

HORNBACH Baumarkt AG
76879 Bornheim bei Landau/Pfalz

ISIN DE0006084403

INVITATION TO THE ANNUAL GENERAL MEETING

We hereby invite our shareholders to our
Annual General Meeting
at **11.00 a.m. (CEST)** on **Wednesday, July 7, 2021**.

The Annual General Meeting will be held as a **virtual Annual General Meeting** as defined in Art. 2 § 1 (2) of the German Act on Mitigating the Consequences of the COVID-19 Pandemic in Civil, Insolvency and Criminal Procedure Law (*Gesetz zur Abmilderung der Folgen der COVID-19-Pandemie im Zivil-, Insolvenz- und Strafverfahrensrecht*) in its current version, i.e. without the physical attendance of shareholders or their authorized representatives. The meeting will be broadcast live on the internet for our shareholders. Shareholders will exercise their votes exclusively via electronic communication (postal vote) or by granting powers of attorney. The venue for the Annual General Meeting as defined in the German Stock Corporation Act (*Aktengesetz – AktG*) is Hornbachstrasse 11, 76879 Bornheim. Further details can be found in the information provided after the agenda at the end of the invitation.



Overview with information pursuant to § 125 of the German Stock Corporation Act (AktG) in conjunction with Table 3 of the Implementing Regulation (EU) 2018/1212

A. Specification of the message

Unique identifier of the event	Virtual Annual General Meeting 2021 of HORNBACH Baumarkt AG <i>(formal indication pursuant to EU-DVO: voHV2021HBMAG)</i>
Type of message	Notice of Annual General Meeting <i>(formal indication pursuant to EU-DVO: NEWM)</i>

B. Specification of the issuer

ISIN	DE0006084403
Name of issuer	HORNBACH Baumarkt AG

C. Specification of general meeting

Date of general meeting	07.07.2021 <i>(formal indication pursuant to EU-DVO: 20210707)</i>
Time of general meeting (start)	Start: 11.00 a.m. CEST <i>(formal indication pursuant to EU-DVO: 09:00 UTC)</i>
Type of general meeting	Virtual Annual General Meeting without the physical attendance of shareholders or their proxy representatives <i>(formal indication pursuant to EU-DVO: GMET)</i>
Location of general meeting	URL to the company's shareholder portal to follow the shareholders' meeting live in audio and video and to exercise shareholder rights: www.hornbach-group.com/agm/HBM Location of the general meeting as defined in the German Stock Corporation Act (AktG): Hornbachstrasse 11, 76879 Bornheim, Germany
Record date	06.16.2021, 00.00 a.m. CEST <i>(formal indications pursuant to EU-DVO: 20210615, 22:00 UTC)</i>
Uniform resource locator of general meeting/URL	www.hornbach-group.com/agm/HBM

Blocks D to F

Further information on

- Participation in general meeting (Block D)
- The agenda (Block E), and
- The specification of the deadlines regarding the exercise of other shareholders' rights (Block F)

can be found on the following website:

www.hornbach-group.com/agm/HBM

AGENDA

1. Presentation of the adopted annual financial statements for the 2020/2021 financial year, the approved consolidated financial statements for the 2020/2021 financial year and combined management report for HORNBACH Baumarkt AG and the Group, the report of the Supervisory Board, and the explanatory report of the Board of Management in respect of the disclosures made pursuant to § 289a and § 315a of the German Commercial Code (*Handelsgesetzbuch* – HGB)

Consistent with the relevant statutory requirements, no resolution is required for Agenda Item 1, as the Supervisory Board already adopted the annual financial statements and approved the consolidated financial statements on May 19, 2021.

2. Resolution on the appropriation of net profit for the 2020/2021 financial year

The Board of Management and the Supervisory Board propose to appropriate the net profit reported for the 2020/2021 financial year

amounting to € 41,718,858.95
as follows:

Distribution of a dividend of € 0.90 per no-par ordinary share	€ 28,621,584.00
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Allocation to revenue reserves	€ 13,087,558.95
Balance carried forward	€ 4,716.00

This draft resolution accounts for the 5,240 treasury stocks held by the company upon the convening of the meeting. These do not have dividend entitlement. Should the number of shares with dividend entitlement change before the time at which the resolution on the appropriation of net profit is adopted, the Board of Management and Supervisory Board will submit an amended draft resolution on the appropriation of net profit for approval by the Annual General Meeting. This will nevertheless provide for an unchanged distribution of € 0.90 per no-par ordinary share with dividend entitlement.

3. Resolution on approval of Board of Management members' actions in the 2020/2021 financial year

The Board of Management and Supervisory Board propose that the actions of the members of the Board of Management in the 2020/2021 financial year be approved for this period.

