

**SLEEPZ AG, Berlin**

**ISIN DE000A2E3772; DE000A2E4L59  
WKN A2E377; A2E 4L5**

**We invite our shareholders to the Annual General Meeting held on**

**19 June 2018, 10.00 Uhr (CEST),**

**at the „Ludwig-Erhard-Haus, Berlin“  
- 1A/B VBKI/Goldbergersaal -  
Fasanenstraße 85  
10623 Berlin**

**Agenda**

- 1. Presentation of the adopted annual financial statements of SLEEPZ AG and the approved consolidated financial statements, the management reports for the company and the Group for the 2017 financial year, including the explanatory report of the Executive Board on the disclosures in accordance with Sections 289a and 315a of the German Commercial Code (HGB – Handelsgesetzbuch), and report of the Supervisory Board**

In accordance with Sections 172 and 173 of the German Stock Corporation Act (AktG – Aktiengesetz), no resolution is required for this agenda item as the Supervisory Board has approved the annual financial statements prepared by the Executive Board and the consolidated financial statements and the annual financial statements are thereby approved. The annual and consolidated financial statements, the management reports, the report of the Supervisory Board and the report of the Executive Board, including the notes on the disclosures in accordance with Sections 289a and 315a HGB, are to be made available to the Annual General Meeting of Shareholders without this giving rise to a legal requirement for a resolution. The documents can be viewed on the company's website as of the day the Annual General Meeting of Shareholders is convened at

<https://www.sleepz.com/de/investor-relations/aktiendaten/hauptversammlungen/2018>

englisch version:

<https://www.sleepz.com/en/investor-relations/share-information/annual-general-meeting-shareholders/2018>

and are also available for our shareholders to inspect at our business premises.

- 2. Ratification of the acts of the Executive Board for financial year 2017**

The Executive Board and the Supervisory Board propose that the acts of the members of the Executive Board be ratified for financial year 2017.

**3. Ratification of the acts of the Supervisory Board for financial year 2017**

The Executive Board and the Supervisory Board propose that the acts of the members of the Supervisory Board be ratified for the financial year 2017.

**4. Adoption of resolution on the cancellation of the authorised capital at the Annual General Meeting of 27 June 2014 in accordance with Section 5 (3) of the Articles of Association, on the creation of new authorised capital with the authority to exclude subscription rights and on the corresponding amendment to the Articles of Association.**

The authorised capital of €10,350,587.00, originally resolved at the 2014 Annual General Meeting and anchored in Section 5 (3) of the Articles of Association (Authorised Capital 2014/I), has been partly utilised.

In order to allow the company access, now and in the future as well, to additional equity capital as long-term funding which is flexible if necessary and in the maximum amount, and, in the event of arising acquisition opportunities on the market, to be able to choose the path to a non-cash capital increase in lieu of a cash capital increase, the authorised capital shall be re-established in the amount permitted by law. To this purpose, the existing authorisation shall be cancelled and replaced by new authorised capital in the amount of 50% of the share capital existing at the time of convocation, with a term until 18 June 2023 on essentially unchanged conditions. Like the previous capital, the new authorised capital shall be available for cash and non-cash capital increases.

The Executive Board and the Supervisory Board propose the following resolution:

- 1) The existing authorised capital (Authorised Capital 2014/I), which is limited until 26 June 2019 pursuant to Section 5 (3) of the Articles of Association, will be cancelled upon this resolution taking effect by entry in the commercial register, to the extent that it has not yet been utilised by the time of the Annual General Meeting, or has expired due to the lapse of time.
- 2) The Executive Board is authorised, with the approval of the Supervisory Board, to increase the share capital of the company on one or several occasions by a total of €6,221,777.00 by issuing new no-par value bearer shares against cash and/or non-cash contributions until 18 June 2023 (Authorised Capital 2018/I).

In the case of capital increases, shareholders must in principle be granted subscription rights. In the case of cash capital increases, the shares may also be acquired for this purpose by banks or enterprises in terms of Section 186 (5) (i) of the German Stock Corporation Act (Aktiengesetz – AktG) with the obligation to offer them to the shareholders for subscription (indirect subscription rights).

However, when shares are issued from Authorised Capital 2018/I, the Executive Board may exclude the shareholders' subscription rights with the consent of the Supervisory Board:

- a) if a capital increase against non-cash contributions takes place for the acquisition of companies, parts of companies or holdings in companies or to carry out business mergers or for the acquisition of other assets against issuance of shares;
- b) if, pursuant to section 186 (3) (iv) AktG, the issue price of the new shares is not materially below the stock exchange price of shares of the company that are already publicly traded at the time of the final assessment of the issue price and the pro rata amount of the share capital that is allotted to the shares issued (against cash with exclusion of subscription rights) does not exceed a total of 10% of the share capital of the company. The share capital existing at the time when the resolution adopted by the Annual General Meeting on this authorisation takes effect or - if this value is less - the share capital existing at the time when this authorisation is exercised is definitive for the 10% limit. This limit shall take into account the pro rata amount of the share capital that is allocated to shares that were issued or disposed of during the term of this authorisation up to the time of its exercise based on another corresponding authorisation with exclusion of subscription rights in direct or corresponding application of section 186 (3) (iv) AktG, if taking this into account is required by law.
- c) to the extent this is necessary to grant subscription rights to holders or creditors of warrant or conversion rights or obligations under warrant or convertible bonds issued by the company to the extent that such would be due them upon exercise of the warrant or conversion right or fulfilment of the warrant or conversion obligations;
- d) for the issue of stock shares to strategic partners  
or
- e) in order to exclude, from subscription rights, fractional amounts that result from the respective subscription ratio.

