GRENKE AG
Baden-Baden

Securities Identification Number A161N3
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Invitation to the Annual General Meeting

We invite our shareholders to the Ordinary Annual General Meeting to be held on Thursday, May 11, 2017, at 11:00 a.m. at the Kongresshaus Baden-Baden, Augustaplatz 10, 76530 Baden-Baden, Germany.

Meeting Agenda

1. Presentation of the adopted separate financial statements of GRENKE AG and the approved consolidated financial statements as per December 31, 2016, the combined management report for GRENKE AG and the Consolidated Group, the report of the Supervisory Board and the explanatory report of the Board of Directors on the disclosures pursuant to Section 289 (4) and (5), Section 315 (4) of the German Commercial Code, each for the 2016 fiscal year.

The documents above have been published on the Internet and are available at http://www.grenke.de/en/investor-relations.

The Supervisory Board approved the separate financial statements and the consolidated financial statements prepared by the Board of Directors. Therefore, in accordance with the statutory provisions, no resolution of the Annual General Meeting is provided for under this agenda item.

2. Resolution on the appropriation of the unappropriated surplus of GRENKE AG

The Board of Directors and the Supervisory Board propose to appropriate the Company’s unappropriated surplus of EUR 34,637,384.17 for the 2016 fiscal year as follows:
Unappropriated surplus EUR 34,637,384.17
Distribution of a dividend of EUR 1.75 per dividend-bearing share EUR 25,849,309.50
Profit carried forward EUR 8,788,074.67

Pursuant to Section 58 (4) sentence 2 of the German Stock Corporation Act (AktG) in the version as per January 1, 2017, the claim for payment of the dividend is due on the third business day following the Annual General Meeting, that is, May 16, 2017.

3. **Resolution on the discharge of members of the Board of Directors for the 2016 fiscal year**

The Board of Directors and Supervisory Board propose that members of the Board of Directors in office during the 2016 fiscal year be discharged for this period.

4. **Resolution on the discharge of members of the Supervisory Board for the 2016 fiscal year**

The Board of Directors and Supervisory Board propose that members of the Supervisory Board in office during the 2016 fiscal year be discharged for this period.

5. **Resolution on the appointment of the auditor and the group auditor for the 2017 fiscal year 2017**

On the recommendation of the Audit Committee, the Supervisory Board proposes that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart be appointed as the auditor and group auditor for the 2017 fiscal year. The auditor will also perform the audit review of the condensed financial statements and the interim management report pursuant to Sections 37w and 37y of the Securities Trading Act for the first six months of fiscal year 2017, if applicable.

6. **Resolution on the increase of the share capital from company funds, the redivision of the share capital (stock split) and the related amendments to Section 4 of the Articles of Association**
GRENKE’s share price has developed very positively in recent years. In order to make the share even more attractive, especially for private and small investors, and increase the trading volume in GRENKE shares, the Company’s share capital is to be re-divided in a ratio of 1:3 after the capital increase from company funds, thereby tripling the number of shares (stock split).

GRENKE AG’s share capital currently amounts to EUR 18,880,774.47 under Section 4 (1) of the Articles of Association and is divided into 14,771,034 no-par value registered shares with a notional interest in the share capital of EUR 1.2782 per share (rounded). In light of the fact that the notional interest in the share capital attributable to one no-par value share cannot be less than EUR 1.00 per share under Section 8 (3) sentence 3 of the German Stock Corporation Act, and to avoid calculation difficulties, especially in the case of future changes in capital, the share capital shall – before the stock split – initially be increased by EUR 25,432,327.53 to EUR 44,313,102.00 by way of a capital increase from company funds without the issuance of new shares, thereby increasing the notional interest of each no-par value share in the share capital to EUR 3.00. After the capital increase from company funds becomes effective, the share capital shall be re-divided into 44,313,102 no-par value shares with each existing no-par value share with a notional interest in the share capital of EUR 3.00 being split into three new no-par value shares each with a notional interest in the share capital of EUR 1.00 per share.

The Board of Directors and Supervisory Board propose to resolve the following:

a) A capital increase from company funds

The Company’s share capital of EUR 18,880,774.47 shall be increased from company funds by EUR 25,432,327.53 to EUR 44,313,102.00 through the conversion into share capital of a partial amount of EUR 25,432,327.53 of retained earnings reported on the balance sheet as per December 31, 2016. The capital increase will be executed without issuing new shares. The capital increase will be based on the Company’s annual balance sheet as per December 31, 2016, which was prepared by the Board of Directors, adopted by the Supervisory Board, audited and furnished with an unqualified audit opinion by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart.