4. Resolution on approval of Supervisory Board members' actions in the 2020/2021 financial year

The Board of Management and Supervisory Board propose that the actions of the members of the Supervisory Board in the 2020/2021 financial year be approved for this period.

5. Election of auditor and group auditor for the 2021/2022 financial year and of auditor for the audit review of the half-year financial report for the 2021/2022 financial year

Based on the recommendation made by the Audit Committee, the Supervisory Board proposes that Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, should be elected as auditor and group auditor for the 2021/2022 financial year and as auditor for the audit review of the condensed interim consolidated financial statements and interim management report for the first half of the 2021/2022 financial year pursuant to § 115 (5) and § 117 No. 2 of the German Securities Trading Act (*Wertpapierhandelsgesetz* – WpHG).

The Audit Committee declared that its recommendation was free of undue influence by third parties and that no clauses restricting its selection of the type referred to in Article 16 (6) of the EU Audit Regulation had been imposed.

6. Resolution on creation of new Authorized Capital 2021 and corresponding revision of company's Articles of Association

By resolution of the Annual General Meeting on July 7, 2016, the Board of Management was authorized until July 7, 2021, subject to approval by the Supervisory Board, to increase the company's share capital by a total amount of up to € 15,000,000.00 by issuing new no-par shares, also to the exclusion of subscription rights, on one or several occasions in return for cash contributions (Authorized Capital, § 4 (5) of the Articles of Association). The Board of Management was further authorized until July 7, 2021, also by resolution of the Annual General Meeting on July 7, 2016 and subject to approval by the Supervisory Board, to increase the company's share capital

by a total amount of up to € 30,000,000.00 by issuing new no-par shares, also to the exclusion of subscription rights, on one or several occasions in return for contributions in cash or in kind (Authorized Capital II, § 4 (6) of the Articles of Association).

As the authorizations granted by the Annual General Meeting on July 7, 2016 are due to expire at the end of July 7, 2021, the creation of new authorized capital is proposed (Authorized Capital 2021). Rescindment of the authorizations concerning existing Authorized Capital I and Authorized Capital II is not necessary, as both authorizations expire at the end of July 7, 2021 and thus lapse before the new authorization for Authorized Capital 2021 can take effect by entry of the respective amendment to the Articles of Association in the Commercial Register.

The Board of Management and Supervisory Board therefore propose adopting the following resolution:

- a. The Board of Management shall be authorized until July 6, 2026, subject to approval by the Supervisory Board, to increase the company's share capital by a total amount of up to € 45,000,000.00 by issuing new no-par shares on one or several occasions in return for cash contributions and/or contributions in kind (Authorized Capital 2021).

The new shares may in each case be issued as ordinary shares with voting entitlement or as non-voting preference shares. New non-voting preference shares may have greater, equal or lesser priority than existing non-voting preference shares in terms of the distribution of profit and/or the company's assets; in the absence of any stipulation to the contrary in the resolution governing the capital increase, they shall be equal to existing preference shares. The Board of Management shall be authorized, subject to approval by the Supervisory Board, to lay down the further details for the execution of capital increases, and in particular the contents of the rights attributable to the shares and the conditions governing their issue, including any profit participation that diverges from § 60 (2) AktG. The Supervisory Board shall be authorized to amend the Articles of Association as appropriate, and particularly in respect of the amount of share capital and number of existing no-par shares, following the full or partial utilization of Authorized Capital 2021 or following expiry of the respective authorization.

When drawing on Authorized Capital 2021, the company shall generally grant subscription rights to shareholders. Statutory subscription rights may also be granted in such a way that the new shares are taken over in full or in part by a bank or consortium of banks stipulated by the Board of Management with the approval of the Supervisory Board that is or are obliged to offer these for subscription by company shareholders. However, the Board of Management shall be authorized, subject to approval by the Supervisory Board, to exclude shareholders' subscription rights:

- (a) to settle any residual amounts;
- (b) to the extent required to grant subscription rights to bearers or creditors of conversion and/or option rights and/or the bearers or creditors of bonds furnished with conversion obligations that have been issued or are to be issued by the company or by a German or foreign company in which the company directly or indirectly holds a majority of the votes and capital to the extent to which such persons would be entitled having exercised their conversion and/or option rights or met their conversion obligations;
- (c) to offer new shares for subscription as employee shares by employees at the company and/or its subsidiaries up to a total volume of € 1,500,000.00;
- (d) to the extent that the share of the company's share capital attributable to the new shares for which subscription rights are excluded does not exceed a total of ten percent of the existing share capital either at the time at which this authorization is adopted or at the time at which this authorization takes effect or at the time at which this authorization is exercised and that the issue price of the new shares does not fall significantly short of the stock market price of shares of the same class. Shares issued, sold or to be issued on account of another direct or corresponding application of § 186 (3) Sentence 4 AktG are to be imputed to this limitation to ten percent of the share capital where applicable. This relates in particular to the disposal of treasury stock executed on the basis of an authorization to dispose of treasury stock pursuant to § 71 and § 186 (3) Sentence 4 AktG as well as to any shares issued or to be issued to service bonds with conversion and/or option rights in cases where the bonds were issued on the basis of an authorization pursuant to § 221 (4) and § 186 (3) Sentence 4 AktG, or;
- (e) in the event of a capital increase executed in return for contributions in kind, in particular in order to acquire companies, or shareholdings in companies or other assets, or claims to acquire assets, including receivables due from the company or its shareholdings.