Unless the Executive Board decides differently with the consent of the Supervisory Board, the new shares participate in profit from the beginning of the financial year for which, at the time of issuance of the shares, a resolution of the Annual General Meeting has not yet been adopted on the appropriation of net profit.

The Executive Board is further authorised, with the consent of the Supervisory Board, to define the further content of share rights and the conditions of share issuance.

- 3) Section 5 (3) of the Articles of Association shall be rescinded and replaced with a new subsection 3 as follows:

“3. The Executive Board is authorised, with the approval of the Supervisory Board, to increase the share capital of the company on one or several occasions by a total of € 6,221,777.00 by issuing new no-par value bearer shares against cash and/or non-cash contributions until 18 June 2023 (Authorised Capital 2018/I).

In the case of capital increases, shareholders must in principle be granted subscription rights. In the case of cash capital increases, the shares may also be acquired for this purpose by banks or enterprises in terms of Section 186 (5) (i) of the German Stock Corporation Act (Aktiengesetz – AktG) with the obligation to offer them to the shareholders for subscription (indirect subscription rights).

However, when shares are issued from Authorised Capital 2018/I, the Executive Board may exclude the shareholders' subscription rights with the consent of the Supervisory Board:

- a) if a capital increase against non-cash contributions takes place for the acquisition of companies, parts of companies or holdings in companies or to carry out business mergers or for the acquisition of other assets against issuance of shares;
- b) if, pursuant to section 186 (3) (iv) AktG, the issue price of the new shares is not materially below the stock exchange price of shares of the company that are already publicly traded at the time of the final assessment of the issue price and the pro rata amount of the share capital that is allotted to the shares issued (against cash with exclusion of subscription rights) does not exceed a total of 10% of the share capital of the company. The share capital existing at the time when the resolution adopted by the Annual General Meeting on this authorisation takes effect or - if this value is less - the share capital existing at the time when this authorisation is exercised is definitive for the 10% limit. This limit shall take into account the pro rata amount of the share capital that is allocated to shares that were issued or disposed of during the term of this authorisation up to the time of its exercise based on another corresponding authorisation with exclusion of subscription rights in direct or corresponding application of section 186 (3) (iv) AktG, if taking this into account is required by law.
- c) to the extent this is necessary to grant subscription rights to holders or creditors of warrant or conversion rights or obligations under warrant or convertible bonds issued by the company to the extent that such would be due them upon exercise of the warrant or conversion right or fulfilment of the warrant or conversion obligations;
- d) for the issue of stock shares to strategic partners  
or
- e) in order to exclude, from subscription rights, fractional amounts that result from the respective subscription ratio.

Unless the Executive Board decides differently with the consent of the Supervisory Board, the new shares participate in profit from the beginning of the financial year for which, at the time of issuance of the shares, a resolution of the Annual General Meeting has not yet been adopted on the appropriation of net profit.

The Executive Board is further authorised, with the consent of the Supervisory Board, to define the further content of share rights and the conditions of share issuance.”

- 4) The Executive Board is precautionarily instructed to enter the rescission of the existing Authorised Capital 2014/I described in 1) and the creation of a new Authorised Capital 2018/I described in 2) and 3) in the commercial register only if any already-resolved but not-yet-entered capital increases from the Authorised Capital 2014/I have been entered in the company commercial register or the relevant resolutions were withdrawn by the Executive Board and Supervisory Board

**Report by the Executive Board, pursuant to Section 203 in connection with Section 186 (4) (ii) AktG, on agenda item 4: “Adoption of resolution on the cancellation of the authorised capital at the Annual General Meeting of 27 June 2014 in accordance with Section 5 subsection 3 of the Articles of Association, on the creation of new authorised capital with the authority to exclude subscription rights and on the corresponding amendment to the Articles of Association.”**

The Executive Board and Supervisory Board propose to the Annual General Meeting under agenda item 4 to create a new Authorised Capital 2018/I in the amount of 50% of the share capital existing and being registered at the time of this convocation, while cancelling the current Authorised Capital 2014/I. At the time of the sending of this invitation to the Federal Gazette, the share capital of the company is € 12,443,554.00.

The legally permitted maximum amount for authorized capital is 50% of the share capital. This legally permitted maximum amount should be used in order to to allow the company the greatest possible flexibility and to take account of unforeseen developments.

The Authorised Capital 2018/I is available to the management for any lawfully permissible purpose. This should allow the company access to additional equity capital as long-term financing outside of an ordinary capital increase by the Annual General Meeting. The anticipated possibility of non-cash capital increases will allow the Executive Board to react swiftly and flexibly to arising acquisition opportunities on the market. This shall allow the Executive Board to carry out capital increases, including under exclusion of shareholders' subscription rights, in order to strengthen the competitiveness of the company through targeted acquisitions and cooperation, and to increase its earning power and value.

When using the Authorised Capital 2018/I through cash capital increases, the shareholders generally have a subscription right which, in the case of cash capital increases, may be structured as an indirect subscription right within the meaning of Section 186 (5) AktG by placing the new shares through a financial institution.

