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Explanations concerning shareholders' rights pursuant to §§ 122 (2), 126 (1), 127 and 131 (1) AktG

Annual General Meeting of Celesio AG Stuttgart, 15 July 2014

Motions for an addition to the agenda (§ 122 (2) AktG)

Shareholders whose combined holdings represent a proportionate amount equivalent to at least EUR 500,000 of the share capital (corresponding to 390,625 shares) may request, pursuant to § 122 (2) German Stock Corporation Act (AktG), that items be placed on the agenda and announced. Each new item must be accompanied by grounds or a draft resolution. The written request must be addressed to the Management Board of Celesio AG and received by Celesio AG at least 30 days prior to the Annual General Meeting (the day of the General Meeting and the day of receipt shall not be included in this calculation), i.e., no later than at the close of

14 June 2014 (12 p.m.).

Please send such requests to the following address:

Celesio AG
Management Board
c/o Group Legal
Neckartalstraße 155
70376 Stuttgart

Pursuant to § 122 (2) in conjunction with (1) sentence 3 AktG and § 142 (2) sentence 2 AktG the petitioners must furnish evidence that they have been the holders of the shares for at least three months and will continue to hold the shares until a decision on the petition is rendered. There are different opinions on whether the time of holding (three months) has to be calculated backwards from the day of receipt of the motion at the company or from the day of the annual general meeting and until when the quorum has to be held. In case these questions become relevant, we recommend the shareholders to check the requirements and seek legal advice if need be. Pursuant to § 70 AktG there are certain possibilities for setoffs.

Any supplements to the agenda of the meeting that have to be published will - to the extent that they have not already been published together with the calling of the meeting - be announced promptly upon receipt of the request in the Federal Gazette and will be furnished to such suitable media as may be expected to disseminate the information throughout the European Union. They will also be found on the webpage www.celesio.com/hauptversammlung.

The stipulations of the German Stock Corporation Act which form the basis of these shareholder rights are as follows:

§ 122 (1) AktG:

"The shareholders' meeting shall be called if shareholders, whose holding in aggregate equals or exceeds one-twentieth of the share capital, demand such meeting in writing, stating the purpose and the reasons of such meeting; such demand shall be addressed to the management board. The articles may provide that the right to demand a shareholders' meeting shall require another form or the holding of a lower proportion of the share capital. § 142(2) sentence 2 shall apply accordingly."

§ 122 (2) AktG:

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

§ 142 (2) sentence 2 AktG:

"The petitioners must furnish evidence that they have been the holders of the shares for at least three months prior to the date of the shareholders' meeting and will continue to hold the shares until a decision on the petition is rendered."

§ 70 AktG:

"If the exercise of rights arising from a share requires that the shareholder has been the holder of such share for a certain period of time, the right to demand transfer of title from a credit institution, a financial services institute, or an enterprise operating under § 53 (1) sentence 1 or § 53b (1) sentence 1 or (7) of the Banking Act shall be deemed equivalent to ownership. The period during which the share was owned by a predecessor shall be attributed to the shareholder, provided that he has acquired the share without consideration from his fiduciary, as a successor in legal interest by operation of law, in connection with the liquidation of a community of interest, or as a result of a transfer of assets pursuant to § 14 of the Insurance Supervision Act or § 14 of the Building Loan Associations Act."

Counter-motions and nominations by shareholders (§§ 126 (1), 127 AktG)

Shareholders may submit counter-motions within the meaning of § 126 AktG against a proposal by the Management Board and Supervisory Board regarding a certain agenda item. They may also submit nominations as defined in § 127 AktG regarding the election of auditors and Supervisory Board members. Counter-motions and nominations pursuant to §§ 126 (1), 127 AktG have to be sent exclusively to the following address:

Celesio AG
Group Legal
Neckartalstraße 155
70376 Stuttgart
Fax: +49 711 5001-590
Email: legal@celesio.com

The Company will publish counter-motions and nominations – including the name of the submitting shareholder, the grounds for the counter-motion (required only for counter-motions) and any statement by the management – on its website at www.celesio.com/hauptversammlung, if such counter-motions (incl. grounds) or nominations are received by the Company at least 14 days prior to the Annual General Meeting (the day of the General Meeting and the day of receipt shall not be included in this calculation), i.e., no later than the close of

30 June 2014 (12 p.m.),

at the aforementioned address. Counter-motions and nominations sent to any other address will not be considered. The company may decline to publish a countermotion if one of the conditions for exclusion as per § 126 (2) AktG, for example, because the countermotion would result in a resolution by shareholders at the Annual General Meeting that contravenes either the law or the statute. The substantiation of the countermotion need not be published if it is longer than 5,000 characters.