b. § 4 (5) of the Articles of Association shall be amended and revised as follows:

“(5) The Board of Management is authorized, subject to approval by the Supervisory Board, to increase the company’s share capital up to July 6, 2026 by up to a total of € 45,000,000.00 by issuing new shares on one or several occasions in return for cash or non-cash contributions (Authorized Capital 2021). The new shares may in each case be issued as ordinary shares with voting entitlement or as non-voting preference shares. New non-voting preference shares may have greater, equal or lesser priority than existing non-voting preference shares in terms of the distribution of profit and/or the company’s assets; in the absence of any stipulation to the contrary in the resolution governing the capital increase, they are equal to existing preference shares. The Board of Management is authorized, subject to approval by the Supervisory Board, to lay down the further details for the execution of capital increases, and in particular the contents of the rights attributable to the shares and the conditions governing their issue, including any profit participation that diverges from § 60 (2) AktG. The Supervisory Board is authorized to amend the Articles of Association as appropriate, and particularly in respect of the amount of share capital and number of existing no-par shares, following the full or partial utilization of Authorized Capital 2021 or following expiry of the respective authorization.

When drawing on Authorized Capital 2021, the company generally grants subscription rights to shareholders. Statutory subscription rights may also be granted in such a way that the new shares are taken over in full or in part by a bank or consortium of banks stipulated by the Board of Management with the approval of the Supervisory Board that is or are obliged to offer these for subscription by company shareholders. However, the Board of Management is authorized, subject to the approval of the Supervisory Board, to exclude shareholders’ subscription rights:

- (a) to settle any residual amounts;
- (b) to the extent required to grant subscription rights to bearers or creditors of conversion and/or option rights and/or bearers or creditors of bonds furnished with conversion obligations that have been issued or are to be issued by the company or by a German or foreign company in which the company directly or indirectly holds a majority of the votes and capital to the extent to which such persons would be entitled having exercised their conversion and/or option rights or met their conversion obligations;
- (c) to offer new shares for subscription as employee shares by employees at the company and/or its subsidiaries up to a total volume of € 1,500,000.00;
- (d) to the extent that the share of the company’s share capital attributable to the new shares for which subscription rights are excluded does not exceed a total of ten percent of the existing share capital either at the time at which this authorization is adopted or at the time at which this authorization takes effect or at the time at which this authorization is exercised and that the issue price of the new shares does not fall significantly short of the stock market price of shares of the same class. Shares issued, sold or to be issued on account of another direct or corresponding application of § 186 (3) Sentence 4 AktG are to be imputed to this limitation to ten percent of the share capital where applicable. This relates in particular to the disposal of treasury stock executed on the basis of an authorization to dispose of treasury stock pursuant to § 71 and § 186 (3) Sentence 4 AktG as well as to any shares issued or to be issued to service bonds with conversion and/or option rights in cases where the bonds were issued on the basis of an authorization pursuant to § 221 (4) and § 186 (3) Sentence 4 AktG, or;
- (e) in the event of a capital increase executed in return for contributions in kind, in particular in order to acquire companies, or shareholdings in companies or other assets, or claims to acquire assets, including receivables due from the company or its shareholdings.”

§ 4 (6) of the Articles of Association becomes vacant and is formulated as follows:

“(6) [deliberately left vacant]”

7. Election of a Supervisory Board member

Prof. Dr.-Ing. Jens P. Wulfsberg has stood down from his position as a Supervisory Board member of HORNBACH Baumarkt AG as of December 31, 2021.

Pursuant to § 96 (1) AktG in conjunction with § 7 (1) Sentence 1 No. 2 of the German Codetermination Act (*Mitbestimmungsgesetz – MitbestG*), and § 11 (1) of the Articles of Association, the Supervisory Board consists of eight shareholder representatives and eight employee representatives. Pursuant to § 101 (1) AktG in conjunction with § 8 (1) MitbestG, the shareholder representatives on the Supervisory Board must be elected by the Annual General Meeting. Cumulative fulfilment of the gender quota has been objected to pursuant to § 96 (2) Sentence 3 AktG. The shareholder and employee representatives on the Supervisory Board must therefore each include at least two women and at least two men in order to satisfy the minimum representation requirement (30 %) pursuant to § 96 (2) Sentence 1 AktG. This is currently the case and would also be the case if Steffen Hornbach were to be elected.