The Executive Board, however, shall be able to exclude the subscription right with consent of the Supervisory Board in the following cases:

- a) The Executive Board shall – with the approval of the Supervisory Board – initially be given the opportunity to use the authorised capital 2018/I for the purpose of non-cash capital increases. This allows the management to offer shares as consideration, particularly in the event of an acquisition of companies, shareholdings, or parts of companies, or as part of company mergers (hereinafter referred to collectively as "**companies**") as well as in the event of an acquisition of other assets. This will allow the company to react swiftly and flexibly to acquisition opportunities, most of which arise at short notice. This – often high – consideration may be provided by granting shares in the company and do not have to be in monetary form, so that an acquisition can be carried out without burdening the company's liquidity situation. The authorisation thus allows for optimal financing of the acquisition in return for the granting of shares with the associated strengthening of the company's equity base.

The acquisition of, for example, e-commerce companies in the sleep segment and other assets in kind is in the interest of the company if it is suitable to strengthen the company's market position or holds another strategic interest. Often, transferring owners of compa-

nies or other assets also expect at least a portion of shares in the company as consideration, in order to continue to own an interest in the company, or they agree to a cash payment only at a significantly higher price than the granting of shares. This is also a liquidity-saving option for acquiring companies or other assets. Since the acquisition of such contributions occurs mostly on short notice corresponding to market conditions, it normally cannot be resolved by the Annual General Meeting, which generally is held only once a year, but neither can it be decided at an Extraordinary General Meeting, due to the necessary observation of legal deadlines. It therefore requires authorised capital that the Executive Board can use on short notice with consent of the Supervisory Board, with the exclusion of subscription rights.

The management will then only use the option of capital increase against contributions in kind, excluding subscription rights, if the value of the shares to be granted and value of the consideration, meaning the value of the company or asset to be acquired, are in reasonable proportion to one another. Companies and other assets considered for acquisition shall be valued according to the market, if necessary, on the basis of a valuation report. The Executive Board shall look to its stock market price in the valuation of the company shares to be issued. However, the Executive Board will not make a mechanical link to the stock market price, so as not to call into question the results of existing negotiations.

On the basis of the above considerations, it may be justified and in the interest of the company to exclude shareholders' subscription rights in the event of capital increases in kind for the purpose of acquiring companies or other assets. The Executive Board and the Supervisory Board shall, in each individual case of acquisition, examine and weigh whether the acquisition is, against the issue of shares excluding subscription rights, in the well-understood interests of the company, with the interests of the shareholders taken into account.

The Executive Board may also use treasury shares, acquired on the basis of the authorisation to acquire treasury shares granted by the Annual General Meeting on 17 June 2015 under agenda item 5, to acquire companies or other assets. The type and source of the consideration for the non-cash contribution - use of authorised capital and/or treasury shares - shall be decided by the competent body of the company.

- b) Furthermore, pursuant to Section 186 (3) (iv) AktG, the Executive Board shall be able to exclude the subscription right with the approval of the Supervisory Board in the event of cash capital increases, if the issue price of the new shares is not significantly lower than the stock exchange price of the old shares, and the issued shares do not exceed 10% of the total share capital.

This allows the management to cover any capital requirements at short notice in order to strengthen the equity base, and to take advantage of favourable stock market situations in order to achieve the greatest possible capital injection when placing the shares, by fixing the issue price close to the market. Shareholders have the option to acquire the shares necessary to maintain their participation quota on the stock exchange at close to the same conditions due to the volume limit of 10% of the share capital and the near-market issue price.

This authorization to exclude shareholders' subscription rights in the event of cash capital increases allows the company to take advantage of market opportunities swiftly and flexibly in various business areas which require capital. This is in the company's interest and puts it in the position to gain additional strategic or institutional investors from at home and abroad through the issue of shares.

A capital increase with exclusion of subscription rights allows for a determination of subscription price that is close to the market, and, from experience, with it a higher inflow of funds than an issue of subscription rights. It is therefore done in the well-understood interests of the company and its shareholders. The issuance of rights, in contrast, is more costly and time-consuming.

The shareholders' interests are sufficiently taken into consideration in this authorisation. The shareholders' need for protection against stock dilution is initially met in that the shares issued under exclusion of subscription rights may not exceed 10% of the share capital. This limit shall take into account the pro rata amount of the share capital that is allocated to shares that were issued or disposed of during the authorised capital 2018/I term up to the time of its use, on the basis of another authorisation with exclusion of subscription rights in direct or corresponding application of Section 186 (3) (iv) AktG, insofar as this is required by law.

Furthermore, the issue price of the new shares may not be significantly lower than that of the company's shares already being traded on the stock exchange at the time of determination of the issue price. The Executive Board shall, when determining the issue price, take pains to keep any necessary discount on the stock exchange, in accordance with Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange, as low as possible according to prevailing market conditions at the time of the final determination of the issue price; the discount shall presumably amount to 3% at the most, but in no case more than 5% of the stock exchange price. Every shareholder shall therefore have the option to acquire shares on the stock exchange, at approximately the same conditions as the subscriber shares issued by the company, in order to retain his participation quota and his relative voting rights. Protection against stock dilution shall be taken into consideration.

