

## HORNBACH

HORNBACH HOLDING Aktiengesellschaft  
67433 Neustadt an der Weinstrasse

– ISIN DE0006083405 and ISIN DE0006083439 –

### Invitation to the Annual General Meeting

We hereby invite our shareholders to attend our **Annual General Meeting**, to be held at Jugendstil-Festhalle Landau, Mahlastrasse 3, 76829 Landau in der Pfalz, at 11.00 a.m. on Friday, July 9, 2010.

### Agenda

- 1. Presentation of the adopted annual financial statements, the approved consolidated financial statements and the management report of HORNBACH HOLDING Aktiengesellschaft and the Group for the 2009/2010 financial year, the report of the Supervisory Board, and the explanatory report of the Board of Management in respect of the disclosures made pursuant to § 289 (4) and § 315 (4) of the German Commercial Code (HGB)**
- 2. Resolution on the appropriation of net unappropriated profit for the 2009/2010 financial year**

The Board of Management and the Supervisory Board propose to appropriate the net unappropriated profit reported for the 2009/2010 financial year amounting to	€ 11,740,567.71
as follows:	
Distribution of a dividend of € 1.28 per ordinary share for 4,000,000 ordinary shares	€ 5,120,000.00
Distribution of a dividend of € 1.34 per preference share for 4,000,000 preference shares	€ 5,360,000.00
Allocation to revenue reserves	€ 1,250,000.00
Balance carried forward	€ 10,567.71

Should HORNBACH HOLDING Aktiengesellschaft hold any treasury stock upon such resolution being adopted by the Annual General Meeting, then pursuant to the German Stock Corporation Act (AktG) such shares have no dividend entitlement. Sums attributable to ordinary shares without dividend entitlement will also be carried forward.

**3. Resolution releasing the Board of Management from responsibility for the 2009/2010 financial year**

The Board of Management and Supervisory Board propose to release the members of the Board of Management in the 2009/2010 financial year from responsibility for this period.

**4. Resolution releasing the Supervisory Board from responsibility for the 2009/2010 financial year**

The Board of Management and Supervisory Board propose to release the members of the Supervisory Board in the 2009/2010 financial year from responsibility for this period.

**5. Election of auditors and group auditors for the 2010/2011 financial year**

The Supervisory Board proposes the election of KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, as auditors and group auditors for the 2010/2011 financial year.

This proposal is based on a corresponding recommendation made by the Audit Committee.

**6. Election of auditors for the audit review of the half-year financial report for the 2010/2011 financial year**

The Supervisory Board proposes the election of KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, for the audit review of the abridged consolidated interim financial statements and interim management report for the first half of the 2010/2011 financial year pursuant to § 37w (5) and § 37y No. 2 of the German Securities Trading Act (WpHG).

This proposal is based on a corresponding recommendation made by the Audit Committee.

**7. By-election of a member of the Supervisory Board**

Ian Cheshire has retired from his position as a member of the Supervisory Board of HORNBACK HOLDING Aktiengesellschaft. Pursuant to § 9 (3) Sentence 2 of the company's Articles of Association, a by-election is to be held for the remaining term in office of the retiring member.

Pursuant to § 96 (1) Final Subsection of the German Stock Corporation Act (AktG) in conjunction with § 9 (1) of the Articles of Association, the Supervisory Board consists exclusively of six members elected by shareholders. The Annual General Meeting is not bound by the candidate hereby proposed.

The Supervisory Board proposes the election of Peter Hogsted Nielsen, CEO Other International der Kingfisher plc. London, UK, to the Supervisory Board of HORNBACK HOLDING Aktiengesellschaft. Pursuant to § 9 (3) Sentence 2 of the company's Articles of Association, such candidate is to be elected for the remaining term of the retiring member, i.e. until the conclusion of the Annual General Meeting releasing the Supervisory Board from responsibility for the 2012/2013 financial year.

The candidate proposed holds the following position on a foreign supervisory body comparable with a position on a statutory supervisory board: Koctas Yapi Marketleri Ticaret A.S., Istanbul (Vice Chairman of the Board).

