

HORNBACH Holding AG & Co. KGaA
Neustadt an der Weinstrasse

ISIN DE0006083405

INVITATION TO THE ANNUAL GENERAL MEETING

We hereby invite our shareholders to our
Annual General Meeting
at 11.00 a.m. (CEST) on Thursday, July 8, 2021.

The Annual General Meeting will be held as a **virtual Annual General Meeting** as defined in Art. 2 § 1 (2) (here and hereinafter in conjunction with (8)) 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 (*Aktiengesetz – AktG*) is Hornbachstrasse 11, 76879 Bornheim. Further details can be found in the information provided after the agenda at the end of the invitation.

HORNBACH ■
Holding

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 Holding AG & Co. KGaA <i>(formal indication pursuant to EU-DVO: voHV2021HHAG)</i>
Type of message	Notice of Annual General Meeting <i>(formal indication pursuant to EU-DVO: NEWM)</i>

B. Specification of the issuer

ISIN	DE0006083405
Name of issuer	HORNBACH Holding AG & Co. KGaA

C. Specification of general meeting

Date of general meeting	07.08.2021 <i>(formal indication pursuant to EU-DVO: 20210708)</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/Holding Location of the general meeting as defined in the German Stock Corporation Act (AktG): Hornbachstrasse 11, 76879 Bornheim, Germany
Record date	06.17.2021, 00.00 a.m. CEST <i>(formal indication pursuant to EU-DVO: 20210616, 22:00 UTC)</i>
Uniform resource locator of general meeting/URL	www.hornbach-group.com/agm/Holding

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/Holding

AGENDA

- 1. Presentation of the annual financial statements and the consolidated financial statements approved by the Supervisory Board for the 2020/2021 financial year, the combined management report for HORNBAACH Holding AG & Co. KGaA and the Group, the report of the Supervisory Board, and the explanatory report of the General Partner in respect of the disclosures made pursuant to § 289a and § 315a of the German Commercial Code (*Handelsgesetzbuch* – HGB); resolution on the adoption of the annual financial statements of HORNBAACH Holding AG & Co. KGaA for the 2020/2021 financial year**

The Supervisory Board has approved the annual financial statements and the consolidated financial statements prepared by the General Partner in accordance with § 171 AktG. Pursuant to § 286 (1) AktG, the Annual General Meeting passes a resolution on the adoption of the annual financial statements. The remaining documents are to be made available to the Annual General Meeting without any further resolution required in this respect.

The General Partner and the Supervisory Board propose the adoption of the annual financial statements in the version presented in which a net profit of € 32,000,000.00 is reported.

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

The General Partner and the Supervisory Board propose to appropriate the net profit reported for the 2020/2021 financial year amounting to
€ 32,000,000.00
as follows:

Distribution of a dividend of € 2.00
per no-par ordinary share
for 16,000,000 no-par ordinary shares € 32,000,000.00

Should HORNBAACH Holding AG & Co. KGaA hold any treasury stock upon such resolution being adopted by the Annual General Meeting, then pursuant to the German Stock Corporation Act (AktG) such shares shall have no dividend entitlement. Sums attributable to no-par ordinary shares without dividend entitlement will be carried forward.

- 3. Resolution on approval of General Partner's actions in the 2020/2021 financial year**

The General Partner and Supervisory Board propose that the actions of the General Partner 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 General Partner 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 Authorized Capital 2021 with possibility of excluding subscription rights and corresponding amendment to Articles of Association**

The General Partner and the Supervisory Board deem it expedient for the company to be provided with the possibility of increasing its share capital to an appropriate extent to the exclusion of subscription rights, potentially also at short notice, and thus to safeguard its flexibility in financing its further growth and its ability to respond to market circumstances.

The General Partner and Supervisory Board therefore propose adopting the following resolution:

6.1 Creation of Authorized Capital 2021 with possibility of excluding subscription rights

The General Partner shall be authorized until July 7, 2026, subject to approval by the Supervisory Board, to increase the company's share capital in full or in part, on one or several occasions, by a total amount of up to € 9,600,000.00 by issuing up to 3,200,000 new no-par bearer shares in return for cash contributions or contributions in kind (Authorized Capital 2021).