The Executive Board may also employ treasury shares, acquired on the basis of the authorisation to acquire treasury shares from the Annual General Meeting of 17 June 2015, agenda item 5, for the issue of shares to investors in return for cash contributions with the exclusion of subscription rights of the shareholders. As far as such crediting is legally required, a total maximum of shares with a nominal value of 10% of the share capital may be issued or sold in commensurate application of Section 186 (3) (iv) AktG excluding shareholders' subscription rights, be it through the use of treasury shares or new shares from the Authorised Capital 2018/I.

- c) Furthermore, it shall be possible to exclude subscription rights, insofar it is necessary, in order to grant subscription rights to the holders or creditors of option bonds or convertible bonds to be issued in the future, if these stipulate the conditions of the respective option bonds or convertible bonds.

Options bonds or convertible bonds are regularly provided with a protection against dilution to facilitate their placement on the capital market, meaning that the holders or credi-

tors of the option bonds or convertible bonds can be granted subscription rights to new shares in subsequent share issuances with subscription rights for shareholders in place of a reduction of the option or conversion price, to which shareholders are also entitled. They shall thus be placed as if their option or conversion rights had already been applied or their option or conversion obligations had been fulfilled. This would have the advantage in that the company – in contrast to a protection against dilution through reduction of the option or conversion price – can achieve a higher issue price for the shares issued for conversion or option. A partial exclusion of subscription rights is required in order to achieve this. It has, however, a quite limited scope.

- d) Through the additional possibility of excluding the subscription rights of shareholders for the issue of shares to strategic partners, in fitting cases the company shall be placed in the position to acquire companies, parts of companies or holdings of companies against granting of shares of the company, or to gain for itself new and strategically important investors. It is not uncommon that, in the course of acquisition negotiations, the necessity arises to offer the seller not money, but company shares. The company's strategic partners also make their support or joint projects partly dependent on a participation in the company. The company should therefore possess an instrument allowing it to react flexibly to beneficial offers and other opportunities for the acquisition of strategically meaningful assets or for the use of strategic options, and to be able to implement these with the aid of liquidity-saving financing opportunities. The capacity to react swiftly and successfully to corresponding advantageous offers and arising opportunities thus also serves to maintain and increase the company's competitiveness. This authorisation extends in particular to the acquisition of participations as part of share deals, i.e. through the acquisition of company shares, and to acquisitions as part of asset deals, i.e. the takeover of a company or part of a company through the acquisition of its assets, rights, contract items, or similar. It also includes cases where the company seeks to enter into a cooperation with a strategic partner and the strategic partner makes this dependent on a participation in the company, or such a participation appears expedient. Since, in the aforementioned cases, a capital increase must often be carried out at short notice, this as a rule cannot be resolved by the Annual General Meeting, which meets only once a year. However, the convocation of an Extraordinary General Meeting for every single acquisition would not be practical due to issues of time and expense. In order to therefore be capable of acting on short notice in such cases, it is in the interest of the company to be able to increase the share capital through the issuance of new shares with the exclusion of subscription rights in return for cash and non-cash contributions.
- e) The exclusion of subscription rights for the compensation of residual amounts is necessary so that, with regard to the amount of the respective capital increase, a practical subscription ratio is represented. Without the exclusion of subscription rights for residual amounts, the technical implementation of the capital increase and the exercising of subscription rights would be made significantly more difficult. The value of the respective residual amount per shareholder is normally minimal, the expense for the issuance of shares without such exclusion of subscription rights is significantly higher; this is offset by only a slight dilution effect with the exclusion of subscription rights for residual amounts. The shares excluded from the shareholders' subscription rights as free residual amounts are to be disposed either through sale on the stock exchange or in another manner to the company's advantage. The exclusion facilitates the practicality and easier execution of a capital increase, and can therefore be demonstrated as appropriate.



With the use of an authorisation prescribed for the exclusion of subscription rights, the issue price shall be determined in such a way that the interests of the shareholders and the interests of the company continue to be appropriately accorded in consideration of respective capital market conditions.

The Executive Board shall report on each use of the authorised capital at the subsequent Annual General Meeting.

## **5. Amendment of Section 10 (1) of the Articles of Association (Composition of the Supervisory Board)**

Section 10 of the Articles prescribes that the company's Supervisory Board consist of three members. This is the statutory minimum number of members required for a Supervisory Board. Should, for example, one member of such a three-member Supervisory Board be prevented from taking part in the passing of a resolution due to illness, the remaining Supervisory Board members may not pass any legally binding resolutions. This can lead to constellations in which a company is rendered unable to act.

Since the amendment to the German Stock Corporation Act in 2016, it is no longer required for non-participating companies to be able to divide the number of Supervisory Board members by three. The Articles can therefore allow for a higher number of members.

Under consideration of the additional costs on the one hand and the advantages for the company resulting from the fact that the number of Supervisory Board members exceeds the statutory minimum number, the Executive Board and Supervisory Board propose to resolve:

That Section 10 (1) of the Articles of Association be reworded as follows:

“1. The Supervisory Board shall consist of four members.”

## **6. Supervisory Board election**

With the end of the Annual General Meeting on 19 June 2018, in accordance with Section 102 (1) AktG in conjunction with Section 10 (2) of the Articles of Association of SLEEPZ AG, the term of office of all members of the Supervisory Board shall end, so that new elections are necessary.

