

NFON AG, Munich

**Extraordinary Annual General Meeting on 12 December 2019 at 10:00 a.m.
Bayerische Börse, Karolinenplatz 6, 80333 München**

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

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 shall be accompanied by a reason or a draft proposal. The request must be sent to the company's Management Board in writing (Section 126 of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*)) and must be received by the company no later than 30 days before the Annual General Meeting, i.e. no later than Monday, 11 November 2019, midnight 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 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 shall be accompanied by a reason 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.

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 as well as nominations may be filed or submitted during the Annual General Meeting without prior communication to the company and publication. In this case, there is no requirement of notice by publication pursuant to Section 124(4) AktG. In the event of access prior to the Annual General Meeting, counter-motions and their grounds as well as nominations should be sent to the following address:

NFON AG
Investor Relations – Extraordinary Annual General
Meeting 2019 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.

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 above 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 Wednesday, 27 November 2019, midnight 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.

Including in the event of prior communication and access, counter-motions and nominations by shareholders are only voted upon if they are made during the Annual General Meeting.

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. Right to information pursuant to Section 131 AktG

Pursuant to Section 131(1) AktG, each shareholder shall upon request be provided with information at the Annual General Meeting by the Management Board regarding the company's affairs, including the legal and business relations of the company with affiliated enterprises and the outlook of the group and the enterprises included in the consolidated financial statement, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda, and provided there is no right to refuse the provision of information pursuant to Section 131(3).

The information provided shall comply with the principles of conscientious and accurate accounting. Pursuant to Section 25(3) of the Articles of Association, the chairperson of the meeting may limit the number of questions and speaking time of shareholders as appropriate; this person is especially authorised to impose reasonable time limits on the entire Annual General Meeting, for individual agenda items and for individual questions and speaking time limits as appropriate, at the beginning of the Annual General meeting or over its course.

The regulations of the AktG underlying this shareholder right, which also provide the conditions under which issuing information can be excluded as well as Section 25(3) of the Articles of Association of the company, are as follows:

Section 131 – Right of shareholders to information

(1) Each shareholder shall upon request be provided with information at the Annual General Meeting by the Management Board regarding the company's affairs, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda. The duty to provide information shall also extend to the company's legal and business relations with any affiliated enterprise. If a company makes use of the simplified procedure pursuant to Section 266(1) sentence 3, Section 276 or Section 288 of the German Commercial Code (*Handelsgesetzbuch* – HGB), each shareholder may request that the annual financial statements be presented to him at the Annual General Meeting on such annual financial statements in the form that would have been used if such simplified procedure had not been applied. A parent enterprise's (Section 290 (1) and (2) HGB) Management Board's duty to inform in the Annual General Meeting that considers the consolidated financial statements and consolidated management report shall extend to the outlook of the group and the enterprises included in the consolidated financial statements.

(2) Such report shall comply with the principles of conscientious and accurate accounting. The Articles of Association or the rules of procedure pursuant to Section 129 may authorise the chairperson of the meeting to limit the number of questions and speaking time of shareholders as appropriate and to lay down general rules thereon.

(3) The Management Board may refuse to provide information:

1. to the extent that providing such information is, according to sound business judgment, likely to cause material damage to the company or an affiliated enterprise;
2. to the extent that such information relates to tax valuations or the amount of certain taxes;
3. with regard to the difference between the value at which items are shown in the annual balance sheet and the higher market value of such items, unless the Annual General Meeting is to approve the annual financial statements;
4. with regard to the methods of classification and valuation, if disclosure of such methods in the notes suffices to provide a clear view of the actual condition of the company's assets, financial position and profitability within the meaning of Section 264(2) HGB; the foregoing shall not apply if the Annual General Meeting is to approve the annual financial statements;
5. if provision thereof would render the Management Board criminally liable;
6. if, in the case of a credit institution or financial services institution, information about the applied methods of classification and valuation or calculations made in the annual financial statements, the management report, the consolidated financial statements or the group's management report need not be given;
7. if the information is continuously available on the company's internet page for seven or more days prior to the Annual General Meeting as well as during the meeting.

The provision of information may not be refused for other reasons.

(4) If information has been provided outside an Annual General Meeting to a shareholder by reason of his status as a shareholder, such information shall upon request be provided to any other shareholder at the Annual General Meeting, even if such information is not necessary to permit a proper evaluation of an item on the agenda. The Management Board may not refuse to provide such information on the reasons of (3) sentence 1 nos. 1 to 4. Sentences 1 and 2 shall not apply if a subsidiary (Section 290 (1), (2) of the Commercial Code), a cooperative enterprise (Section 310 (1) HGB) or an affiliate (Section 311 (1) HGB) provides the information to a parent enterprise (Section

290 (1), (2) HGB) for the purpose of inclusion in the consolidated annual financial statement of the parent enterprise and the information is required for this purpose.

(5) A shareholder who has been refused information may request that his question and the reason for which the information was refused be recorded in the minutes of the meeting.

Section 25(3) of the Articles of Association

(3) The chairperson of the meeting may limit the number of questions and speaking time of shareholders and shareholder representatives attending the Annual General Meeting as appropriate. This person is especially authorised to impose time limits on the entire Annual General Meeting, for individual agenda items or for individual questions or speaking time limits as appropriate, at the beginning of the Annual General meeting or over its course.

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