The aggregate total of the shares issued by utilizing Authorized Capital 2021 and of the shares that are issued, may be issued, or have to be issued during the term of this utilization in order to satisfy conversion and/or option rights or to meet conversion or option obligations in connection with bonds furnished with option and/or conversion rights or obligations (or a combination of these instruments) may not exceed a total amount of share capital of € 9,600,000.00 (corresponding to 20% of share capital).

Shareholders shall generally be granted subscription rights. These 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 General Partner that is or are obliged to offer these for subscription by the company's shareholders.

The General Partner shall be authorized, subject to approval by the Supervisory Board, to exclude shareholders' statutory subscription rights in the following cases:

- in the event of a capital increase executed in return for contributions in kind, in particular in order to acquire companies, sections of companies, or shareholdings in companies or other assets, or claims to acquire assets, including receivables due from the company or its shareholdings;
- in the event of capital increases executed in return for cash contributions provided that the issue amount of new shares issued to the exclusion of subscription rights pursuant to § 186 (3) Sentence 4 AktG does not fall materially short of the stock market price of shares already listed in the same class and furnished with the same rights/obligations and that the prorated share of share capital attributable to the aggregate total of new shares to be issued to the exclusion of subscription rights pursuant to § 186 (3) Sentence 4 AktG does not exceed 10% of share capital at the time at which this authorization takes effect or at the time at which this authorization is exercised. Shares issued or sold with direct or corresponding application of § 186 (3) Sentence 4 AktG during the term of this authorization through to the time at which it is exercised shall be imputed to this 10% limit of share capital; shares that may or must be issued by the company to satisfy conversion or option rights or to meet conversion or option obligations in connection with bonds with option and/or conversion rights or obligations (or a combination of these instruments) shall also be imputed provided that the bonds which furnish such conversion or option rights or involve such conversion obligation were issued to the exclusion of shareholders' subscription rights with corresponding application of § 186 (3) Sentence 4 AktG during the term of this authorization through to the time at which it is exercised;
- to offer new shares for subscription as employee shares by employees at the company and/or its subsidiaries up to a total volume of € 1,000,000.00;
- to avoid any residual amounts;
- 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 issued or 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 they would be entitled having exercised their conversion and/or option rights or met their conversion obligations.

Including other company shares sold or issued to the exclusion of subscription rights during the term of Authorized Capital 2021 or to be issued on the basis of bonds issued to the exclusion of subscription rights after July 8, 2021, the aggregate total of shares issued to the exclusion of shareholders' subscription rights on the basis of Authorized Capital 2021 may not exceed an arithmetic share of 20% of share capital either at the time at which this authorization takes effect or at the time at which this authorization is utilized.

The General Partner shall be authorized, subject to approval by the Supervisory Board, to lay down the further details for the capital increase and its execution, 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.

6.2 Amendment to Articles of Association

§ 4 of the Articles of Association shall be amended as follows:

a) A new paragraph 3 shall be inserted after § 4 (2) and shall have the following wording:

“The General Partner is authorized until July 7, 2026, subject to approval by the Supervisory Board, to increase the company’s share capital in full or in part, on one or several occasions, by a total amount of up to € 9,600,000.00 by issuing up to 3,200,000 new no-par bearer shares in return for cash contributions or contributions in kind (Authorized Capital 2021).

The aggregate total of the shares issued by utilization of Authorized Capital 2021 and of the shares that are issued, may be issued, or have to be issued during the term of this utilization in order to satisfy conversion and/or option rights or to meet conversion or option obligations in connection with bonds furnished with option and/or conversion rights or obligations (or a combination of these instruments) may not exceed a total amount of share capital of € 9,600,000.00 (corresponding to 20% of share capital).

Shareholders are generally granted subscription rights. These 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 General Partner that is or are obliged to offer these for subscription by the company’s shareholders.