Section 4 (1) of the Articles of Association shall be amended as follows:

"The Company’s share capital amounts to EUR 44,313,102.00 (in words: forty-four million, three hundred thirteen thousand one hundred and two euros and zero cents)".

b) Re-division of share capital (stock split)

Subject to the registration in the commercial register of the capital increase resolution in accordance with lit. a) of this Agenda Item, the Company’s increased share capital of EUR 44,313,102.00 shall be re-divided into 44,313,102 no-par value registered shares (stock split at a ratio of 1:3). As a result, the notional interest in the share capital will amount to EUR 1.00 per share.
Section 4 (2) sentence 1 of the Articles of Incorporation shall be amended as follows:

"The Company’s share capital is divided into 44,313,102 no-par value shares".

Section 4 (2) of the Articles of Association is unaffected.

c) Filing for registration in the commercial register

The Board of Directors is instructed to file for the re-division of the share capital (stock split) in accordance with lit. b) of this Agenda Item subject only to the registration of the resolution for the capital increase in accordance with lit. a) of this agenda item for registration in the commercial register. In addition, subject to the approval of the Supervisory Board, the Board of Directors is authorised to determine the details of the re-division of the share capital, including the admission to trading on the stock market of the shares.

7. **Adjustment of the variable remuneration of the Supervisory Board on the basis of the re-division of the share capital and the corresponding amendments to the Articles of Association**

Pursuant to Section 10 (3) of the Articles of Association, variable remuneration is currently granted to members of the Supervisory Board in addition to the fixed remuneration if a dividend of more than EUR 0.70 per share is distributed to the shareholders. In this case, the remuneration is increased by the percentage by which the dividend per share exceeds EUR 0.70. The variable remuneration component is currently limited to a maximum of 100% of the Supervisory Board member’s fixed remuneration.

Due to the re-division of the share capital and the resulting tripling in the number of shares, the variable remuneration component, which is linked to the dividend per share, is to be adjusted to the increased number of shares so that the variable remuneration of the Supervisory Board remains unchanged.

In light of the above, the Board of Directors and the Supervisory Board propose that Section 10 (3) of the Articles of Association be amended as follows:

"Furthermore, variable remuneration is granted to members of the Supervisory Board if a higher dividend of more than EUR 0.25 per share is distributed to the shareholders. In this case, the compensation is increased by the percentage by which the dividend per share exceeds EUR 0.25. The variable remuneration component shall not exceed 100% of the fixed remuneration of a member of the Supervisory Board pursuant to the preceding paragraphs 1 and 2”.

To ensure that the above amendment to the Articles of Association does not become effective without the prior re-division of the share capital (stock split), the Board of Directors is instructed to file the changes to the Articles of Association approved by
this agenda item 7 for registration in the commercial register only after the stock split has been entered into the commercial register.

8. Resolution on the approval of the conclusion of a corporate agreement with Europa Leasing GmbH

GRENKE AG, Baden-Baden, and Europa Leasing GmbH, based in Kieselbronn ("the company"), whose sole shareholder is GRENKE AG, have concluded a profit transfer agreement on March 10, 2017.

This profit transfer agreement has the following material content:

- The company is obliged during the term of the contract to transfer its entire profit to GRENKE AG subject to the formation of other retained earnings and taking into account the current version of Section 301 AktG.
- With the consent of GRENKE AG, the company may appropriate amounts from the net profit for the year to retained earnings (Section 272 (3) of the German Commercial Code) provided that this is permissible under commercial law and is economically justified on the basis of sound commercial judgment. Other retained earnings formed in accordance with Section 272 (3) HGB during the term of this agreement, may be withdrawn from other retained earnings at the request of GRENKE AG in accordance with the current version of Section 301 sentence 2 AktG and transferred as profit.
- The transfers of amounts resulting from the release of retained earnings and profits carried forward recognised before the entry into force of this contract are excluded. Withdrawals from the capital reserve pursuant to Section 272 (2) HGB are generally excluded from the transfer of profits.
- GRENKE AG is obliged to offset any annual loss incurred by the company during the term of the contract in accordance with Section 302 AktG in its respective valid version, insofar as this loss is not offset by withdrawing amounts from other retained earnings which had been allocated to retained earnings before during the term of the contract. In all other respects, the provisions of Section 302 AktG apply as amended.
- GRENKE AG is not required to grant compensation payments (Section 304 AktG) or settlement payments (Section 305 AktG) in due to the absence of external shareholders of the company.
- The contract becomes effective upon registration in the company's commercial register. It shall be applied for the first time in the business year beginning on January 1, 2018.
- The term of the contract is for an indefinite period with a minimum term of five calendar years. The contract may, therefore, be terminated by each of the
contracting parties for the first time as per December 31, 2022, and shall be extended for a further year in each case unless it is terminated with due notice as per the end of a fiscal year with a notice period of three months. The right to terminate for due cause remains unaffected. Due cause is given, among others, when GRENKE AG no longer holds the majority of the company’s voting rights.

