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 3, 2018, 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, 2017, 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 Sections 289a (1) and 315a (1) of the German Commercial Code, each for the 2017 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, thereby adopting the separate financial statements. 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

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.
The Board of Directors and the Supervisory Board propose to appropriate the Company’s unappropriated surplus of EUR 43,581,372.25 for the 2017 fiscal year as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unappropriated surplus</td>
<td>EUR 43,581,372.25</td>
</tr>
<tr>
<td>Distribution of a dividend of EUR 0.70 per dividend-bearing no-par value share</td>
<td>EUR 31,019,171.40</td>
</tr>
<tr>
<td>Profit carried forward</td>
<td>EUR 12,562,200.85</td>
</tr>
</tbody>
</table>

Pursuant to Section 58 (4) sentence 2 of the German Stock Corporation Act (AktG), the claim for payment of the dividend is due on the third business day following the Annual General Meeting, that is, May 8, 2018.

At the time of convening the Annual General Meeting, the Company did not hold any of its own shares and will not hold any of its own shares at the time of the Annual General Meeting.

3. Resolution on the discharge of members of the Board of Directors for the 2017 fiscal year

The Board of Directors and Supervisory Board propose that members of the Board of Directors in office during the 2017 fiscal year be discharged for this period.

4. Resolution on the discharge of members of the Supervisory Board for the 2017 fiscal year

The Board of Directors and Supervisory Board propose that members of the Supervisory Board in office during the 2017 fiscal year be discharged for this period.

5. Resolution on the appointment of the auditor and the group auditor for the 2018 fiscal year

On the recommendation of the Audit Committee, the Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main be appointed as the auditor and group auditor for the 2018 fiscal year. The auditor will also perform the audit review of the condensed financial statements and the interim management report.
6. Elections to the Supervisory Board

The terms of office of Supervisory Board members Prof. Dr. Ernst-Moritz Lipp and Mr. Gerhard E. Witt will expire after the close of the Annual General Meeting on May 3, 2018, pursuant to Section 102 (1) AktG and Section 7 (2) of the Articles of Association of GRENKE AG.

Two new members of the Supervisory Board are therefore to be elected, whereby a reelection of Supervisory Board members is possible according to the aforementioned provision in the Articles of Association.

In accordance with Sections 96 (1), 101 (1) AktG in conjunction with Section 7 (1) of the GRENKE AG Articles of Association, the Supervisory Board consists solely of six members to be elected by the shareholders. The Annual General Meeting is not bound by election proposals.

The Supervisory Board proposes to elect the following persons to the Supervisory Board:

- Mr. Wolfgang Grenke, Karlsruhe, entrepreneur, for a term of office until the end of the Annual General Meeting that resolves on the discharge of the Supervisory Board for the 2022 fiscal year.
- Prof. Dr. Ernst-Moritz Lipp, Baden-Baden, Professor of International Finance and General Manager of ODEWALD & COMPAGNIE Gesellschaft für Beteiligungen mbH, for a term of office until the end of the Annual General Meeting that resolves on the discharge of the Supervisory Board for the 2022 fiscal year.

Disclosures in accordance with Section 125 (1) sentence 5 AktG:

Mr. Wolfgang Grenke is a member of the following statutory supervisory boards:

- GRENKE Service AG, Baden-Baden (chairman of the Supervisory Board)
Mr. Wolfgang Grenke is also a member of the following comparable domestic and foreign supervisory bodies of commercial enterprises:

- **GRENKEFACTORING AG**, Basel, Switzerland (non-executive member and president of the Advisory Board)
- **GRENKELEASING AG**, Zurich, Switzerland (non-executive member and president of the Advisory Board)

Prof. Dr. Ernst-Moritz Lipp is a member of the Supervisory Board and Chairman of the Supervisory Board of GRENKE BANK AG, Baden-Baden. Prof. Dr. Ernst-Moritz Lipp is not a member of any comparable domestic or foreign supervisory bodies of commercial enterprises.

The proposal of the Supervisory Board, to elect Mr. Wolfgang Grenke, who left the Board of Directors of GRENKE AG at the end of February 28, 2018, is based on a proposal from the shareholder Grenke Beteiligung GmbH & Co. KG, Baden-Baden, which holds more than 25% of the voting rights in GRENKE AG (Section 100 (2) sentence 1 no. 4 AktG and Item 5.4.4 of the German Corporate Governance Code). The Supervisory Board agrees with this shareholder proposal.