THE SUPERVISORY BOARD PROPOSES

Steffen Hornbach, graduate in mechanical engineering, Supervisory Board member of HORNBACH Management AG and until 2019 CEO of HORNBACH Baumarkt AG, resident in Annweiler am Trifels,

should be elected to the company's Supervisory Board as a shareholder representative as of January 1, 2022; pursuant to § 11 (5) of the Articles of Association, Steffen Hornbach should be elected for the remainder of the term in office to which Prof. Dr.-Ing. Jens P. Wulfsberg would have been entitled if he had not stood down from his position, i.e. through to the conclusion of the Annual General Meeting approving the actions of the Supervisory Board for the 2022/2023 financial year.

The proposal takes due account of the objectives adopted by the Supervisory Board on December 19, 2017 and May 19, 2020 in respect of its composition and endeavors to comply with the collective competence profile adopted for the Supervisory Board.

With regard to Recommendation C.13 of the German Corporate Governance Code in its version dated December 16, 2019, it is stated that, based on the assessment by the Supervisory Board, Steffen Hornbach has the following personal and/or business relationships to the company, the governing bodies of the company, or any shareholder with a material interest in the company, disclosure of which is recommended:

Steffen Hornbach:

- a. Personal relationships
 - Brother of Supervisory Board Chairman Albrecht Hornbach and second-degree cousin of Supervisory Board members Georg Hornbach and Martin Hornbach
- b. Business relationships
 - None

FURTHER DISCLOSURES ABOUT THE CANDIDATE PROPOSED FOR ELECTION TO THE SUPERVISORY BOARD IN AGENDA ITEM 7

Steffen Hornbach

Born in: 1958

Nationality: German

Studies in mechanical engineering, majoring in automotive engineering and vibration technology, at Universität Fridericiana in Karlsruhe (Technical University), graduate in mechanical engineering

Professional career:

- | | |
|-------------|---|
| 1986 - 1987 | Academic employee at Ingenieurgesellschaft Prof. Dr.-Ing. R. Gnadler GmbH |
| 1988 - 1992 | HORNBACH Baumarkt AG, in roles including head of IT |
| 1992 - 2019 | Member of Board of Management of HORNBACH Baumarkt AG |
| 2001 - 2019 | Chairman of the Board of Management (CEO) of HORNBACH Baumarkt AG |

Membership of statutory supervisory boards:

- HORNBAACH Management AG – *Group mandate*-

Membership of comparable German and foreign control bodies:

- None

Relevant knowledge, skills, and professional expertise:

As former CEO of HORNBAACH Baumarkt AG, Steffen Hornbach has extensive experience in the management and further strategic development of the HORNBAACH Group. Based on experience gained in 28 years on the Board of Management, he has profound and detailed knowledge of daily operations in all regions across Europe in which the HORNBAACH Baumarkt AG Group operates.

Report of the Board of Management to the Annual General Meeting in respect of Agenda Item 6

We provide the following report in accordance with § 186 (4) Sentence 2 and § 203 (2) Sentence 2 AktG in respect of Agenda Item 6 (Resolution on creation of new Authorized Capital 2021):

Upon the convening of this Annual General Meeting the company does not have any authorized or conditional capitals other than Authorized Capital I and Authorized Capital II. The resolution is intended to create new Authorized Capital 2021 amounting to € 45,000,000.00 upon the expiry of the existing authorizations governing Authorized Capital I and Authorized Capital II as of July 7, 2021. This corresponds to slightly more than 47% of the share capital existing upon the convening of this Annual General Meeting. This should enable the Board of Management to adjust the company's equity base in line with business and legal requirements in future as well. The new shares should generally be offered to shareholders for subscription. Statutory subscription rights may also be satisfied in such a way that the new shares are taken over in full or in part by a bank or consortium of banks stipulated by the Board of Management with the approval of the Supervisory Board that is or are obliged to offer the shares for subscription by company shareholders.

In the event that subscription rights are offered, however, the terms and conditions of conversion and/or warrant rights and/or bonds furnished with conversion obligations that have been issued or are to be issued by the company or by a German or foreign company in which the company directly or indirectly holds a majority of the votes and capital may provide for subscription rights to new shares as protection against dilution. The Board of Management should therefore be authorized (paragraph b) to exclude shareholders' subscription rights to the extent required to grant subscription rights to bearers or creditors of conversion and/or option rights and/or the bearers of creditors of bonds furnished with conversion obligations that have been issued or are to be issued by the company or by a German or foreign company in which the company directly or indirectly holds a majority of the votes and capital to the extent to which such persons would be entitled having exercised their conversion and/or option rights or met their conversion obligations.