The sentences above apply analogously to nominations by shareholders for the election of Board Members or auditors (§ 127 AktG). Nominations by shareholders do not need to be substantiated and they also need not be published, in addition to the instances stated in § 126 (2) AktG, if the name, profession and residence of the nominee are not stated. Nominations for elections to the Supervisory Board are not required to be published as well if the nomination does not contain information concerning his/her memberships in further statutory supervisory boards.

Note that countermotions and nominations previously sent to the company by the due date will only be considered at the Annual General Meeting if they are presented orally at the meeting. This will not prejudice each shareholder's right to submit counter-motions on the various items of the agenda and voting proposals for the election even without having submitted them to the Company in advance and due time.

The stipulations of the German Stock Corporation Act which form the basis of these shareholder rights are as follows:

§ 126 AktG:

“(1) Motions by shareholders together with the shareholder's name, the grounds and any position taken by the management shall be made available to the persons entitled pursuant to § 125 (1)–(3) under the conditions stated therein if at least 14 days before the meeting the shareholder sends to the address indicated in the notice convening the meeting a motion counter to a proposal of the management board and supervisory board as to an item on the agenda. The date of receipt shall not be taken into account. In the case of listed companies, access shall be provided via the company's Internet page. § 125 (3) shall apply analogously.

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

1. the management board would by reason of such communication become criminally liable;
2. the counter-motion would result in a resolution of the shareholders' meeting which would be illegal or would violate the articles;
3. the grounds contain statements which are manifestly false or misleading in material respects or which are libellous;

4. a counter-motion of such shareholder based on the same facts has already been communicated with respect to a shareholders' meeting of the company pursuant to § 125;
5. the same counter-motion of such shareholder on essentially identical grounds has already been communicated pursuant to § 125 to at least two shareholders' meetings of the company within the past five years and at such shareholders' meetings less than one-twentieth of the share capital represented has voted in favour of such counter-motion;
6. the shareholder indicates that he will neither attend nor be represented at the shareholders' meeting; or
7. within the past two years at two shareholders' meeting the shareholder has failed to make or cause to be made on his behalf a counter-motion communicated by him.

The statement of the grounds need not be communicated if it exceeds five thousand characters.

- (3) If several shareholders make counter-motions for resolution in respect to the same subject matter, the management board may combine such counter-motions and the respective statements of the grounds."

§ 127 AktG:

"§ 126 shall apply analogously to a nomination by a shareholder for the election of a member of the supervisory board or external auditors. Such nomination need not be supported by a statement of the grounds for this. The management board also need not communicate such nomination if it fails to contain the particulars required by § 124 (3) sentence 3 and § 125 (1) sentence 5."

§ 124 (3) sentence 4 AktG:

"The proposal for the election of members of the supervisory board or auditors shall state their name, profession and place of residence."

§ 125 Abs. 1 Satz 5 AktG:

"In case of listed companies details on the membership in other supervisory boards to be established pursuant to statutory provisions must be added to any nomination for the election of supervisory board members; details on their membership in comparable domestic and foreign controlling bodies of enterprises should be added."

Right to information pursuant to § 131 Abs. 1 AktG

Pursuant to § 131 (1) AktG, each shareholder of Celesio AG shall, upon request, be provided with information at the Annual General Meeting by the Management Board regarding the Company's affairs, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda. The duty to provide information also extends to legal and business relations between the Company and its affiliates as well as the position of the Group and that of the entities included in the consolidated financial statements, as the annual financial statements and the consolidated financial statements on item 1 on the agenda are submitted to the Annual General Meeting. Requests for information must generally be made orally at the General Meeting during the discussion.