In reference to Item 5.4.1 of the German Corporate Governance Code, it is stated that Mr. Wolfgang Grenke participates as a limited partner in Grenke Beteiligung GmbH & Co. KG, Baden-Baden, which, in turn, owns a 42.66% interest in GRENKE AG. It is also stated that Mr. Wolfgang Grenke provides concretely defined consulting services to GRENKE AG on a contractual basis.

In addition to the information mentioned above, it is stated with reference to Item 5.4.1 of the German Corporate Governance Code that, in the opinion of the Supervisory Board, none of the proposed candidates has a personal or business relationship with GRENKE AG or its group companies, governing bodies of GRENKE AG or a major shareholder of GRENKE AG that would be required to be disclosed under this provision.

The elections to the Supervisory Board are intended to be held in accordance with the German Corporate Governance Code by way of individual election.

The curriculum vitae and other information about the candidates proposed for the Supervisory Board are available at [http://www.grenke.de/en/investor-relations](http://www.grenke.de/en/investor-relations) as of the time the Annual General Meeting convenes and are also accessible during the Annual General Meeting.
In accordance with Item 5.4.3 sentence 3 of the German Corporate Governance Code, reference is also made to the following: In the event of his election, Prof. Dr. Ernst-Moritz Lipp shall be proposed as a candidate for the chairmanship of the Supervisory Board.

7. Resolution on the cancellation of Authorised Capital 2015, the creation of Authorised Capital 2018 against contribution in cash and/or in kind with the authorisation to exclude the statutory subscription rights and the corresponding amendment to the Articles of Association

By resolution of the Annual General Meeting on May 12, 2015, the Board of Directors has been authorised, with the approval of the Supervisory Board, to increase the Company's share capital against contribution in cash and/or in kind also with the exclusion of statutory subscription rights. Following the capital increase from company funds and the share split in 2017, the existing Authorised Capital 2015, which currently amounts to EUR 1,863,869.82, shall now be replaced by an essentially unchanged, new authorised capital in the amount of just under 10 % of the current share capital, including the authorisation to exclude statutory subscription rights. This should enable the Company to continue to be in a position to cover its financial needs with equity both quickly and flexibly. The Company should also be able to take advantage of opportunities arising at short notice to acquire companies, parts of companies or other assets in order to increase its earnings potential.

In doing so, it should be ensured that the cancellation of Authorised Capital 2015 takes effect only when it is replaced by new Authorised Capital 2018 in accordance with the resolution proposal below.

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

a) Cancellation of Authorised Capital 2015

Authorised Capital 2015, resolved by the Annual General Meeting of GRENKE AG on May 12, 2015 under Agenda Item 7, pursuant to Section 4 (4) of the Articles of Association shall be cancelled, to the extent that this authorisation was not utilised, as per the time of the entry of the new Authorised Capital 2018 in the commercial register.

b) Creation of a new Authorised Capital 2018

With the approval of the Supervisory Board, the Board of Directors shall be authorised to increase the Company's share capital until May 2, 2023 by issuing on one or several occasions up to a total of 4,400,000 (in words: four million four hundred thousand) new, registered no-par value shares against
contribution in cash and/or in kind up to a total of EUR 4,400,000.00 (in words: four million euro four hundred thousand, zero euro cents) (Authorised Capital 2018). This authorisation may be utilised in partial amounts.

With the approval of the Supervisory Board, the Board of Directors shall be authorised to exclude shareholders’ subscription rights in case of capital increases against contribution in kind, particularly when issuing new shares in the context of business combinations or in the context of acquiring companies, parts of companies or interests in companies, including increases in existing interests or other assets eligible for contribution or claims for the acquisition of assets, including receivables against the Company or group companies. With the approval of the Supervisory Board, the Board of Directors is also authorised to exclude the statutory subscription rights of shareholders when issuing new shares for the issue of a Scrip Dividend, in which the shareholders are offered to contribute their dividend entitlement in whole or in part as a contribution in kind to subscribe to new shares in the Company.

In the case of capital increases against cash contribution, shareholders must generally be granted subscription rights to the new shares. The shares can be subscribed for by at least one finance institution or a company operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act with the obligation to offer the shares to shareholders for subscription.