Further, the Board of Management should be authorized (paragraph a) to exclude shareholders' subscription rights for residual amounts. These involve residual amounts arising due to the determination of the volume of the capital increase and the presentation of a feasible subscription ratio. Residual amounts are exercised at the respective stock market prices.

Further, the Board of Management should be authorized (paragraph c) to exclude shareholders' rights to a limited extent to grant shares to employees of the company and/or its subsidiaries. Enabling employees to participate with shares enhances their identification with the company and thus contributes to increasing the share's market price. The exclusion of subscription rights is therefore in the interests of the company and its shareholders.

The possibility of excluding subscription rights pursuant to § 186 (3) Sentence 4 AktG (paragraph d) is intended to provide the Board of Management with adequate flexibility in terms of timing and scope for action provided that the issue amount of the new shares does not fall materially short of the stock market price of shares in the corresponding share class (simplified exclusion of subscription rights). A capital increase from authorized capital to the exclusion of shareholders' subscription rights pursuant to § 186 (3) Sentence 4 AktG enables the Board of Management to implement a share placement at short notice, i.e. to set the price close to market rates. The issue amount generated this way generally results in a substantially higher inflow of funds than in the case of a share placement with subscription rights.

The Board of Management will only act on the authorization proposed in paragraph d) to the extent that that the 10 % limit of share capital provided for in § 186 (3) Sentence 4 (AktG) in terms of the exclusion of subscription rights is not exceeded. Furthermore, it is not permitted to draw on various authorizations to exclude shareholders' subscription rights with direct or corresponding application of § 186 (3) Sentence 4 AktG if this leads to any exceeding of the overall 10 % limit of share capital.

When acting on the proposed authorization, the Board of Management will, subject to approval by the Supervisory Board, set the issue amount for the new shares at a level as close to the current stock market price of shares in the corresponding share class as is permitted by conditions on the capital market. The link to the stock market price enables any significant economic disadvantage for the shareholders excluded from subscription rights to be avoided. When acting on the authorization, the Board of Management will endeavor to ensure that the new shares resulting from the capital increase are issued in such a way as to protect the share price.

Shareholders wishing to maintain their level of shareholding in the event of a capital increase executed to the exclusion of shareholders' subscription rights have the option to acquire the necessary number of shares in the company via the stock market.

The possibility of excluding subscription rights in the context of a capital increase executed in return for consideration in kind (paragraph e) is intended to enable the Board of Management, also after the expiry of the existing authorization to issue Authorized Capital II as of July 7, 2021 and subject to approval by the Supervisory Board, to acquire companies or shareholdings in companies or other assets or other claims to acquire assets, including receivables due from the company or its shareholdings, in appropriate individual cases by offering shares in the company.

The exclusion of subscription rights provides the possibility of offering shares in the company as consideration to a seller. This procedure is often requested. To be able to act on any potential favorable acquisitions opportunities, the company must have the possibility of increasing its capital in return for non-cash considerations to the exclusion of subscription rights. Offering new shares to acquire companies or shareholdings in companies or other assets or claims to acquire assets, including receivables due from the company or its shareholdings, can be more favorable than paying cash, as it protects the company's liquidity. This procedure is therefore also in the interests of shareholders. The proposed authorization will enable the Board of Management to seize any opportunities arising in the market and to acquire companies or shareholdings in companies.

The Board of Management will carefully review each individual case to ascertain whether it is necessary to act on the authorization and whether the value of the new shares stands in a suitable relationship to the value of the consideration. The issue amount for the new shares will be determined by the Board of Management, subject to approval by the Supervisory Board, taking due account of the interests of shareholders and the company.

There are currently no specific projects whose execution would require any increase in the share capital in return for non-cash contributions to the exclusion of subscription rights. The Board of Management will report to the Annual General Meeting in the event of the proposed authorization being acted on.

Notes regarding the Agenda Items

The adopted annual financial statements of HORNBACH Baumarkt AG for the 2020/2021 financial year, the approved consolidated financial statements for the 2020/2021 financial year, the combined management report for HORNBACH Baumarkt AG and the Group, and the explanatory report of the Board of Management in respect of the disclosures made pursuant to § 289a and § 315a HGB, the report by the Supervisory Board on the 2020/2021 financial year, which was adopted by the Supervisory Board and signed by the chairman of the Supervisory Board, as well as the proposal by the Board of Management and the Supervisory Board on the utilization of unappropriated net profit, have been available pursuant to § 175 (2) Sentence 4 AktG and § 124a AktG at the HORNBACH Group's website under Investor Relations > Annual General Meetings (www.hornbach-group.com/agm/HBM) since the date on which the Annual General Meeting was convened and will also be available for inspection there during the Annual General Meeting on July 7, 2021.