The Management Board may refrain from answering certain questions for reasons stated in § 131 (3) AktG, e.g. if the information, based on reasonable commercial judgement, might be detrimental to the Company or one of its associated companies. According to § 8 (2) sentence 4 of the Articles of Association of the Company, the person presiding over the General Meeting is authorized to restrict the right of shareholders to speak and to ask questions at the General Meeting to an appropriate amount of time.

The stipulations of the German Stock Corporation Act and the Articles of Association which form the basis of these shareholder rights are as follows:

§ 131 AktG:

- “(1) Each shareholder shall upon request be provided with information at the shareholders’ meeting by the management board regarding the company’s affairs, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda. The duty to provide information shall also extend to the company’s legal and business relations with any affiliated enterprise. If a company makes use of the simplified procedure pursuant to § 266 (1) sentence 3, § 276 or § 288 of the Commercial Code, each shareholder may request that the annual financial statements be presented to him at the shareholders’ meeting on such annual financial statements in the form which would have been used if such provisions on simplified procedure were not applied. A parent enterprise’s (§ 290 (1) and (2) of the Commercial Code) management board’s duty to inform in the shareholders’ meeting that considers the consolidated financial statement and consolidated management report shall extend to the outlook of the group and the enterprises included in the consolidated financial statement.
- (2) The information provided shall comply with the principles of conscientious and accurate accounting. The articles or the rules of procedure pursuant to § 129 may authorise the chairperson of the meeting to limit the number of questions and speaking time of shareholders as appropriate and to lay down general rules thereon.
- (3) The management board may refuse to provide information:
 - 1. to the extent that providing such information is, according to sound business judgment, likely to cause material damage to the company or an affiliated enterprise;
 - 2. to the extent that such information relates to tax valuations or the amount of certain taxes;
 - 3. with regard to the difference between the value at which items are shown in the annual balance sheet and the higher market value of such items, unless the shareholders’ meeting is to approve the annual financial statements;
 - 4. with regard to the methods of classification and valuation, if disclosure of such methods in the notes suffices to provide a clear view of the actual condition of the company’s assets, financial position and profitability within the meaning of § 264 (2) of the Commercial Code; the foregoing shall not apply if the shareholders’ meeting is to approve the annual financial statements;
 - 5. if provision thereof would render the management board criminally liable;

6. if in the case of a credit institution or financial services institution information about the applied balance sheet and valuation methods or calculations made in the annual financial statements, the management report, the consolidated annual financial statement or the group's management report need not be given;
 7. if the information is continuously available on the company's internet page seven or more days prior to the shareholders' meeting as well as during the meeting. The provision of information may not be denied for other reasons.
- (4) If information has been provided outside a shareholders' meeting to a shareholder by reason of his status as a shareholder, such information shall upon request be provided to any other shareholder at the shareholders' meeting, even if such information is not necessary to permit a proper evaluation of an item on the agenda. The management board may not refuse to provide such information on the grounds of (3) sentence 1 Nos. 1 to 4. Sentences 1 and 2 shall not apply if a subsidiary (§ 290 (1), (2) of the Commercial Code), a cooperative enterprise (§ 310 (1) of the Commercial Code) or an affiliate (§ 311 (1) of the Commercial Code) provides the information to a parent company (§ 290 (1), (2) of the Commercial Code) for the purpose of inclusion in the consolidated annual financial statement of the parent company and the information is required for this purpose.
- (5) A shareholder who has been denied information may request that his question and the reason for which the information was denied be recorded in the minutes of the meeting."

§ 8 (2) of the Articles of Association:

- "(2) The Chairman shall preside over the Meeting. He determines the order in which to discuss the items on the agenda and can also in this respect deviate from the published agenda. He also determines the type of voting procedures to be used and the order in which agenda items are voted on. He may suitably limit the amount of time available to shareholders to exercise the right to ask questions and speak."

Stuttgart, June 2014

Celesio AG

The Management Board