With the approval of the Supervisory Board, the Board of Directors shall, however, be authorised to exclude shareholders’ statutory subscription in the event of capital increases

aa) to exclude any fractional shares from the subscription rights;

bb) in order to grant holders of bonds with conversion or option rights or with conversion or option obligations that were issued or are to be issued by the Company or its group companies within the meaning of Section 18 AktG subscription rights to new registered no-par-value shares of the Company to protect them against dilution to the extent to which they would be entitled after exercising their conversion or option rights or after fulfilling their conversion or option obligations; or

cc) in the case of cash capital increases, if the issue price of the new shares is not significantly lower than the stock exchange price of the already listed shares and the notional interest of the shares to be issued against cash contribution under the exclusion of shareholder subscription rights during the term of this authorisation pursuant to or in mutatis mutandis application of Section 186 (3) sentence 4 AktG does

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not exceed a total of 10% of the share capital, neither at the effective
date nor at the time this authorisation is exercised. This 10 % limit of
the share capital shall include:

- treasury shares sold during the term of this authorisation in mutatis
  mutandis application of Section 186 (3) sentence 4 AktG under the
  exclusion of shareholders’ subscription rights; and

- shares issued or to be issued for the servicing of bonds with
  conversion or option rights or obligations, if and to the extent the
  bonds are issued during the term of this authorisation in mutatis
  mutandis application of Section 186 (3) sentence 4 AktG under
  exclusion of shareholders’ subscription rights.

With the approval of the Supervisory Board, the Board of Directors shall be
authorised to determine the further specifications of the share rights and
conditions of the share issue.

The Supervisory Board shall be authorised to amend the wording of Section 4
of the Articles of Association in accordance with the respective utilisation of
Authorised Capital 2018 or following the expiration of the authorisation period.

c) Amendment to the Articles of Association

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

"With the approval of the Supervisory Board, the Board of Directors is
authorised to increase the Company’s share capital until May 2, 2023 by
issuing on one or several occasions up to a total of 4,400,000 (in words: four
million four hundred thousand) new, registered no-par value shares against
contribution in cash and/or in kind up to a total of EUR 4,400,000.00 (in words:
four million euro four hundred thousand, zero euro cents) (Authorised Capital
2018). This authorisation may be utilised in partial amounts.

With the approval of the Supervisory Board, the Board of Directors is
authorised to exclude shareholders’ subscription rights in case of capital
increases against contribution in kind, particularly when issuing new shares in
the context of business combinations or in the context of acquiring companies,
parts of companies or interests in companies, including increases in existing
interests or other assets eligible for contribution or claims for the acquisition of
assets, including receivables against the Company or group companies. With
the approval of the Supervisory Board, the Board of Directors is also
authorised to exclude the statutory subscription rights of shareholders when
issuing new shares for the issue of a Scrip Dividend, in which the shareholders are offered to contribute their dividend entitlement in whole or in part as a contribution in kind to subscribe to new shares in the Company.

In the case of capital increases against cash contribution, shareholders must generally be granted subscription rights to the new shares. The shares can be subscribed for by at least one finance institution or a company operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act with the obligation to offer the shares to shareholders for subscription.

With the approval of the Supervisory Board, the Board of Directors is, however, authorised to exclude shareholders’ statutory subscription in the event of capital increases

aa) to exclude any fractional shares from the subscription rights;

bb) in order to grant holders of bonds with conversion or option rights or with conversion or option obligations that were issued or are to be issued by the Company or its group companies within the meaning of Section 18 AktG subscription rights to new registered no-par-value shares of the Company to protect them against dilution to the extent to which they would be entitled after exercising their conversion or option rights or after fulfilling their conversion or option obligations; or

cc) in the case of cash capital increases, if the issue price of the new shares is not significantly lower than the stock exchange price of the already listed shares and the notional interest of the shares to be issued against cash contribution under the exclusion of shareholder subscription rights during the term of this authorisation pursuant to or in mutatis mutandis application of Section 186 (3) sentence 4 AktG does not exceed a total of 10% of the share capital, neither at the effective date nor at the time this authorisation is exercised. This 10% limit of the share capital shall include:

- treasury shares sold during the term of this authorisation in mutatis mutandis application of Section 186 (3) sentence 4 AktG under the exclusion of shareholders’ subscription rights; and

- shares issued or to be issued for the servicing of bonds with conversion or option rights or obligations, if and to the extent the bonds are issued during the term of this authorisation in mutatis mutandis application of Section 186 (3) sentence 4 AktG under exclusion of shareholders’ subscription rights.
With the approval of the Supervisory Board, the Board of Directors is authorised to determine the further specifications of the share rights and conditions of the share issue.