## **Requirements governing participation in the Annual General Meeting and the exercising of voting rights**

To be entitled to participate in the Annual General Meeting and exercise their voting rights, shareholders must have registered and submitted documentary evidence of their shareholding to the company in good time ahead of the Annual General Meeting. Adequate evidence of shareholding involves a certification issued in text form in German or English by the account-holding financial institution and referring to the beginning of the 21<sup>st</sup> day prior to the Annual General Meeting, i.e.

**Friday, June 18, 2010, 0.00 (CET)**  
(so-called “evidence date”)

Registration and the documentary evidence of shareholding must have been received by the company at least six days prior to the Annual General Meeting (not counting the date of the Annual General Meeting and the date of receipt), i.e. by the latest on

**Friday, July 2, 2010, 24.00 (CET)**

at the following address, fax number or e-mail address:

HORNBACH HOLDING Aktiengesellschaft  
c/o PR IM TURM HV-Service AG  
Römerstrasse 72-74  
68259 Mannheim  
Fax: +49 (0) 621-7177213  
E-mail: [eintrittskarte@pr-im-turm.de](mailto:eintrittskarte@pr-im-turm.de)

The company is entitled to request further appropriate evidence should it harbor any doubts as to the correctness or authenticity of the certification. Should such evidence not be provided, or not in suitable form, then the company is entitled to reject the shareholder in question pursuant to § 19 (3) of the Articles of Association.

### **Relevance of the evidence date**

From the perspective of the company, only those persons or institutions that have presented evidence of shareholding are deemed as shareholders entitled to participate in the Annual General Meeting and exercise their voting rights. The entitlement to participate in the Annual General Meeting and scope of voting rights are measured solely in terms of the shareholding held by the shareholder at the evidence date.

The evidence date does not involve any restriction on the disposability of such shareholding. Even when such shareholding is disposed of completely or in part following the evidence date, shareholders' participation and the scope of their voting rights are based solely on the shareholding held by the shareholder on the evidence date, i.e. disposals or other assignments of shares following the evidence date have no implications on their participation in the Annual General Meeting and the scope of their voting rights. The same applies for the acquisition of shares or any increase in the number of shares held following the evidence date.

Persons not holding any shares as of the evidence date and only becoming shareholders subsequently are not entitled to participate or exercise any voting rights, unless they have been authorized as proxies or empowered to exercise such rights.

The evidence date has no implications for dividend entitlement.

### **Proxy voting procedures**

Shareholders not wishing to participate in the Annual General Meeting in person are entitled to have their voting rights exercised by an authorized party, e.g. their accounting-holding bank, a shareholders' association, or a person of their choice, or by the voting proxy appointed by the company. In these cases as well, shareholders must register for the Annual General Meeting on time and submit documentary evidence of their shareholding in accordance with the aforementioned requirements.

Any powers of attorney issued or revoked must be communicated to the company in text form, as must the documentary evidence of shareholding, unless the authorized party is a financial institution, a shareholders' association or any other equivalent person or institution as defined in § 135 of the German Stock Corporation Act (AktG).

Powers of attorney may be issued to the company or to the authorized party. When issued to the authorized party, documentary evidence of such must be provided to the company. This requirement may be met by the authorized party presenting the power of attorney at the entry desk on the date of the Annual General Meeting or by the documentary evidence of such authorization being communicated to the company by post or fax to the address or fax number used for registration. To communicate such documentary evidence in electronic form, please use the password-protected authorization platform at the internet address [www.hv-vollmachten.de](http://www.hv-vollmachten.de). The PIN number for the authorization platform is printed on the admissions ticket which will be sent to you following registration and submission of documentary evidence of your shareholding.

