fn.de/hv2020>), and a recording of these will be made available after the annual general meeting.

9. Raising objections to annual general meeting resolutions

Shareholders who have exercised their voting rights by postal vote or by authorising the proxies appointed by the company can have their objections to proposed annual general meeting resolutions recorded in the minutes by the officiating notary as set out in section 245 (1) AktG only via the Online Service at <https://www.fn.de/online-service>

<https://www.fn.de/online-service>

It will be possible to submit such statements via the Online Service from the start of the annual general meeting until its end.

10. Data protection notice

The attachment to this invitation contains information on data privacy.

Büdelndorf, May 2020

freenet AG

The Executive Board

Data protection information for shareholders

freenet AG, Hollerstraße 126, 24782 Büdelsdorf, Germany, processes personal data of the shareholders (name and first name, address, e-mail address, number of shares, class of share, type of share and number of admission ticket, proxy recipient) as well as personal data of the shareholder representatives on the basis of applicable data protection laws. The shares of freenet AG are registered shares. The company is required to maintain a share register. The processing of personal information is required by law for the proper preparation and execution of the virtual annual general meeting, for the exercise of shareholders' voting rights, for participation in the virtual annual general meeting by means of electronic media, and for the maintenance of the share register. The legal basis for such processing is Art. 6 (1) sentence 1 (c) of the European General Data Protection Regulation (GDPR) in conjunction with sections 67 and 118 et seq. AktG and in conjunction with Art. 2 section 1 COVID-19 Relief Act enacted 27 March 2020.

Additionally, data processing activities required for the organisation of the virtual annual general meeting may be performed on the basis of overriding legitimate interests (Art. 6 (1) sentence 1 (f) GDPR). Insofar as shareholders do not provide their personal information themselves, as a general rule, freenet AG receives this from the custodian bank.

Insofar as you, as the shareholder, take advantage of the opportunity to submit questions in advance of the virtual annual general meeting and your questions are addressed there, you thereby also agree to be identified by name in connection with the virtual annual general meeting question-and-answer session. As a result, other participants of the virtual annual general meeting may learn this information. This data processing is performed in pursuit of our legitimate interests in creating a virtual annual general meeting that most closely approximates a physical annual general meeting and in pursuit of the legitimate interests of the other annual general meeting participants in learning the name of the party raising the question. The legal basis for this processing is Art. 6 (1) (f) of the GDPR. You may object to being identified by name when submitting your question.

The service providers commissioned by freenet AG for the purpose of holding the annual general meeting process the personal data of shareholders and shareholder representatives exclusively in accordance with the instructions of freenet AG and only to the extent necessary for executing the commissioned service. All employees of freenet AG and the employees of the commissioned service providers who have access to and/or process personal data of shareholders and shareholder representatives are obliged to treat this data confidentially. Personal data will also be made

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available to shareholders and shareholder representatives as permitted by statutory provisions, specifically via the list of participants.

freenet AG deletes the personal data of shareholders and shareholder representatives in accordance with statutory provisions, in particular if the personal data is no longer required for the original purposes of collection or processing, the data is no longer required in connection with any administrative or court proceedings and there are no statutory requirements to store such data.

Under the legal requirements, shareholders and shareholder representatives have the right to obtain information about their processed personal data and to request the correction or deletion of their personal data or the restriction of processing. Shareholders and shareholder representatives also have the right to lodge a complaint with the supervisory authorities.

To the extent that Art. 6 (1) sentence 1 lit. f) of the General Data Protection Regulation is the legal basis for the processing of personal data, shareholders and shareholder representatives also have a right to object under the statutory conditions.

For comments and queries regarding the processing of personal data, shareholders can contact the data protection officer of freenet AG at:

freenet AG
Datenschutzbeauftragter
Hollerstraße 126
24782 Büdelsdorf
E-mail: datenschutz@freenet.ag