The General Partner is authorized, subject to approval by the Supervisory Board, to exclude shareholders’ statutory subscription rights in the following cases:

- in the event of a capital increase executed in return for contributions in kind, in particular in order to acquire companies, sections of companies, or shareholdings in companies or other assets, or claims to acquire assets, including receivables due from the company or its shareholdings;
- in the event of capital increases executed in return for cash contributions provided that the issue amount of new shares issued to the exclusion of subscription rights pursuant to § 186 (3) Sentence 4 AktG does not fall materially short of the stock market price of shares already listed in the same class and furnished with the same rights/obligations and that the prorated share of share capital attributable to the aggregate total of new shares to be issued to the exclusion of subscription rights pursuant to § 186 (3) Sentence 4 AktG does not exceed 10% of share capital at the time at which this authorization takes effect or at the time at which this authorization is exercised. Shares issued or sold with direct or corresponding application of § 186 (3) Sentence 4 AktG during the term of this authorization through to the time at which it is exercised are imputed to this 10% limit of share capital; shares that may or must be issued by the company to satisfy conversion or option rights or to meet conversion or option obligations in connection with bonds with option and/or conversion rights or obligations (or a combination of these instruments) are also imputed provided that such bonds were issued to the exclusion of shareholders’ subscription rights with corresponding application of § 186 (3) Sentence 4 AktG during the term of this authorization through to the time at which it is exercised;
- to offer new shares for subscription as employee shares by employees at the company and/or its subsidiaries up to a total volume of € 1,000,000.00;
- to avoid any residual amounts;
- 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 issued or 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 they would be entitled having exercised their conversion and/or option rights or met their conversion obligations.

Including other company shares sold or issued to the exclusion of subscription rights during the term of Authorized Capital 2021 or to be issued on the basis of bonds issued to the exclusion of subscription rights after July 8, 2021, the aggregate total of shares issued to the exclusion of shareholders’ subscription rights on the basis of Authorized Capital 2021 may not exceed an arithmetic share of 20% of share capital either at the time at which this authorization takes effect or at the time at which this authorization is utilized.

The General Partner is authorized, subject to approval by the Supervisory Board, to lay down the further details for the capital increase and its execution, 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 company’s 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 the authorized capital, or following its expiry.”

7. Election of a Supervisory Board member

Dr. Susanne Wulfsberg has stood down from her position as a Supervisory Board member of HORNBACH Holding AG & Co. KGaA as of the end of December 31, 2021.

Pursuant to § 96 (1) AktG in conjunction with § 9 (1) of the Articles of Association, the Supervisory Board consists of six members which are elected by the Annual General Meeting pursuant to § 101 AktG.

THE SUPERVISORY BOARD PROPOSES

Prof. Dr.-Ing. Jens P. Wulfsberg, Professor of Production Technology, Helmut-Schmidt-Universität/Universität der Bundeswehr Hamburg, Hamburg, resident in Norderbrarup

should be elected to the company's Supervisory Board as of January 1, 2022; pursuant to § 9 (3) of the Articles of Association, Prof. Dr.-Ing. Jens P. Wulfsberg should be elected for the remainder of the term in office to which Dr. Susanne Wulfsberg would have been entitled if she had not stood down from her 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 20, 2017 and May 20, 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, Prof. Dr.-Ing. Jens P. Wulfsberg does not have any 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.

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

Prof. Dr.-Ing. Jens P. Wulfsberg

Born in: 1959

Nationality: German

Studies in mechanical engineering at the University of Hanover, graduating with a master's degree

Professional career:

- 1986 - 1988 Researcher and project manager at Institute of Production Engineering and Machine Tools in Hanover
- 1988 - 1992 Head of department at Institute of Production Engineering and Machine Tools in Hanover and doctorate in engineering
- 1991 - 2002 Supervisory Board member at HORNBACH Baumarkt AG
- 1992 - 2001 Head of research and development department at Olympus Winter & Ibe GmbH
- since 2001 Head of production technology laboratory at Universität der Bundeswehr Hamburg
- since 2004 Member of German Academic Association for Production Technology (WGP)
- 2005 - 2007 Dean of Mechanical Engineering Faculty
- since 2005 Supervisory Board member at HORNBACH Baumarkt AG
- since 2010 Coordinator of various research programs at Universität der Bundeswehr Hamburg
- 2011 - 2013 Vice-President for Research at Universität der Bundeswehr Hamburg
- since 2016 Member of German National Academy of Science and Engineering (acatech)
- since 2018 Personal member of Fraunhofer-Gesellschaft
- since 2020 Dean of Mechanical Engineering Faculty
- since 2021 Vice President of German Academic Association for Production Technology (WGP)

Membership of statutory supervisory boards:

- HORNBAACH Management AG - *Group mandate* -
- HORNBAACH Baumarkt AG – *Group mandate*- (until December 31, 2021)

Membership of comparable German and foreign control bodies:

- None

Relevant knowledge, skills and professional expertise:

Given his successful career as a university lecturer, his experience in a senior R&D role at an industrial company, and his activity as a shareholder in a value creation and knowledge management company, Prof. Dr.-Ing. Jens P. Wulfsberg has far-reaching technological expertise in growth fields relevant to our company. In view of his research activities and management roles, he can also contribute expertise in corporate organization and in management and supervisory board activities.

