

NFON AG, Munich

Virtual Annual General Meeting on 28 May 2020 at 10:00 a.m.

Explanations on the shareholder rights pursuant to Sections 122(2), 126(1), 127 and 131(1) of the German Stock Corporation Act (*Aktiengesetz – AktG*).

The German Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic (the German COVID-19 Act) became effective under Article 2 of the German Act to Mitigate the Consequences of the COVID-19 Pandemic in Civil, Insolvency and Criminal Procedural Law.

In order to provide the best possible protection for shareholders and all other persons otherwise involved in the Annual General Meeting as regards the COVID-19 pandemic, and to allow an Annual General Meeting to be held at all under these circumstances, with the approval of the Supervisory Board, the Management Board has resolved to hold the Annual General Meeting in the form of a virtual Annual General Meeting without shareholders or their proxies attending in person as referred to in the German COVID-19 Act.

1. Requests for supplements to the agenda at the request of a minority pursuant to Section 122(2) AktG

Shareholders whose shares amount in aggregate to not less than one-twentieth of the share capital or represent an amount of the share capital corresponding to EUR 500,000 (currently corresponds to 500,000 shares) may request – pursuant to Section 122(2) AktG – that items are put on the agenda and published. Each new item must be accompanied by grounds or a draft proposal. The request must be made in writing (Section 126 BGB) and addressed to the Management Board of the company and must be received by the company in accordance with Section 1(3) sentence 4 of the German COVID-19 Act no later than fourteen days before the Annual General Meeting, i.e. no later than midnight on Wednesday, 13 May 2020 (CEST). Any requests for supplements submitted after this time will not be considered. All requests for supplements should be sent to the following address:

NFON AG
– Management Board –
Machtlfinger Strasse 7
81379 Munich

The shareholders who have made the request shall provide evidence to the effect that they have held the shares for at least 90 days prior to the receipt of the request and that they will hold the shares until the Management Board decides upon the motion (Section 122(1) sentence 3 and (2) sentence 1 AktG).

Section 121(7) AktG applies when calculating the deadline. Confirmation from the custodian bank constitutes sufficient evidence.

The right to demand transfer of title from a credit institution, a financial services institute or an enterprise operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act (*Gesetz über das Kreditwesen – KWG*) shall be deemed equivalent to ownership. The period during which the share was owned by a predecessor shall be attributed to the shareholder, provided that he has acquired the share without consideration from a fiduciary, as a successor in legal interest by operation of law, in connection with the liquidation of a community of interest, or as a result of a transfer of assets pursuant to Section 13 of the German Insurance Supervision Act (*Versicherungsaufsichtsgesetz – VAG*) or Section 14 of the German Building Loan Associations Act (*Gesetz über Bausparkassen – BauSparkG*) (see Section 70 AktG).

Supplements to the agenda to be published are – to the extent they have not already been published at the time of convening – to be published in the Federal Gazette immediately after being received at the company and forwarded for publishing to such media that are capable of distributing the information throughout the entire European Union. They will be made available immediately after being received at the company via the website <https://corporate.nfon.com/en/investor-relations/annual-general-meeting> and communicated to the shareholders.

The regulations of the AktG underlying this shareholder right are as follows:

Section 122(1) and (2) (Convening the meeting at the request of a minority) (1) The Annual General Meeting shall be convened if shareholders whose holding in aggregate equals or exceeds one-twentieth of the share capital request such meeting in writing, stating the purpose and the reasons of such meeting; such request shall be addressed to the Management Board. The Articles of Association may provide that the right to request an Annual General Meeting shall require another form or the holding of a lower proportion of the share capital. The shareholders who have made the request shall provide evidence to the effect that they have held the shares for at least 90 days prior to the receipt of the request and that they will hold the shares until the Management Board's decision on the motion. Section 121(7) shall apply accordingly.

(2) In the same manner, shareholders whose shares amount in aggregate to not less than one-twentieth of the share capital or represent an amount of the share capital corresponding to EUR 500,000 may demand that items are put on the agenda and published. Each new item must be accompanied by grounds or a draft proposal. The request in the sense of sentence 1 shall be provided to the company at least 24 days, in case of listed companies at least 30 days, prior to the meeting; the date of receipt shall not be included in this calculation.

Section 121(7) – General provisions

(7) In case of deadlines and dates that are calculated back from the date of the meeting, the day of the meeting itself shall not be included in the calculation. Adjourning the meeting from a Sunday, Saturday or a holiday to a preceding or following working day shall not be an option. Sections 187 to 193 BGB shall not apply accordingly. In case of unlisted companies, the Articles of Association may provide for a different calculation of the deadline.

Section 1(3) sentence 4 of the German COVID-19 Act

Sentence 4 By derogation from Section 122(2) AktG, in the above case any requests for supplements must be received at least 14 days before the company's meeting.

2. Counter-motions and nominations pursuant to Section 126(1) and 127 AktG

Pursuant to Section 126(1) AktG, each shareholder is authorised to file counter-motions against proposals by the Management Board and/or Supervisory Board. Furthermore, pursuant to Section 127 AktG, each shareholder may submit proposals to elect Supervisory Board members to the extent that elections of this nature are on the agenda.