The Supervisory Board shall consist, in accordance with Sections 95 (1), 96 (1), 101 (1) AktG in conjunction with Section 10 (1) of the Articles of Association, only of Supervisory Board members of the shareholders and currently consists of three – and after entry of the amendment to agenda item 5 of the Articles in the Commercial Register of the company – four members. The General Meeting is not bound to nominations.

The Supervisory Board proposes that the following persons be re-elected to the Supervisory Board

- a) Mr Sven Rittau, resident of Munich, Managing Director of K5 GmbH (Munich)

b) Mr Michael Stammler, resident of Lutzenberg/Switzerland, Managing Director of Taunus Trust GmbH (Frankfurt a.M.)

c) Dott. Michele Puller, resident of Bergkamen, CEO of Steilmann Holding AG i.l. (Bergkamen)

effective from the end of this General Meeting until the end of the Annual General Meeting which resolves on the discharge of the Supervisory Board for the business year ending 31 December 2022, that is, until the 2023 Annual General Meeting.

Provided that the resolution and the amendment to the Articles of Association under agenda item 5 are recorded and entered in the commercial register of the company, the Supervisory Board also nominates the following person to the Supervisory Board

d) Dr Marc Mogalle, resident of Berlin, Managing Director of Business Buddies GmbH (Berlin)

effective from the entry of the amendment to the Articles of Association under agenda item 5 in the company's commercial register until the end of the Annual General Meeting which resolves on the discharge of the Supervisory Board for the business year ending 31 December 2022, that is, until the 2023 Annual General Meeting.

At the time of announcement in the Federal Gazette (Bundesanzeiger), the proposed candidates held offices on statutory supervisory boards or comparable controlling bodies:

a) Sven Rittau holds no other offices on statutory supervisory boards or comparable controlling bodies.

b) Michael Stammler

- Taunus Trust Group AG, Lutzenberg/Switzerland - Chairman of the Board of Directors
- eCAPITAL entrepreneurial Partners AG, Münster - Member of the Supervisory Board
- WM Treuhand & Steuerberatungsgesellschaft AG, Limburg - Member of the Supervisory Board

c) Dott. Michele Puller

- S&K Kapital GmbH, Munich - Chairman of the Advisory Board
- B.V. Borussia 09 e.V. Dortmund - Deputy Chairman of the Economic Council
- Borussia Dortmund Geschäftsführungs-GmbH, Dortmund - Member of the Advisory Board

d) Dr. Marc Mogalle holds no other offices on statutory supervisory boards or comparable controlling bodies.

Michael Stammler of the Supervisory Board has particular expertise in the fields of accounting and auditing as defined in Section 100 (5) AktG. The candidates, as a whole, are familiar with the sector in which SLEEPZ AG operates.

The intention is to hold the elections to the Supervisory Board individually.

*Additional information in accordance with the German Corporate Governance Code ("Code") in the version dated 07 February 2017:*

The Supervisory Board has made sure that the candidates are able fulfil the expected time requirements.

The nominations take into account the objectives set by the Supervisory Board for its composition in accordance with the corresponding recommendation of the German Corporate Governance Code; at the same time, these nominations also take into account the competence profile for the entire Supervisory Board drawn up in accordance with the corresponding recommendation of the German Corporate Governance Code. This was resolved by the Supervisory Board for the first time on 06 December 2016 and – in light of the need for adjustment resulting from further concretisation of the German Corporate Governance Code – updated on 01 February 2018 and published online at

[https://www.sleepz.com/sites/default/files/public/2018-04/AR-Kriterien\\_Zusammensetzung\\_Stand\\_20180201\\_deutsch.pdf](https://www.sleepz.com/sites/default/files/public/2018-04/AR-Kriterien_Zusammensetzung_Stand_20180201_deutsch.pdf)

In the Supervisory Board's view, the candidates have no relationships with the company, its executive bodies or any major shareholder of the company as defined in Section 5.4.1 (6) to (8) of the German Corporate Governance Code.

The Supervisory Board supports the aim of the law on the equal participation of women and men in management positions. Nevertheless, it last decided on 29 June 2017 to maintain a gender quota of 0% in the Supervisory Board until its expiry on 29 June 2022. Considering the shortage of suitable female candidates, this is the only way to adequately reflect the shareholder structure while also ensuring continuity in the Board's work.

In accordance with Section 5.4.3 Sentence 3 of the Code, it is to be noted that the incumbent Chairman of the Supervisory Board, Sven Rittau, is still to be nominated in the Supervisory Board as a candidate for Chairman of the Supervisory Board.

*Resume and overview of activities in addition to the Supervisory Board mandate*

**a) Mr Sven Rittau**

Resident of Munich, Managing Director of K5 GmbH

Personal profile:

Date of birth: 03 July 1971

Place of birth: Hanover

Nationality: German

Education

Study of Economics and Social Sciences at the University of Fribourg, Switzerland

Qualification: lic. rer. pol. (licentiate degree in political science)

Professional career

1997–1999 Management consultant at Roland Berger Strategy Consultants  
1999–2007 Co-founder and COO of zooplus AG  
2007–2013 Co-founder and CEO of Shirtinator AG  
Since 2013 Co-founder and Managing Director of K5 GmbH

Overview of activities in addition to the Supervisory Board mandate  
Sven Rittau is also on the Advisory Board of CT8 Holding GmbH, Berlin.