The Supervisory Board is authorised to amend the wording of Section 4 of the Articles of Association in accordance with the respective utilisation of Authorised Capital 2018 or following the expiration of the authorisation period."

8. Resolution on the approval of the conclusion of a corporate agreement with GRENKE digital GmbH

GRENKE AG, Baden-Baden, and GRENKE digital GmbH, based in Karlsruhe ("the company"), whose sole shareholder is GRENKE AG, have concluded a profit transfer agreement on February 28, 2018.

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) due to the absence of external shareholders of the company.

• The contract becomes effective upon entry 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 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 GRENKE digital GmbH shareholder meeting has already agreed on March 1, 2018 to the conclusion of the profit transfer agreement in notarised form.

The Board of Directors and the Supervisory Board propose the approval of the conclusion of the profit transfer agreement between GRENKE AG and GRENKE digital GmbH.

The following documents are available at GRENKE AG’s office premises at Neuer Markt 2, 76532 Baden-Baden and at the office premises of GRENKE digital GmbH at Alter Schlachthof 51, 76131 Karlsruhe, as per the convening notice and during the Annual General Meeting for the shareholders’ viewing, as well as on the Internet at http://www.grenke.de/en/investor-relations as of the day of convening the meeting:

• the profit transfer agreement between GRENKE AG and GRENKE digital GmbH;

• the annual financial statements and management reports of GRENKE AG for fiscal years 2017, 2016 and 2015 and the annual financial statements and management reports of GRENKE digital GmbH for the (abbreviated) 2017 fiscal year; as well as

• the joint report of the Board of Directors of GRENKE AG and the management of GRENKE digital GmbH pursuant to Section 293a AktG

A copy of the aforementioned documents will be sent to each shareholder immediately and free of charge upon request.
Report of the Board of Directors to the Annual General Meeting regarding Agenda Item 7 on the reasons for excluding subscription rights when utilising Authorised Capital 2018 in accordance with Section 203 (1) and (2) in conjunction with Section 186 (4) sentence 2 and Section 186 (3) sentence 4 AktG

The Board of Directors and the Supervisory Board will propose to the Annual General Meeting under Agenda Item 7 that the current Authorised Capital 2015 be canceled and a new Authorised Capital 2018 be created.

The Board of Directors has made partial use of the currently existing authorisation pursuant to the Annual General Meeting resolution of May 12, 2015 for the execution of the 2016 Scrip Dividend. Due to this partial utilisation of the authorisation from 2015, Authorised Capital 2015 is currently still available and, with the approval of the Supervisory Board, the Board of Directors is authorised until May 1, 2020 to increase the Company’s share capital issuing up to 1,458,165 new shares against contribution in cash and/or in kind up to a nominal amount of EUR 1,863,869.82. No other authorised capital exists.

At last year’s Annual General Meeting, it was resolved to carry out a capital increase from company funds, followed by a subsequent share split. As a result, the share capital of the Company currently amounts to EUR 44,313,102.00 and is divided into the same number of no-par value registered shares.

The Board of Directors and the Supervisory Board now propose to the Annual General Meeting that the existing authorisation from 2015 be replaced by an essentially identical authorisation amounting to just under 10% of the current share capital.

The authorisation proposed to the Annual General Meeting provides that with the approval of the Supervisory Board, the Board of Directors may increase the Company’s share capital by a total of up to EUR 4,400,000.00 by May 2, 2023, by issuing new, no-par value registered shares against contribution in cash and/or in kind. With the approval of the Supervisory Board, the Board of Directors may also exclude all or part of the subscription rights of shareholders both in cash capital increases and capital increases against contribution in kind pursuant to Sections 203 (1) and (2), 186 (3) sentences 1 and 4 AktG. In accordance with Section 203 (2) sentence 2 AktG in conjunction with Section 186 (4) sentence 2 AktG, the Board of Directors has prepared this written report on the reasons for the exclusion of the subscription rights, which is available for inspection by the shareholders at the Company’s registered office and on the Internet at http://www.grenke.de/en/investor-relations.