The Europa Leasing GmbH shareholder meeting has already agreed to the conclusion of the profit transfer agreement in notarised form.

The Board of Directors and the Supervisory Board propose approving the conclusion of the profit transfer agreement between GRENKE AG and Europa Leasing GmbH.

The following documents are available at GRENKE AG’s office premises at Neuer Markt 2, 76532 Baden-Baden, the office premises of Europa Leasing GmbH at Ludwig-Wolf-Strasse 2 - 4, 75249 Kieselbronn from the announcement of this invitation and will also be available for shareholder viewing at the Annual General Meeting, as well as – from the day of convening – on the Internet at http://www.grenke.de/investor:

- the profit transfer agreement between GRENKE AG and Europa Leasing GmbH;
- the annual financial statements and management reports of GRENKE AG for fiscal years 2016, 2015 and 2014 and the annual financial statements and management reports of Europa Leasing GmbH for fiscal years 2016, 2015, 2014 and 2013; as well as
- the joint report of the Board of Directors of GRENKE AG and the management of Europa Leasing GmbH pursuant to Section 293a AktG.

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

**Attendance of the Annual General Meeting**

Only those shareholders who are registered as shareholders in the Company’s share register on the day of the Annual General Meeting and who are registered with the Company by the deadline may participate in the Annual General Meeting and exercise voting rights as defined under GRENKE AG’s Articles of Association in Section 13 (1). The Company must receive registration by midnight (CEST) May 4, 2017, in written form (Section 126b of the German Civil Code) in either the German or English language at the following designated address:

GRENKE AG

c/o Computershare Operations Center
80249 Munich
Fax: +49 89 30903-74675
Email: anmeldestelle@computershare.de.
With respect to the Company, only those individuals who are registered in the share register will be considered as shareholders and will be permitted to participate in the Annual General Meeting and exercise voting rights pursuant to Section 67 (2) sentence 1 AktG. The shareholder's registration status in the share register on the day of the Annual General Meeting is authoritative for determining a shareholder's eligibility to participate and vote. For technical reasons, no changes in the share register may be made (registration stop) from after midnight (CEST), May 4, 2017 until midnight (CEST), May 11, 2017. This means the registration status of the share register on the day of the Annual General Meeting represents the status after the last change on May 4, 2017. The decisive date for assessing the holdings in the Company's shares from a technical perspective (the "technical record date") is, therefore, midnight (CEST), on May 4, 2017.

The technical record date is not relevant for the dividend entitlement and has no effect on the transferability of shares. Shareholders may continue to freely trade their shares even after registering for the Annual General Meeting.

Proxy representation

Shareholders who do not wish to or cannot attend the Annual General Meeting in person can exercise their voting rights by a proxy with a corresponding power of attorney, for example, a bank or shareholders’ association. Also, in this case, timely registration is required. A form for appointing a power of attorney will be sent with the ticket. The power of attorney and voting instruction forms can also be requested at the Company’s postal address below, by fax at +49 7221 / 5007-4218, email at hauptversammlung@grenke.de or downloaded from the Internet at http://www.grenke.de/en/investor-relations. Granting a power of attorney, its revocation and proof of authorisation for the Company must be in writing. Proof of authorisation may also be submitted to the Company by email at the following email address: hauptversammlung@grenke.de.

Generally, there are special aspects to be taken into consideration when authorising banks, shareholders’ associations or equivalent persons and institutions pursuant to Section 135 (8) and (10) AktG that can be obtained from the respective proxy.