**b) Mr Michael Stammler**

Resident of Lutzenberg/Switzerland, Managing Director of Taunus Trust GmbH

Personal profile:

Date of birth: 04 July 1955  
Place of birth: Dossenheim an der Bergstrasse  
Nationality: German

Education

Study of Electrical Engineering at DHBW Mannheim  
Qualification: Engineer (BA)

Study of Business Administration at the University of Mannheim  
Qualification: MBA

Professional career

1979-1982 Start-up engineer at Siemens AG  
1987-1990 Management consultant at Roland Berger Strategy Consultants  
1991–2011 Various positions in Feri Group, ultimately CEO of Feri Finance AG  
2011–2013 Freelance consultant  
Since 2013 Managing Director of Taunus Trust GmbH

Overview of activities in addition to the Supervisory Board mandate

Michael Stammler is also Managing Director and Partner of the General Partner of Stammler Vermögensverwaltung GmbH & Co. KG, ATXL Zweite Vermögensverwaltung GmbH, both Limburg. He is also Managing Director and Partner of MiSta GmbH and Bilsachen Beteiligungs GmbH, both Lutzenberg/Switzerland, Managing Director of S + W Beratungs- und Beteiligungs GmbH, Linz/Austria, and Board Member of the “Stiftung Ökonomischer Fortschritt” [Foundation for Economic Progress], Berlin.

Due to his many years of experience as a member of the audit committee of various listed companies, Mr Stammler has particular expertise in accounting and auditing within the meaning of section 100 (5) of the German Stock Corporation Act.

**c) Dott. Michele Puller**

Resident of Bergkamen, CEO of Steilmann Holding AG i.l.

Personal information:

Date of birth: 30 August 1948  
Place of birth: Cittadella (Padua) Italy  
Nationality: Italian

Education

Study of statistics and demographics at Sapienza University of Rome,  
Qualification: Doctor

Professional career

1973–1981 Marketing at Procter & Gamble Italy, Marketing  
1981–2004 Various management positions in the Radici Group (Deufil GmbH, Radici Chimica GmbH, Radici Trading GmbH)  
Since 2004 CEO of Steilmann Holding AG

Overview of activities in addition to the Supervisory Board mandate

Alongside the aforementioned Supervisory Board mandates in statutory Supervisory Boards, Dr Puller is a founding member of the Association of Italian Entrepreneurs. In 2004, he was designated a “Cavaliere del Lavoro” by the President of the Italian Republic.

**d) Dr Marc Mogalle**

Resident of Berlin, Managing Director of Business Buddies GmbH

Personal information:

Date of birth: 15 September 1971  
Place of birth: Wolfsburg  
Nationality: German

Education

Economics studies at the University of Hanover, Hanover, Germany

Economics studies at the University of St Gallen, St Gallen, Switzerland  
Qualification: lic. oec. (Master of Economics), HSG (University of St Gallen)

Dr rer. pol. (Doctorate in Political Science), University of Oldenburg, Oldenburg, Germany

Professional career

1996-2000 Research Associate, University of St Gallen  
2000-2003 Investment Manager, innotech Management GmbH  
2004-2007 Investment Manager, Sigma Capital Management GmbH  
2007-2010 Investment Manager, AIG Investments  
2011-2013 Managing Director, Zapitano GmbH  
Since 2014 Managing Director, Business Buddies GmbH

Overview of activities in addition to the Supervisory Board mandate [

Dr. Marc Mogalle is President of the Alumni Chapter Berlin of the University of St. Gallen and Angel Investor of MotionTag GmbH, Potsdam, Resourcify GmbH, Hamburg, as well as of the Berlin based companies Distribusion Technologies GmbH, Clevver GmbH, GmbH and Uni-where UG.

**7. Amendment to Section 24 of the Articles of Association (disclosure obligations of holders of substantial participations)**

Section 24 of the Articles of Association stipulates that holders of substantial participations that meet or exceed the threshold of 10% of voting rights from shares, or meet or exceed a higher threshold, are exempted from the statutory obligation to disclose in detail the objectives pursued

with the acquisition of voting rights and the origin of the funds used for the acquisition, as well as to inform over a change in objectives. The current wording of the Articles of Association refers to "Section 27a (1) of the German Securities Trading Act (WpHG) in the version valid at the time of the resolution's adoption".

The Securities Trading Act was amended as part of The Second Act Amending Financial Market Regulations and the previous Section 27a (1) WpHG (in the version valid before 03 January 2018) became Section 43 WpHG (in the version valid from 03 January 2018).

For clarification, the Executive Board and Supervisory Board propose adoption of the following resolution:

That Section 24 of the Articles of Association be reworded as follows:

"Section 43 of the Securities Trading Act (Gesetz über den Wertpapierhandel – WpHG), as amended, is inapplicable.

## **8. Appointment of the auditor and the auditor of the consolidated financial statements**

The Supervisory Board proposes that

RSM GmbH  
Wirtschaftsprüfungsgesellschaft - Steuerberatungsgesellschaft, Düsseldorf  
Berlin Office

be appointed as the auditor and the Group auditor of the consolidated financial statements for the 2017 financial year.