When using the Authorised Capital, shareholders generally have a subscription right with regard to the new shares. The authorisation proposed for resolution, however, provides that with the consent of the Supervisory Board the Board of Directors may exclude the subscription rights of shareholders in whole or in part in the following cases:
a) The Board of Directors shall be authorised to exclude fractional amounts from subscription rights. This is necessary for practical reasons, if the implementation of the capital increase results in fractional shares due to the subscription ratio that cannot be distributed equally to all shareholders. The new shares resulting from fractional shares and excluded from the subscription rights of the shareholders are disposed of in the best interest of the Company.

b) Furthermore, subscription rights may be excluded with the consent of the Supervisory Board in order to grant subscription rights to the holders or creditors of bonds with conversion or option rights for shares in the Company or corresponding conversion or option obligations to compensate for dilution to the extent to which they would be entitled after exercising their rights or fulfilling their obligations. This makes it possible to grant a customary form of anti-dilution protection to the creditors of such instruments, thereby treating them as if they were already shareholders. In order to be able to provide the bonds with such anti-dilution protection, shareholders’ subscription rights to these shares must be excluded.

c) The exclusion of subscription rights shall also be permissible especially when the capital increase against contribution in cash does not exceed ten percent of the Company’s share capital and the issue price of the new shares is not significantly lower than the market price (see Section 203 (1) in conjunction with Section 186 (3) sentence 4 AktG).

The exclusion of subscription rights should enable the Company to take advantage of market opportunities quickly and flexibly and to cover any capital requirements at short notice. This is due to the fact that this form of capital increase is significantly faster, less bureaucratic and therefore less expensive to carry out than a capital increase with subscription rights. The new shares may be placed at a price near the market price, without taking into account the safety margins required for rights issues. The higher issue proceeds that result ultimately benefit the Company and its shareholders.

While it is not possible to predict the issue price of the new shares resulting from the utilisation of authorised capital, the Board of Directors assures that the discount to the stock market price will be as low as possible under the prevailing market conditions at the time of the placement.

The aforementioned authorisation to exclude subscription rights shall, however, only apply on the condition that the notional interest of the new shares issued pursuant to Section 186 (3) sentence 4 AktG may not exceed 10% of the Company’s share capital neither at the effective date nor at the time this authorisation is exercised. In this 10% limit of the share capital, management shall include both those shares which are issued or are to be issued for the servicing of bonds with conversion or option rights or obligations, if and to the extent the bonds from which these rights or
obligations result are issued with the exclusion of the subscription rights during the term of the authorisation in mutatis mutandis application of Section 186 (3) sentence 4 AktG, as well as treasury shares sold during the term of this authorisation in mutatis mutandis application of Section 186 (3) sentence 4 AktG under the exclusion of shareholders’ subscription rights.

These provisions, which are in compliance with the legal requirements, will ensure that the interests of existing shareholders are not violated by the potential capital increase excluding subscription rights. In addition, shareholders have the option of acquiring shares in the Company on the stock exchange at essentially the same terms and conditions in order to maintain their share ownership ratio.

The shareholders’ need for anti-dilution protection for their shareholdings is therefore fully taken into account.

d) With the consent of the Supervisory Board, the Board of Directors is authorised to exclude the subscription rights of the shareholders in whole or in part in the case of capital increases against contribution in kind, particularly if the issue of the new shares involves the acquisition of companies, parts of companies or interests in companies or other assets or claims to acquire assets including receivables against the Company or group companies. The Company operates in a globally competitive environment and strives to penetrate additional markets. These expansion efforts may require the ability to act quickly and flexibly to acquire companies, parts of companies, interests in companies or individual assets, provided they are eligible for contribution. It may be appropriate to grant shares as consideration in order to achieve an optimal financing structure and/or to preserve the Company’s liquidity. This is especially true for larger acquisition targets that would otherwise require a significant amount of capital. Frequently, the respective seller is very interested in receiving shares in the acquiring company, as this may be advantageous for the seller from a tax standpoint.

With the Supervisory Board’s approval, the Board of Directors should also be entitled to exclude subscription rights if Authorised Capital 2018 is utilised to grant shares to holders of securitised or unsecuritised claims against the Company or group companies. This gives the Company additional flexibility and can therefore preserve its liquidity.

The ability to offer shares in the Company as an acquisition currency can therefore be an advantage when competing for interesting acquisition targets and should therefore not be disregarded when creating authorised capital.

There are currently no concrete acquisition plans with respect to which the authorisation to issue new shares is to be exercised by way of a capital increase against contribution in kind with the exclusion of subscription rights.
With the approval of the Supervisory Board, the Board of Directors shall also be authorised to exclude the statutory subscription rights of the shareholders in order to be able to issue a Scrip Dividend at the best possible terms and conditions.