A form for issuing or revoking powers of attorney and submitting documentary evidence of such authorization is available for downloading from the HORNBACH Group's internet site under Investor Relations/Corporate Governance/Annual General Meeting ([www.hornbach-holding.com/investor/de/php/cont\\_investor\\_corpgov\\_hv.php](http://www.hornbach-holding.com/investor/de/php/cont_investor_corpgov_hv.php)). Upon request, a printed version of this form can also be forwarded to each shareholder.

Should a shareholder authorize more than one person, the company is entitled to reject one or more such person.

Financial institutions, shareholders' association and the other equivalent persons and institutions defined in § 135 of the German Stock Corporation Act (AktG) may stipulate different requirements for the form of power of attorney used to authorized them. Shareholders are therefore requested to agree the form and procedure for issuing powers of attorney in good time with the person or institution to be authorized.

As an additional service, we provide our shareholders with the option of being represented in accordance with their instructions at the Annual General Meeting by a voting proxy appointed by the company. This proxy exercises voting rights on the exclusive basis of the instructions issued by the shareholder. Please note that voting proxies cannot accept any instructions to make statements, pose questions or submit counter motions. Further details about the relevant procedures will be forwarded together with your admis-

sions ticket. Powers of attorney issued to the voting proxy appointed by the company, as well as any revoking of such powers of attorney and instructions for the voting proxy, must have been received at the address, fax number or e-mail address used for registration purposes at the latest by

**Thursday, July 8, 2010, 24.00 (CET)**

After this, it is no longer possible to amend those powers of attorney and voting instructions already issued.

In addition, shareholders who attend the Annual General Meeting but have to leave prior to voting have the possibility upon leaving of issuing a power of attorney and specific instructions for the exercising of their voting rights to a voting proxy appointed by the company. To do this, they should use the form included on the voting slip.

#### **Shareholders' rights: minority motions pursuant to § 122 (2) AktG**

Shareholders whose combined shareholdings are equivalent to one twentieth of the share capital or a pro-rated amount of € 500,000.00 are entitled to request pursuant to § 122 (2) of the German Stock Corporation Act (AktG) that items be added to the agenda and announced. Such requests must be received by the company at least 30 days prior to the Annual General Meeting (not counting the date of the Annual General Meeting and the date of receipt), and thus at the latest by

**Tuesday, June 8, 2010, 24.00 (CET)**

Such requests must be addressed in writing to the Board of Management of HORNBAACH HOLDING Aktiengesellschaft. Requests otherwise addressed cannot be considered. Each new agenda item must be accompanied by a substantiation or a proposed resolution.

#### **Shareholders' rights: countermotions and election proposals pursuant to § 126 (1) and § 127 AktG**

Shareholders may submit countermotions to any proposal made by the management concerning a specific agenda item. Shareholders may also propose candidates for election as auditors or Supervisory Board members. Shareholders are requested to communicate any countermotions and election proposals exclusively to the following address, fax number or e-mail address:

HORNBAACH HOLDING Aktiengesellschaft  
Investor Relations/Hauptversammlung  
Le Quartier Hornbach 19  
67433 Neustadt an der Weinstrasse  
Fax: +49 (0) 6348-60-4299  
E-mail: [gegenantraege.holding@hornbach.com](mailto:gegenantraege.holding@hornbach.com)

The company will publish any countermotions and election proposals received at the aforementioned address, fax number or e-mail address at the latest on

**Thursday, June 24, 2010, 24.00 (CET)**

together with the shareholder's name, any substantiation provided and any statement to be made by the management, on the HORNBACH Group's internet communications platform at [www.hornbach-group.com](http://www.hornbach-group.com).

The company may forego publication of a countermotion and its substantiation if the conditions set out in § 126 (2) of the German Stock Corporation Act (AktG) apply, specifically if publication of such by the Board of Management would constitute a criminal offense, if the countermotion would lead to a resolution at the Annual General Meeting that would infringe the law or the Articles of Association, if the substantiation contains obviously incorrect or misleading information in material aspects, or if it contains insulting material, if a countermotion submitted by the shareholder on the same issue has already been published in connection with an Annual General Meeting of the company pursuant to § 125 of the German Stock Corporation Act (AktG), if the same countermotion submitted by the shareholder with basically the same substantiation has already been published by the company in connection with at least two Annual General Meetings pursuant to § 125 of the German Stock Corporation Act (AktG) in the past five years and such countermotion was subsequently supported by less than one twentieth of the share capital represented at the Annual General Meeting, if it is apparent that the shareholder does not intend to participate in or be represented at the Annual General Meeting, or if the shareholder did not propose a countermotion previously communicated, or have such countermotion proposed by others, at two Annual General Meetings in the past two years.