Counter-motions and nominations, including the name of the shareholder and, in the case of counter-motions, including the grounds for filing the motion and any statements by the management are made accessible on the website <https://corporate.nfon.com/en/investor-relations/annual-general-meeting> if they are sent to the address, fax number or e-mail address below at least 14 days before the company's Annual General Meeting; the date of its receipt and the date of the Annual General Meeting shall not be included in calculating the period. The latest permissible date of receipt is therefore midnight on Wednesday, 13 May 2020 (CEST). There is no obligation to make counter-motions and nominations accessible – even if the above conditions have been satisfied – if the facts under Section 126(2) AktG are present. In addition to the reasons named in Section 126 (2) AktG, there is no requirement for the Management Board to make a nomination accessible, including if the proposal does not include the name, profession and residence of the candidate and – for proposals to elect Supervisory Board members – details on their seats on other statutory Supervisory Boards within the meaning of Section 125(1) sentence 5.

The Management Board reserves the right to combine counter-motions and the respective statements of the grounds if several shareholders make counter-motions for resolution in respect to the same subject matter.

In the event that counter-motions and nominations are made accessible, counter-motions and their grounds as well as nominations should be sent to the following address:

NFON AG
Investor Relations – Annual General Meeting 2020
Machtlfinger Strasse 7
81379 Munich
or by fax: +49 (0) 89 45300 33134
or by e-mail: sabina.prueser@nfon.com

Counter-motions or nominations addressed in another manner will not be considered. Reasons must be provided for counter-motions. This does not apply to nominations.

The regulations of the AktG underlying this shareholder right, which also provide the conditions under which the publication of counter-motions and nominations can be excluded, are as follows:

Section 126 – Motions by shareholders

(1) Motions by shareholders together with the shareholder's name, the grounds and any position taken by the management shall be made available to the persons entitled pursuant to Section 125 (1)–(3) under the conditions stated therein if at least 14 days before the meeting the shareholder sends to the address indicated in the notice

convening the meeting a counter-motion to a proposal of the Management Board and Supervisory Board as to an item on the agenda, including the grounds for it. The date of receipt shall not be taken into account. In the case of listed companies, access shall be provided via the company's internet page. Section 125(3) shall apply accordingly.

(2) A counter-motion and the grounds for this need not be made available if:

1. the Management Board would by reason of such communication become criminally liable;
2. the counter-motion would result in a resolution of the Annual General Meeting that would be illegal or would violate the Articles of Association;
3. the grounds contain statements that are manifestly false or misleading in material respects or that are libellous;
4. a counter-motion of such shareholder based on the same facts has already been communicated with respect to an Annual General Meeting of the company pursuant to Section 125;
5. the same counter-motion of such shareholder on essentially identical grounds has already been communicated pursuant to Section 125 to at least two Annual General Meetings of the company within the past five years and at such Annual General Meetings less than one-twentieth of the share capital represented has voted in favour of such counter-motion;
6. the shareholder indicates that he will neither attend nor be represented at the Annual General Meeting; or
7. within the past two years at two Annual General Meetings the shareholder has failed to make or cause to be made on his behalf a counter-motion communicated by him.

The statement of the grounds need not be made accessible if it exceeds 5,000 characters.

(3) If several shareholders file counter-motions for resolution in respect to the same subject matter, the Management Board may combine such counter-motions and the respective statements of the reasons.

Section 127 – Nominations by shareholders

Section 126 shall apply accordingly to a proposal by a shareholder for the election of a member of the Supervisory Board or external auditors. Such nomination need not be supported by a statement of the grounds for this. The Management Board also need not make such nomination accessible if it fails to contain the particulars required by Section 124 (3) sentence 4 and Section 125 (1) sentence 5.(...)

Section 124(3) sentence 4 – Notice by publication of requests for supplements; proposals for resolutions

(3) (...) The proposal for the election of members of the Supervisory Board or auditors shall state their name, profession and residence. (...)

Section 125(1) sentence 5 – Communications to shareholders and members of the Supervisory Board

(1) (...) In case of listed companies, details on the membership in other Supervisory Boards to be established pursuant to statutory provisions must be added to any nomination for the election of Supervisory Board members; details on their membership in comparable domestic and foreign controlling bodies of enterprises should be added. (...)

3. Opportunity for shareholders and their proxies to ask questions

In accordance with section 1(2) of the German COVID-19 Act, the Management Board has decided, with the approval of the Supervisory Board, that questions from shareholders or their proxies must be submitted electronically no later than two days before the Annual General Meeting, i.e. by midnight on 26 May 2020 (CEST). Questions can be submitted by shareholders or their proxies via the shareholder portal at:

<https://nfon.hvanmeldung.de>

or sent to the following e-mail address:

e-mail: sabina.prueser@nfon.com

In accordance with section 1(2) of the German COVID-19 Act, the Management Board will decide at its due discretion which questions will be answered. Shareholders do not have a right to information as referred to by section 131(1) AktG at the virtual Annual General Meeting.

Please note that when answering questions, the name of the shareholder submitting the question may also be mentioned.

The regulations underlying this shareholder right are as follows:

Section 1(2) sentence 1 no. 3, sentence 2 of the German COVID-19 Act

The Management Board may decide that the meeting is to be held as a virtual Annual General Meeting without the physical presence of the shareholders or their proxies, provided

[...]

3. the shareholders are granted an opportunity to ask questions by way of electronic communication,

[...].

The Management Board decides at its due discretion which questions to answer and how; it may also stipulate that questions are to be submitted by way of electronic communication by no later than two days before the meeting.