### *Further information on the call*

#### **1. Total number of shares and voting rights at the time of the call (information according to section 49 of the Securities Trading Act (Gesetz über den Wertpapierhandel – WpHG)**

At the time of the publication of the call of the General Meeting in the Federal Gazette (Bundesanzeiger), the share capital of the company amounts to € 12,443,554.00 divided into 12,443,554 no-par value bearer shares. Each no-par value share entitles the holder to one vote. No voting rights may be exercised from treasury shares held by the company. The company holds no treasury shares at the time of publication of the call of the General Meeting in the Federal Gazette. The total number of shares and voting rights at the time of publication of the call of the General Meeting in the Federal Gazette in this case is therefore 12,443,554.

#### **2. Requirement for attendance at the General Meeting and for exercising voting rights (section 121 (3) no. 1 AktG)**

Pursuant to section 19 of our articles of association, those shareholders are entitled to attend the General Meeting and exercise voting rights who have registered at

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CONVENIENCE TRANSLATION ONLY  
Only the notice of convocation published in the “Bundesanzeiger” [Federal Gazette of the Federal Republic of Germany]  
on 11.05.2018 applies legally.



SLEEPZ AG  
c/o Computershare Operations Center  
80249 München  
Fax: +49-(0)89-30903-74675  
E-Mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

with proof of their share ownership no later than 12 June 2018 at midnight (end of day) (CEST) (registration period). Share ownership must be proven through a confirmation of the custodian institution that refers to beginning of the twenty-first day before the General Meeting, in other words 29 May 2018 at midnight (start of day) (CEST) (record date). The registration and the proof of share ownership are required to be in text form (§ 126b BGB) and must be written in German or English.

To be able to attend the General Meeting and exercise voting rights, we recommend that, as in past years, shareholders who have deposited their shares with a German institution for safe-keeping request an admission ticket to the General Meeting from the respective custodian institution. The custodian institution will normally handle the necessary registration, assume responsibility for ordering the admission tickets and confirm the relevant shareholdings to the above office. Shareholders will then be sent their ticket for the General Meeting. To ensure that tickets are received on time we ask that you request them as soon as possible. The registration with the order for the admission tickets must be received by SLEEPZ AG, c/o Computershare Operations Center at the above-noted address within the aforementioned registration period, at the latest.

Shareholders who have deposited their shares with a foreign institution send the registration together with the confirmation from their custodian institution directly to SLEEPZ AG, c/o Computershare Operations Center at the above address. It is also applicable here that the registration with the order for the admission tickets must be received there by the end of the registration period. You can obtain further information from corresponding instructions on our home page at

<https://www.sleepz.com/de/investor-relations/aktiendaten/hauptversammlungen/2018>

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<https://www.sleepz.com/en/investor-relations/share-information/annual-general-meeting-shareholders/2018>

#### *Record date and disposal of the shares*

In relation to the company, only persons who have provided evidence of shareholding shall be permitted to attend the General Meeting or exercise their voting rights as shareholders. Eligibility to attend the General Meeting and the extent of voting rights are exclusively subject to the shareholder's proven shareholdings as of the record date.

The shares are not blocked, either by the record date or by a registration for the General Meeting. Shareholders therefore continue to have access to their shares at all times, even on and after the record date or after having completed registration. Such acts have no effects on eligibility to attend and the extent of voting rights. This also applies to acquisitions and additional acquisitions after the record date. Persons who first acquire shares after the record date are therefore not eligible to attend.

### 3. Process for voting by proxy

Shareholders who do not wish to attend the General Meeting in person may have their shareholder rights, including their voting rights, exercised at the General Meeting by proxy – for example, by a financial institution, a shareholders' association or by another person of their choice. Timely registration for the General Meeting and proof of shareholding according to the above provisions are required in these cases as well.

The granting and revocation of a proxy and proof of the authorisation to the Company must be made in text form (section 126b of the German Civil Code (Bürgerliches Gesetzbuch – BGB)) if no financial institution, shareholders' association or an equivalent person or institution pursuant to section 135 (8) AktG and (10) in conjunction with section 125 (5) AktG is granted proxy to exercise the voting rights. The proxy holder can furnish proof by presenting the proxy at the entrance control point on the day of the General Meeting. The company also offers the following address for delivery of proof of the authorisation by post, fax or electronically (via e-mail) before the start of the General Meeting:

SLEEPZ AG  
c/o Computershare Operations Center  
80249 München  
Fax: +49-(0)89-30903-74675  
E-Mail: SLEEPZ-hv2018@computershare.de

The above delivery channels are also available if the proxy is intended to be granted by way of a declaration to the company; no separate proof of the grant of proxy is needed in this case. An already granted proxy can be revoked by a declaration made directly to the company through the aforementioned delivery channels.

A form that can be used to grant proxy is found on the back side of the admission ticket that is sent to the shareholders after the timely registration described above and is also available for download on our home page at

<https://www.sleepz.com/de/investor-relations/aktiendaten/hauptversammlungen/2018>

englisch version:  
<https://www.sleepz.com/en/investor-relations/share-information/annual-general-meeting-shareholders/2018>

The proxy can also be granted in any other legally allowable manner. If a shareholder authorises more than one person, the company may refuse to admit one or more of them.

In the case of the authorisation of a financial institution, a shareholders' association or a person or institution with equivalent status pursuant to section 135 (8) and (10) in conjunction with section 125 (5) AktG, specifics may apply that must be enquired of the respective party being granted proxy.