Report of the General Partner on the exclusion of subscription rights pursuant to § 278 (3) in conjunction with § 203 (2) Sentence 2 and § 186 (4) AktG in respect of Agenda Item 6 (Resolution on creation of Authorized Capital 2021 with possibility of excluding subscription rights and corresponding amendment to Articles of Association)

The availability of adequate capital resources and financing options represents an important basis for the company's further development and its successful presence on the capital market. Issuing new shares in the context of a capital increase offers a way to expand the company's equity, and thus also extends the range of options for financing the company's further growth, as well as for taking up debt capital. The General Partner should have flexible options, subject to approval by the Supervisory Board and in the interests of the company, to draw on financing possibilities to exploit business opportunities and boost the company's equity resources.

The General Partner and Supervisory Board deem it expedient to enable the company to increase its share capital, where applicable also at short notice and, to an appropriate extent, to the exclusion of subscription rights, and thus to enhance its flexibility in financing its targeted further growth and safeguard its ability to respond to market circumstances. To this end, the resolution provides for creating Authorized Capital 2021 in the amount of 20% of the company's existing share capital at the time at which the resolution is adopted. The aggregate total of those shares issued by drawing on Authorized Capital 2021 and of those shares which are issued, may be issued, or have to be issued during the term of this authorization to service conversion and/or option rights or to meet conversion or option obligations for bonds furnished with option and/or conversion rights or obligations (or a combination of these instruments) may not exceed a total amount of share capital of € 9,600,000.00 (corresponding to 20% of share capital).

Shareholders generally have subscription rights when Authorized Capital 2021 is utilized. Pursuant to § 278 (3) AktG in conjunction with § 203 (1) Sentence 1 AktG and § 186 (5) AktG, the new shares may also be taken over in full or in part by a bank or consortium of banks stipulated by the General Partner that is or are obliged to offer them for subscription by the company's shareholders ("indirect subscription rights"). Subject to approval by the Supervisory Board, the General Partner should also be permitted to structure subscription rights partly as direct subscription rights and otherwise as indirect subscription rights. In particular, it may be expedient and for reasons of cost also in the company's interest to offer new shares directly for subscription by an eligible major shareholder that has committed in advance to accept a fixed number of new shares corresponding to its subscription rights, and thus to avoid the fees charged to the company by the issuing banks for handling indirect subscription rights. For those shareholders to whom new shares are offered by way of indirect subscription rights, this approach does not involve any restriction on their subscription rights. The proposed authorization provides for the General Partner being entitled in accordance with statutory requirements and subject to approval by the Supervisory Board to exclude shareholders' subscription rights in full or in part in the cases listed below:

- a) This initially applies for capital increases executed in return for contributions in kind. This exclusion serves in particular to facilitate the acquisition of companies, sections of companies, or shareholdings in companies, or of other assets or of claims to acquire assets, including receivables due from the company or its shareholdings in return for the granting of shares. Should such acquisition by way of a capital increase executed in return for contributions in kind generate tax savings at the seller, or should other reasons mean that the seller is more interested in acquiring shares in the company than in a cash payment, then the possibility hereby provided for strengthens the company's negotiating position. In individual cases, it may also be appropriate in view of the company's particular interests to offer new shares as consideration to the seller. Authorized Capital 2021 would enable the company to react swiftly and flexibly to any opportunities arising and, in suitable individual cases, to acquire companies, sections of companies, shareholdings in companies, or other assets in return for the issue of new shares. In suitable individual cases, the authorization hereby proposed thus facilitates optimal financing of the acquisition in return for the issuing of new shares, with a corresponding strengthening of the company's equity resources. The General Partner and the Supervisory

Board will in any case draw on the possibility of excluding subscription rights from Authorized Capital 2021 when executing the capital increase in return for contributions in kind only when the value of the new shares stands in a suitable relationship to the value of the consideration provided by the company, company section or shareholding to be acquired. As a general rule, the issue price of the shares to be newly issued should be aligned to the stock market price. This avoids any economic disadvantage for the shareholders excluded from subscription rights.