Further information about the convening of the meeting

1. Virtual Annual General Meeting

The Board of Management has, with the approval of the Supervisory Board, resolved to hold the Annual General Meeting as a virtual Annual General Meeting as defined in Article 2 § 1 (2) of the German Act on Mitigating the Consequences of the COVID-19 Pandemic in Civil, Insolvency and Criminal Procedure Law (*Gesetz zur Abmilderung der Folgen der COVID-19-Pandemie im Zivil-, Insolvenz- und Strafverfahrensrecht*; hereinafter "PandemieG"), i.e. without the physical attendance of shareholders or their authorized representatives.

For shareholders that registered correctly for the Annual General Meeting and/or their authorized representatives, the entire Annual General Meeting will be broadcast (video and audio) live on the password-protected online portal at the HORNBACH Group's website under Investor Relations > Annual General Meetings at www.hornbach-group.com/agm/HBM. The personal access data required for this purpose will be forwarded to shareholders, once they have registered for the Annual General Meeting, and/or to their authorized representatives together with the "AGM Ticket".

2. Conditions for participating in the virtual meeting and exercising voting rights

Pursuant to § 17 (1) of the Articles of Association in conjunction with Art. 2 § 1 (2) Nos. 2-4 PandemieG, to be entitled to participate in the virtual Annual General Meeting and exercise their voting rights, shareholders and/or their authorized representatives must have registered and submitted proof of their shareholding to the company in good time ahead of the Annual General Meeting. In order to provide proof of shareholding, a certification issued in text form in German or English by the depository financial institution or documentary evidence pursuant to § 67c (3) AktG which refers to the beginning of the 21st day prior to the Annual General Meeting, i.e., **Wednesday, June 16, 2021, 00:00 hours (CEST)**, (“record date”) will be sufficient.

Both the registration and the proof of shareholding must have been received by the company at least six days prior to the Annual General Meeting (not counting the date of the Annual General Meeting and the date of receipt), i.e. by the latest on **Wednesday, June 30, 2021, 24:00 hours (CEST)**, at the following address, fax number, or e-mail address:

HORNBACH Baumarkt AG
c/o HV-Management GmbH
Pirnaer Strasse 8
68309 Mannheim
Fax: +49 (0) 621 718592-40
E-mail: anmeldestelle@hv-management.de

The company is entitled to request further appropriate proof should it have any doubts as to the correctness or authenticity of the proof. Should such proof not be provided, or not in suitable form, then the company is entitled to reject the shareholder in question pursuant to § 17 (3) of the Articles of Association.

3. Significance of the record date

From the perspective of the company, only those persons or institutions having presented proof of shareholding are deemed as shareholders entitled to participate in the virtual Annual General Meeting and exercise their voting rights. The right to participate in the virtual Annual General Meeting and scope of voting rights are measured solely in terms of the shareholding held by the shareholder at the record date.

The record date does not involve any restriction on the disposability of such shareholding. Even when such shareholding is disposed of completely or in part following the record date, shareholders’ participation in the virtual Annual General Meeting and the scope of their voting rights are based solely on the shareholding held by the shareholder on the record date, i.e. disposals or other assignments of shares following the record date have no implications for their entitlement to participate in the virtual Annual General Meeting and the scope of their voting rights. The same applies for the acquisition of shares or any increase in the number of shares held following the record date.

Persons not yet holding any shares as of the record date and only becoming shareholders subsequently are not entitled to participate or exercise any voting rights, unless they have been authorized as proxies or empowered to exercise such rights.

The record date has no implications for dividend entitlement.

4. Voting procedures, proxy voting

Voting by shareholders and their authorized representatives is executed exclusively via electronic communication (postal vote) or by the voting proxy appointed by the company and authorized and provided with corresponding instructions by the shareholders or their authorized representatives.

- a. Shareholders that have registered correctly may exercise their voting rights via electronic postal vote. To do so, through to the close of voting by the meeting chairman at the virtual Annual General Meeting, they may cast, amend, or withdraw their vote via the password-protected online portal at the HORNBACH Group’s website under Investor Relations > Annual General Meetings at www.hornbach-group.com/agm/HBM.
- b. Shareholders not wishing to exercise their voting rights in person are entitled to have their voting rights exercised by an authorized party, e.g. a shareholders’ association, or a person of their choice, or by the voting proxy appointed by the company. In these cases as well, shareholders must register for the Annual General Meeting in due time and submit proof of their shareholding in accordance with the aforementioned requirements. Authorized representatives can submit votes by postal vote (see a.). Furthermore, the authorized representative may in turn authorize the voting proxy appointed by the company (see e.).

The issuance of a power of attorney, its revocation, and the proof of authorization vis-à-vis the company must be made in text form, unless the authorized representative is an intermediary (e.g. a financial institution), a shareholders' association, or any other equivalent person or institution pursuant to § 135 AktG.