The company offers its shareholders the possibility of authorising proxy holders named by the company to exercise their voting rights. Shareholders who wish to grant a proxy to the proxy holders named by the company must timely register for the General Meeting and furnish proof

of the shareholding according to the above requirements. In the event they are authorised, the proxy holders named by the company exercise voting rights in accordance with instructions. The proxy holders named by the company are not empowered to exercise voting rights without instructions from the shareholder. This applies particularly to possible motions that are not made until the General Meeting. The proxy holders named by the company do not accept any instructions to place motions on the agenda. A form for granting proxy and issuing instructions to the proxy holders named by the company is included with each admission ticket. This is also available for download on our home page at

<https://www.sleepz.com/de/investor-relations/aktiendaten/hauptversammlungen/2018>

englisch version:

<https://www.sleepz.com/en/investor-relations/share-information/annual-general-meeting-shareholders/2018>

Proxies and instructions to the proxy holders named by the company must also be delivered to the company in text form.

For organisational expediency, shareholders who wish to authorise the proxy holders named by the company already before the General Meeting are requested to deliver proxies together with instructions no later than 17 August 2017 at midnight (end of day) (CEST) (receipt), by post, fax or e-mail to the following address:

SLEEPZ AG  
c/o Computershare Operations Center  
80249 München  
Fax: +49-(0)89-30903-74675  
E-Mail: SLEEPZ-hv2018@computershare.de

In addition, at the General Meeting as well, we still offer shareholders who have timely registered for the General Meeting, furnished proof of shareholding in accordance with the above requirements, and appeared at the General Meeting the opportunity to grant the proxy holders named by the company proxy to exercise voting rights.

Further particulars on attendance at the General Meeting and on proxy voting will be sent to shareholders together with the admission ticket. Corresponding information is also accessible on our home page at

<https://www.sleepz.com/de/investor-relations/aktiendaten/hauptversammlungen/2018>

englisch version:

<https://www.sleepz.com/en/investor-relations/share-information/annual-general-meeting-shareholders/2018>

#### **4. Shareholders' rights (section 121 (3) no. 3 AktG)**

- a) Proposals for additions to the agenda at the request of a minority pursuant to section 122 (2) AktG

Shareholders whose shares together make up one twentieth of the share capital or the pro rata amount of the share capital of € 500,000.00 (500,000 shares) may request that items

be added to the agenda and announced. The request must be sent in writing to the company's Executive Board and reach the company no later than 19 May 2018 at midnight (end of day) (CEST). Each new item must include an explanatory statement or draft resolution. Requests from shareholders for additions to the agenda pursuant to section 122 (2) AktG shall be sent exclusively to the following address:

SLEEPZ AG  
The Executive Board (Der Vorstand)  
Schlüterstrasse 38  
10629 Berlin  
Germany

Further information on making requests for additions to the agenda is available on the company's website at

<https://www.sleepz.com/de/investor-relations/aktiendaten/hauptversammlungen/2018>

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b) Motions and nominations of shareholders pursuant to sections 126 (1) and 127 AktG

The Executive Board will make any motions against a recommendation by the Executive Board and/or Supervisory Board concerning a specific agenda item pursuant to section 126 (1) AktG and nominations for the election of Supervisory Board members or appointment of the auditor pursuant to section 127 AktG by shareholders pursuant to sections 126 (1) and 127 AktG available only if they reach the company no later than 4 June 2018 at midnight (end of day) (CEST). Shareholders must send these motions and/or nominations exclusively to the following address:

SLEEPZ AG  
– General Meeting (Hauptversammlung) –  
Schlüterstrasse 38  
10629 Berlin  
Germany  
Fax: +49-(0)30-20305-555

Motions and/or nominations that are addressed in any other way will not be considered.

Motions and nominations by shareholders that are timely received at the above addresses are published immediately upon receipt, with the name of the shareholder, an explanatory statement and any comment by the administration, at the following Internet address:

<https://www.sleepz.com/de/investor-relations/aktiendaten/hauptversammlungen/2018>

englisch version:

<https://www.sleepz.com/en/investor-relations/share-information/annual-general-meeting-shareholders/2018>

Further information on making counter motions and nominations is available on the company's website at

<https://www.sleepz.com/de/investor-relations/aktiendaten/hauptversammlungen/2018>

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c) Right to information pursuant to section 131 (1) AktG

At the General Meeting, any shareholder and shareholder representative may request information from the Executive Board on the affairs of the company to the extent that such information is necessary for a proper evaluation of the agenda.

Further information on the shareholders' right to information is available on the company's website at

<https://www.sleepz.com/de/investor-relations/aktiendaten/hauptversammlungen/2018>

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<https://www.sleepz.com/en/investor-relations/share-information/annual-general-meeting-shareholders/2018>

## 5. Further explanations and information on the company's website

Shareholders can find information for the General Meeting in the area of investor relations pursuant to section 124a AktG at

<https://www.sleepz.com/de/investor-relations/aktiendaten/hauptversammlungen/2018>

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Further information on the rights of shareholders under sections 122 (2), 126 (1) and 131 (1) AktG is likewise found at

<https://www.sleepz.com/de/investor-relations/aktiendaten/hauptversammlungen/2018>

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Berlin, May 2018

SLEEPZ AG

– The Executive Board –