- b) Furthermore, the authorization provides for the exclusion of subscription rights in the event of a capital increase executed in return for cash contributions; in this case, however, the capital increase for which subscription rights are excluded is limited to a maximum of 10% of the share capital existing at the time at which Authorized Capital 2021 takes effect. Moreover, a corresponding provision in the authorization resolution ensures that the 10% limit is not exceeded even in the event of a capital reduction, as the authorization to exclude subscription rights explicitly may not exceed the 10% limit of share capital either at the time at which the authorization takes effect or, should this value be lower, at the time at which the authorization is exercised. Shares issued or sold with direct or corresponding application of § 186 (3) Sentence 4 AktG during the term of this authorization through to the time at which it is exercised are imputed to the aforementioned 10% limit. Furthermore, shares which may or have to be issued by the company to service conversion or option rights or to meet conversion or option obligations for bonds furnished with option and/or conversion rights or obligations (or a combination of these instruments) are also imputed to this limit provided that the bonds that furnish such conversion or option rights or conversion obligations are issued to the exclusion of shareholders' subscription rights during the term of this authorization through to the time at which it is exercised with corresponding application of § 186 (3) Sentence 4 AktG. Moreover, the authorization is subject to the requirement that the issue amount of the new shares may not fall materially short of the stock market price of listed company shares.

This authorization is intended to provide the company with the option of drawing on simplified subscription right exclusion pursuant to § 278 (3) AktG in conjunction with § 203 (1) and (2) and § 186 (3) Sentence 4 AktG. This option serves the company's interests and the achievement of the best possible price when issuing shares. The statutory possibility of excluding subscription rights provided for in § 186 (3) Sentence 4 AktG enables the company to act swiftly and cost-effectively to exploit any opportunities arising due to conditions on the stock market. This offers the best possible way of strengthening capital resources in the interests of the company and all shareholders. By waiving the time-consuming and costly process of handling subscription rights, the company can cover its equity requirements very promptly should market opportunities arise at short notice, while also attracting new groups of shareholders in Germany and abroad.

It is true that § 186 (2) AktG permits delaying publication of the subscription price to the third day before the expiry of the subscription deadline. Given the volatility frequently observable on the stock markets, especially in recent times, however, even then there would be a market risk lasting several days that would lead to safety discounts being priced into the subscription price. Furthermore, due to the uncertainty as to whether such rights will actually be exercised the granting of subscription rights may endanger the successful placement of such rights with third parties or involve additional expense. Finally, for existing subscription rights the length of the two-week subscription period means that the company cannot react at short notice to favorable or unfavorable market developments, but is rather exposed to declining share prices during the subscription period which could result in less favorable equity procurement for the company. In particular, the ability to execute a capital increase at short notice is important to the company as it has to be able to exploit market opportunities arising in its markets swiftly and flexibly and thus to cover any capital requirements thereby arising also at very short notice.

The sale price, and thus the resources accruing to the company for the new shares, will be based on the stock market price of shares already listed and will not fall materially short of the current stock market price. Given that all shares issued by the company to date are admitted for trading in the Prime Standard of the Frankfurt Stock Exchange, based on the status quo shareholders interested in maintaining their specific level of shareholding in the company can easily acquire additional shares in the company via the stock exchange should the authorization to issue shares to the exclusion of subscription rights be exercised pursuant to § 186 (3) Sentence 4 AktG.

- c) Furthermore, it should be possible to exclude shareholders' subscription rights to a limited extent in order 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.
- d) The authorization to exclude subscription rights for residual amounts is intended to facilitate the presentation of a feasible subscription ratio for the amount of the respective capital increase. The new shares classified as residual amounts and excluded from shareholders' subscription rights will be put to the best possible use for the company, either by being sold via the stock market or otherwise.