The following postal address and fax number are available for shareholders to issue powers of attorney vis-à-vis the company and submit proof of any authorization issued to the representative until the latest on Tuesday, July 6, 2021, 18:00 hours (CEST):

HORNBACH Baumarkt AG
c/o HV-Management GmbH
Pirnaer Strasse 8
68309 Mannheim
Fax: + 49 (0) 621 718592-40

Furthermore, through to the close of voting by the meeting chairman at the virtual Annual General Meeting, the password-protected online portal will be available for this purpose at the HORNBACH Group's website under Investor Relations > Annual General Meetings at www.hornbach-group.com/agm/HBM.

Intermediaries (e.g. financial institutions), shareholders' associations, and the other equivalent persons and institutions pursuant to § 135 AktG may stipulate different requirements for the form of power of attorney used to authorize them. In such cases, shareholders are requested to agree the form and procedure for issuing powers of attorney in good time with the person or institution to be authorized.

- c. The comments in b. apply by correspondence to the revoking or amendment of powers of attorney.
- d. A form for issuing or revoking powers of attorney and submitting proof of such authorization is available for download from the HORNBACH Group's website under Investor Relations > Annual General Meetings at www.hornbach-group.com/agm/HBM. Upon request, a text version of this form will be forwarded to each shareholder. Wherever possible, shareholders are requested to issue powers of attorney using the form provided for this purpose by the company.
- e. As an additional service, we provide our shareholders and their authorized representatives with the option of being represented in accordance with their instructions at the Annual General Meeting by a voting proxy appointed by the company. This proxy exercises voting rights on the exclusive basis of the instructions issued by the shareholder or their authorized representatives.

Please note that voting proxies cannot accept any instructions to make statements, pose questions, submit motions, or declare objections.

Those wishing to issue powers of attorney and instructions to the voting proxy appointed by the company are requested to do so using the password-protected online portal at www.hornbach-group.com/agm/HBM or the form for issuing powers of attorney and instructions available for download from the HORNBACH Group's website under Investor Relations > Annual General Meetings at www.hornbach-group.com/agm/HBM. Upon request, a text version of this form will be forwarded to each shareholder. The form for issuing powers of attorney and instructions is also printed on the reverse side of the AGM ticket.

Powers of attorney and instructions issued by correctly registered shareholders and/or their authorized representatives to the voting proxy appointed by the company must have been received by the company at the postal address or fax number stated above under b. or via the password-protected online portal at www.hornbach-group.com/agm/HBM by the deadlines stated there; the same applies for the amending or revoking of powers of attorney or instructions. The time at which the respective document is received by the company is decisive.

5. Shareholders' rights

a. Minority motions pursuant to § 122 (2) AktG

Pursuant to § 122 (2) AktG, shareholders whose combined shareholdings are equivalent to one twentieth of the share capital or a prorated amount of € 500,000.00 are entitled to request that items be added to the agenda and announced. Such requests must be received by the company at least 30 days prior to the Annual General Meeting (not counting the date of the Annual General Meeting and the date of receipt), and thus at the latest by **Sunday, June 6, 2021, 24:00 hours (CEST)**. Such requests must be addressed in writing to the Board of Management of HORNBACH Baumarkt AG. Please use the following address:

HORNBACH Baumarkt AG
Board of Management
Hornbachstrasse 11
76879 Bornheim bei Landau/Pfalz

Each new agenda item must be accompanied by a substantiation or a draft resolution. The respective shareholders are required by § 122 (2) and (1) Sentence 3 AktG to submit documentary evidence that they have owned the shares for at least 90 days prior to the company receiving the motion (not counting the date of receipt) and that they will hold the shares until the Board of Management decides on the motion.

b. Countermotions and election proposals pursuant to § 126 (1) and § 127 AktG

Shareholders may submit countermotions to any proposal made by the management concerning a specific agenda item. Shareholders may also propose candidates for election as auditors and/or Supervisory Board members. Shareholders are requested to communicate any countermotions and election proposals exclusively to the following address, fax number, or e-mail address:

HORNBACH Baumarkt AG
Investor Relations/Hauptversammlung
Hornbachstrasse 11
76879 Bornheim bei Landau/Pfalz
Fax: +49 (0) 6348 60-4299
E-mail: gegenantraege.baumarkt@hornbach.com

The company will publish any countermotions and election proposals requiring publication and received at the aforementioned address, fax number, or e-mail address at the latest on **Tuesday, June 22, 2021, 24:00 hours (CEST)**, together with the shareholder's name, any substantiation provided – furnished where appropriate with the contents to be added pursuant to § 127 Sentence 4 AktG – and any statement to be made by the management, on the HORNBACH Group's online communications platform at www.hornbach-group.com.