Substantiations of countermotions do not have to be published when they exceed a total of more than 5,000 characters in length.

The above paragraphs apply by analogy to proposals submitted by shareholders for the election of Supervisory Board members or auditors, with the exception that such proposals do not require substantiation. Apart from those cases set out in § 126 (2) of the German Stock Corporation Act (AktG), the Board of Management may also forego publication of election proposals submitted by shareholders when they do not include the name, profession exercised, or town/city of residence of the Supervisory Board members or auditors thereby proposed, as well as disclosures on their membership of other statutory supervisory bodies in the case of candidates proposed for election to the Supervisory Board. Disclosures on membership of comparable supervisory bodies at companies in Germany and abroad should also be appended.

### **Shareholders' rights: right to information pursuant to § 131 (1) AktG**

Pursuant to § 131 (1) of the German Stock Corporation Act (AktG), each shareholder is entitled upon request to receive information from the Board of Management on matters relating to the company at the Annual General Meeting, provided that such information is necessary for the appropriate assessment of the respective agenda item. This duty to provide information also includes the company's legal and business dealings with associate companies, as well as the situation of the Group and the companies included in the consolidated financial statements, as the consolidated financial statements and group management report are also presented to the Annual General Meeting under Agenda Item 1.

For the reasons outlined in § 131 (3) of the German Stock Corporation Act (AktG), the Board of Management may refuse to answer individual questions, for example if the disclosure of such information may, based on reasonable commercial judgment, create a not inconsiderable disadvantage for the company or one of its associates. Pursuant to § 20 (3) of the Articles of Association, the Chairman of the Meeting may impose a reasonable limit on the time allocated to both statements and questions by shareholders. In particular, he may impose a reasonable limit on the duration of the entire Annual General Meeting, on the treatment of individual agenda items, and on individual statements and questions.

### **Further explanations and information at the company's internet site**

The information for the Annual General Meeting required by § 124a of the German Stock Corporation Act (AktG) is available to shareholders at the HORNBAACH Group's internet site under Investor Relations/Corporate Governance/Annual General Meeting ([www.hornbach-holding.com/investor/de/php/cont\\_investor\\_corpgov\\_hv.php](http://www.hornbach-holding.com/investor/de/php/cont_investor_corpgov_hv.php)). As soon as the Annual General Meeting has been convened, the documents to be made available in accordance with § 175 and § 176 of the German Stock Corporation Act (AktG) and the further explanations of shareholders' rights required by § 122 (2), § 126 (1), § 127 and § 131 (1) of the German Stock Corporation Act (AktG) are also available there. The documents to be made available in accordance with § 175 and § 176 of the German Stock Corporation Act (AktG) will also be available for inspection at the Annual General Meeting.

### **Total number of shares and voting rights upon the convening of the Annual General Meeting**

The company's share capital of € 24,000,000 is divided into 4,000,000 individual ordinary shares and 4,000,000 individual non-voting preference shares upon the convening of the Annual General Meeting. Each ordinary share entitles its holder to one vote. Pursuant to § 21 (2) of the Articles of Association, the preference shares are not entitled to voting rights; in cases where the preference shares have compulsory voting rights by law, however, then each preference share entitles its holder to one vote. The company is not entitled to exercise any voting rights attributable to treasury stock; the company did not hold any treasury stock upon the convening of the Annual General Meeting.

**Neustadt an der Weinstrasse, May 2010**

**HORNBAACH HOLDING Aktiengesellschaft  
The Board of Management**