We also offer our shareholders the option to appoint Company-nominated proxies prior to the Annual General Meeting. The proxies may only exercise voting rights in accordance with the express instructions given. The power of attorney is invalid without instructions. Shareholders who wish to grant a power of attorney to Company-nominated proxies require a ticket to the Annual General Meeting. Shareholders receive the necessary documents and information together with the ticket. The power of attorney with the proxy voting instructions must be received by GRENKE AG by midnight (CEST), May 9, 2017, at the following address:

GRENKE AG
  c/o Computershare Operations Center
  80249 Munich
  Fax: +49 89 30903-74675

This document is a convenience translation of the German original. In the event of any conflict or inconsistency between the English and the German versions, the German original shall prevail.
Email: anmeldestelle@computershare.de.

We regret that powers of attorney that arrive later than the date specified above will not be considered.

Shareholders will receive additional information on the power of attorney procedure with their ticket. Related information is also available at http://www.grenke.de/en/investor-relations.

Requests for additions to the agenda pursuant to Section 122 (2) AktG

Shareholders whose shareholdings represent one-twentieth of the share capital or the proportionate amount of EUR 500,000 may request items to be set on the agenda and publicised. Each request must be accompanied with its substantiation or a draught resolution. The request must be submitted in writing to the Board of Directors of GRENKE AG and must be received by the Company no later than midnight (CEST), April 10, 2017. Request for additions received later than this date will not be considered. Please direct requests for additions to the following address:

Board of Directors of GRENKE AG  
c/o Investor Relations  
Neuer Markt 2  
76532 Baden-Baden.

Any requests for additions to the agenda that are not included in the Notice of the Annual General Meeting will be publicised immediately upon receipt in the Federal Gazette and similar media where it may be assumed that the information will be disseminated throughout the European Union. These requests will also be published on the Company’s website at http://www.grenke.de/en/investor-relations.

Shareholder countermotions and nomination proposals pursuant to Sections 126 (1) and 127 AktG and other shareholder inquiries

Shareholders’ countermotions and their substantiation with respect to a proposal of the Board of Directors and / or Supervisory Board under a specific agenda item, as well as nomination proposals or other inquiries from shareholders with respect to the Annual General Meeting, together with the name of the shareholder, should be submitted to

GRENKE AG  
Investor Relations  
Neuer Markt 2  
76532 Baden-Baden  
Fax: +49 7221 / 5007-4218

or sent by email to
Countermotions and nomination proposals addressed otherwise will not be considered.

Shareholder countermotions and nomination proposals to be publicised, including the shareholder's name and substantiation, will be published at http://www.grenke.de/en/investor-relations immediately upon their receipt, provided the Company receives these at least 14 days before the date of the Annual General Meeting, i.e. no later than midnight (CEST), April 26, 2017. Any comments by the Company's management will be published at the above Internet address.

**Right to information pursuant to Section 131 (1) AktG**

At the Annual General Meeting, each shareholder or proxy is entitled upon request to information from the Board of Directors concerning the Company's affairs including the legal and business relationships with affiliated companies and the situation of the Consolidated Group and the companies included in the consolidated financial statements, when the information is necessary for a proper evaluation of the subject of the agenda item.

**Further information**

Further information with respect to shareholder rights pursuant to Section 122 (2), Section 126 (1), Section 127, and Section 131 (1) AktG can be found on the Company's website under http://www.grenke.de/en/investor-relations.

**Total number of shares and voting rights**

According to Section 30b (1) no. 1 of the German Securities Trading Act, we hereby disclose the following: On the date of calling the Annual General Meeting, the total number of shares of GRENKE AG amounted to 14,771,034 no-par value registered shares. Each share grants one vote at the Annual General Meeting. The Company held no treasury shares at the time of calling the Annual General Meeting. As a result, the total number of participating and voting shares amounts to 14,771,034 shares.

**Transmission of the Annual General Meeting over the Internet**

Shareholders unable to attend the Annual General Meeting in person and the interested public can follow the chairman of the Board of Director's speech and the general discussion that follows on the Internet under http://www.grenke.de/en/investor-relations. Following the Annual General Meeting, the voting results will also be available at this Internet address.
Information and documents for the Annual General Meeting pursuant to Section 124a AktG

The statutory disclosures, explanations and information under Section 124a AktG pertaining to this year’s Ordinary Annual General Meeting are available on GRENKE AG’s website at the following address:

http://www.grenke.de/en/investor-relations

Baden-Baden, March 2017

GRENKE AG
The Board of Directors