In the case of a Scrip Dividend, shareholders are given the option to contribute into the Company their dividend entitlement arising from profit appropriation resolution of the Annual General Meeting as a contribution in kind to subscribe to new shares in the Company.

A Scrip Dividend may be executed as a genuine rights issue, especially in compliance with the provisions of Section 186 (1) AktG (minimum subscription period of two weeks) and Section 186 (2) AktG (publication of the issue price no later than three days before the subscription period has expired). Shareholders are only offered complete shares for subscription; insofar as part of the dividend entitlement does not reach or exceed the subscription price for one complete share, the shareholders receive a cash dividend and cannot subscribe for shares in this respect; an offer of partial rights is not provided for nor is the establishment of trading of subscription rights or fractions thereof. This seems justified and appropriate because, in this case, shareholders receive a cash dividend instead of subscribing to new shares.

In individual cases, depending on the capital market situation, it may be advantageous to offer and carry out the issue of a Scrip Dividend without being subject to the restrictions of Section 186 (1) AktG to this extent (minimum subscription period of two weeks) and Section 186 (2) AktG (publication of the issue price no later than three days before the subscription period has expired). Instead of issuing a Scrip Dividend by way of a rights issue, the Board of Directors with the consent of the Supervisory Board shall therefore also be authorised to exclude the subscription rights of shareholders as a whole for the issue of a Scrip Dividend. In this case too, the Board of Directors will offer all shareholders entitled to dividends new shares for subscription against contribution of their dividend entitlement in compliance with the general principle of equal treatment (Section 53a AktG) without prejudice to the comprehensive exclusion of subscription rights. Such a formal exclusion of subscription rights makes it possible to carry out the capital increase on more flexible terms. Due to the fact that the new shares are offered to all shareholders and excess partial dividend amounts are compensated for in the form of a cash dividend, the exclusion of subscription rights also appears to be justified and appropriate in this respect.

According to the proposed authorisation, in the case of a capital increase against contribution in cash, there is the option for at least one domestic finance institution or a foreign company operating under to Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or paragraph 7 of the German Banking Act to subscribe to the newly issued shares under the obligation to offer the shares to the shareholders of the Company for subscription. This is not a restriction of
the subscription rights because the shareholder is indirectly granted the same subscription rights as in the case of a direct subscription. However, for settlement purposes, at least one domestic financial institution or a foreign company operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or paragraph 7 of the German Banking Act acts as an intermediary, by accepting receipt of the shareholders’ subscription requests and delivering the shares to the eligible shareholders in exchange for the payment of the subscription price following the execution of the capital increase.

These types of general authorisations with the option to exclude subscription rights are common both nationally and internationally. In each individual case, the Board of Directors will carefully examine whether a capital increase excluding shareholders’ subscription rights is in the interest of the Company and its shareholders.

The Board of Directors will report on the utilisation of Authorised Capital 2018 at the next Annual General Meeting.

**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 the registration by midnight (CEST) April 26, 2018 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), April 26, 2018 until midnight (CEST), May 3, 2018. 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 April 26, 2018. The decisive deadline for assessing the
holdings in the Company’s shares from a technical perspective (the “technical record date”) is, therefore, at the end of the day on April 26, 2018.

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 2, 2018, at the following address:

GRENKE AG  
c/o Computershare Operations Center  
80249 Munich  
Fax: +49 89 30903-74675  
Email: anmeldestelle@computershare.de.

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.

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.
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. Applicants shall provide evidence of their share ownership for a period of at least 90 days prior to the date the request is received and state that they will continue to hold the shares until the Board of Directors has decided on their request. 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 2, 2018. Please direct requests for additions to the following address:

GRENKE AG
Board of Directors
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

hauptversammlung@grenke.de.

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.
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/investor-relations immediately upon their receipt, provided the Company receives these at least 14 days before the date the Annual General Meeting, i.e. no later than midnight (CEST), April 18, 2018. Any comments by the Company’s management will be published at the above Internet address.

**Right to information pursuant to Sections 131 (1) and 293g (3) 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.

Upon request, each shareholder or shareholder proxy shall be provided all information at the Annual General Meeting regarding GRENKE digital GmbH that is relevant for the conclusion of the corporate agreement with GRENKE digital GmbH.

**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 49 (1) no. 1 WpHG, we hereby disclose the following: On the date of calling the Annual General Meeting, the total number of shares of GRENKE AG amounted to 44,313,102 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 44,313,102 shares.

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

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.
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 2018

GRENKE AG

The Board of Directors