The company may forego publication of a countermotion and its substantiation if the conditions set out in § 126 (2) AktG apply, specifically if publication of such by the Board of Management would constitute a criminal offense, if the countermotion would lead to a resolution at the Annual General Meeting that would infringe the law or the Articles of Association, if the substantiation contains obviously incorrect or misleading information in material aspects, or if it contains insulting material, if a countermotion submitted by the shareholder on the same issue has already been published in connection with an Annual General Meeting of the company pursuant to § 125 AktG, if the same countermotion submitted by the shareholder with basically the same substantiation has already been published by the company in connection with at least two Annual General Meetings pursuant to § 125 AktG in the past five years and such countermotion was subsequently supported by less than one-twentieth of the share capital represented at the Annual General Meeting, if it is apparent that the shareholder does not intend to participate in or be represented at the Annual General Meeting, or if the shareholder did not propose a countermotion previously communicated, or have such countermotion proposed by others, at two Annual General Meetings in the past two years.

Substantiations of countermotions do not have to be published when they exceed a total of 5,000 characters in length. The above paragraphs apply *mutatis mutandis* to proposals submitted by shareholders for the election of auditors and/or Supervisory Board members. Apart from those cases set out in § 126 (2) AktG, the Board of Management may also forego publication of election proposals submitted by shareholders when they do not include the name, profession exercised, and town/city of residence of the auditors and/or Supervisory Board members thereby proposed, as well as disclosures on their membership of other statutory supervisory bodies in the case of candidates proposed for election to the Supervisory Board. Disclosures on membership of comparable supervisory bodies at companies in Germany and abroad should be appended.

In the context of the virtual Annual General Meeting, any countermotion or election proposal requiring publication pursuant to § 126 and § 127 AktG is deemed to have been submitted to the meeting if the shareholder submitting the respective motion or proposal is correctly legitimated and registered to participate in the virtual Annual General Meeting.

c. Right to submit questions pursuant to Art. 2 § 1 (2) PandemieG

At an Annual General Meeting held without the physical attendance of shareholders or their authorized representatives pursuant to Art. 2 § 1 (2) PandemieG, shareholders that have registered correctly and/or their authorized representatives are granted the right to ask questions electronically. To enable questions to be answered in the more difficult conditions resulting from the COVID-19 pandemic, the Board of Management has, with the approval of the Supervisory Board, decided that questions pursuant to Art. 2 § 1 (2) Sentence 2 PandemieG must be formulated in German and submitted via the company's password-protected online portal at

www.hornbach-group.com/agm/HBM at the latest by Monday, July 5, 2021, 24:00 hours (CEST). Deadline compliance is determined by the time at which the question is received by the company.

Pursuant to Art. 2 § 1 (2) PandemieG, the Board of Management decides at its due and free discretion as to how it answers the questions submitted.

6. Declaration of objections

Shareholders and/or their authorized representatives who exercise their voting rights are entitled to have their objection to a resolution adopted at the Annual General Meeting recorded in the protocol compiled by the notary public. Such objections must be declared during the Annual General Meeting, i.e. between the opening of the Annual General Meeting and the closing of such and submitted via the password-protected online portal at www.hornbach-group.com/agm/HBM.

7. Further explanations and information on the company's website

The information for the Annual General Meeting required by § 124a AktG is available to shareholders at the HORNBACK Group's website under Investor Relations > Annual General Meetings (www.hornbach-group.com/agm/HBM).

All times and deadlines stated in this invitation refer to Central European Summer Time (CEST), the relevant time zone for Germany. CEST is two hours behind coordinated universal time (UTC), i.e. UTC = CEST minus two hours.

8. Data protection information

We collect personal data about you if you register for the Annual General Meeting and/or about any person you authorize if you issue powers of attorney for your voting rights. Furthermore, we collect data about you and/or about any person you authorize if you exercise your voting rights by postal vote, if you issue powers of attorney and instructions to the voting proxy appointed by the company, and/or when the online portal is used. Personal data is collected in accordance with the requirements of the EU's General Data Protection Regulation (GDPR) and of all other relevant legislation. This data is collected to enable shareholders to exercise their rights at the Annual General Meeting and to enable the Annual General Meeting to be organized and conducted in an orderly manner. Details of your rights and of the treatment of your personal data by the responsible body, HORNBACK Baumarkt AG, can be found on the internet at www.hornbach-gruppe.com/HV-Datenschutz/HBM.

Total number of shares and voting rights upon the convening of the Annual General Meeting

Upon the convening of the Annual General Meeting, the company's share capital of € 95,421,000 is divided into 31,807,000 no-par ordinary shares. Each no-par ordinary share grants one vote, meaning that at the time the Annual General Meeting was convened, there were 31,807,000 voting rights in accordance with the Articles of Association. The company is not entitled to exercise any voting rights attributable to treasury stock; the company held 5,240 treasury stock upon the convening of the Annual General Meeting.

Bornheim, May 2021

HORNBACK Baumarkt AG
The Board of Management