- e) The authorization to exclude subscription rights in favor of the bearers or creditors of conversion and/or option rights and/or the bearers or creditors of bonds furnished with conversion obligations serves the following purpose: Should this authorization be utilized then the conversion or option price need not be reduced in line with the anti-dilution clause set out in the terms and conditions of the convertible/option bonds. Subscription rights can then rather also be offered to the bearers or creditors of conversion and/or option rights and/or the bearers or creditors of bonds furnished with conversion obligations to the extent to which they would be entitled having exercised their conversion or option rights or met their conversion obligations. This authorization provides the General Partner with the possibility, following careful consideration and subject to approval by the Supervisory Board, of selecting between both alternatives when utilizing Authorized Capital 2021.

Including other company shares sold or issued to the exclusion of subscription rights during the term of Authorized Capital 2021 or to be issued on the basis of bonds issued to the exclusion of subscription rights after July 8, 2021, the aggregate total of shares issued to the exclusion of shareholders' subscription rights on the basis of Authorized Capital 2021 may not exceed an arithmetic share of 20% of share capital either at the time at which this authorization takes effect or at the time at which this authorization is utilized. This restriction serves to protect shareholders in order to minimize any dilution in their shareholding.

Having considered all the aforementioned circumstances, the General Partner, in agreement with the Supervisory Board, believes that the authorizations to exclude subscription rights for the reasons stated are justified and appropriate, also given the potential dilutive effect incurred by shareholders should the respective authorizations be utilized.

There are currently no specific plans to utilize Authorized Capital 2021. It is nevertheless customary for companies, whether in Germany or abroad, to have corresponding anticipatory resolutions providing for the possibility of excluding subscription rights. All cases hereby proposed in which subscription rights are excluded require approval by the Supervisory Board. Furthermore, the General Partner will in all cases carefully review whether utilization of Authorized Capital 2021 is in the company's interests; in particular, it will review whether any exclusion of subscription rights is justified in individual cases. The General Partner will report to the subsequent Annual General Meeting on any utilization of the authorization.

Notes regarding the Agenda Items

The approved annual financial statements of HORNBAACH Holding AG & Co. KGaA for the 2020/2021 financial year, the approved consolidated financial statements for the 2020/2021 financial year, the combined management report for HORNBAACH Holding AG & Co. KGaA and the Group, and the explanatory report of the General Partner 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 General Partner 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 HORNBAACH Group's website under Investor Relations > Annual General Meetings (www.hornbach-group.com/agm/Holding) 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 8, 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 HORNBAACH Group's website under Investor Relations > Annual General Meetings at www.hornbach-group.com/agm/Holding. 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 § 20 (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., **Thursday, June 17, 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 **Thursday, July 1, 2021, 24:00 hours (CEST)**, at the following address, fax number, or e-mail address:

HORNBAACH Holding AG & Co. KGaA
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 § 20 (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 HORNBAACH Group’s website under Investor Relations > Annual General Meetings at www.hornbach-group.com/agm/Holding.
- b. Shareholders not wishing to exercise their voting rights in person are entitled to have their voting rights exercised by an authorized representative, 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 Wednesday, July 7, 2021, 18:00 hours (CEST):

HORNBACH Holding AG & Co. KGaA
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/Holding.

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/Holding. 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/Holding 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/Holding. 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/Holding 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 **Monday, June 7, 2021, 24:00 hours (CEST)**. Such requests must be addressed in writing to the General Partner of HORNBACH Holding AG & Co. KGaA. Please use the following address:

HORNBACH Holding AG & Co. KGaA
General Partner
HORNBACH Management 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 General Partner decides on the motion.

b. Countermotions and election proposals by shareholders 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 Holding AG & Co. KGaA
Investor Relations/Hauptversammlung
Hornbachstrasse 11
76879 Bornheim bei Landau/Pfalz
Fax: +49 (0) 6348 60-4299
E-mail: gegenantraege.holding@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 **Wednesday, June 23, 2021, 24:00 hours (CEST)**, together with the shareholder's name, any substantiation provided, 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 General Partner 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 General Partner 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/Holding at the latest by Tuesday, July 6, 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 General Partner 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/Holding.

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/Holding).

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 Holding AG & Co. KGaA, can be found on the internet at www.hornbach-gruppe.com/HV-Datenschutz/Holding.

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 € 48,000,000 is divided into 16,000,000 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 16,000,000 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 did not hold any treasury stock upon the convening of the Annual General Meeting.

Bornheim/Pfalz, May 2021

HORNBACK Holding AG & Co. KGaA

HORNBACK Management AG
(General Partner)

The Board of Management