

## CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

**Joint Report of the Executive Board of ProSiebenSat.1 Media SE, Unterföhring, and the Management of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH, Unterföhring, pursuant to Sec. 293a of the German Stock Corporation Act (*Aktiengesetz – AktG*)**

Pursuant to Sec. 293a of the German Stock Corporation Act, the Executive Board of ProSiebenSat.1 Media SE and the management of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH submit the following joint report regarding the domination and profit and loss transfer agreement (*Beherrschungs- und Gewinnabführungsvertrag*) between ProSiebenSat.1 Media SE and ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH:

### **1. Conclusion and Effectiveness of the Domination and Profit and Loss Transfer Agreement**

The domination and profit and loss transfer agreement between ProSiebenSat.1 Media SE as dominating company and ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH as dependent company was concluded on March 13, 2017 by the Executive Board of ProSiebenSat.1 Media SE and the management of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH.

The effectiveness of the domination and profit and loss transfer agreement requires on the one hand the approval of the shareholders' meeting of ProSiebenSat.1 Media SE which shall be granted by the shareholders' meeting dated May 12, 2017. Additionally, the approval of ProSiebenSat.1 Media SE as the sole shareholder of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH in a shareholders' meeting of this company is required; this shareholders' meeting already approved the domination and profit and loss transfer agreement by notarized shareholder resolution on March 16, 2017. The domination and profit and loss transfer agreement will then become effective upon its registration with the commercial register (*Handelsregister*) of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH.

### **2. Contracting Parties**

#### **2.1 ProSiebenSat.1 Media SE**

##### **2.1.1 Corporate Purpose of ProSiebenSat.1 Media SE**

ProSiebenSat.1 Media SE is a European stock corporation (*Societas Europaea*) with its seat in Unterföhring, district of Munich, registered with the commercial register of the local court (*Amtsgericht*) of Munich under HRB 219439. Pursuant to the Articles of Incorporation of ProSiebenSat.1 Media SE, its corporate purpose comprises the organization of broadcasting programs; the manufacturing, procurement and sale as well as marketing and distribution of audiovisual and

## CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

- 2 -

text-based contents and products of any kind and of other intellectual property rights; the performance, arrangement and marketing of services and products in the area of communication and electronic media; the further activity in the area of e-commerce, electronic media, digital services and digital technologies; the merchandising, live entertainment and event business as well as the personality marketing; the development and implementation of new business concepts in the aforementioned and related areas as well as the (direct and indirect) investment in and establishment of corporations with activities in the aforementioned and related areas, including the rendering of services and consulting in the aforementioned and related areas.

### 2.1.2 Holding Structure

The group of companies comprising ProSiebenSat.1 Media SE and its direct and indirect subsidiaries and affiliated companies (the „**ProSiebenSat.1 Group**“) is managed by ProSiebenSat.1 Media SE as group managing holding company. As parent company of the group of companies, ProSiebenSat.1 Media SE manages trans-sectoral key functions, such as licence purchasing, accounting, controlling, corporate planning, human resources, finance, investor relations, legal affairs and corporate communications.

### 2.1.3 Business Activities

ProSiebenSat.1 Group is one of the largest independent media enterprises in Europe whose core business constitutes the advertisement-financed free-TV. Furthermore, a diverse digital entertainment and ventures & commerce portfolio forms part of the group of companies as well as an international production network.

The operational activities of ProSiebenSat.1 Group are divided into four segments which depend strategically, economically and technically from each other and are managed by ProSiebenSat.1 Media SE: "Broadcasting German-speaking", "Digital Entertainment" "Digital Ventures & Commerce" and "Content Production & Global Sales". In particular the TV activities in Germany, Austria and Switzerland are allocated to the segment "Broadcasting German-speaking". In the segment "Digital Entertainment" ProSiebenSat.1 Group bundles its online video business. The segment "Digital Ventures & Commerce" comprises inter alia the strategic investments of the group within the e-commerce business. The segment "Content Production & Global Sales" comprises the international program production and distribution business of ProSiebenSat.1 Group.

### 2.1.4 Corporate Bodies and Employees

Currently, the Executive Board comprises the following seven members:

- Thomas Ebeling, Chairman of the Executive Board (Chief Executive Officer)

## CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

- 3 -

Responsibilities: PMO & Strategy, TV Germany Sales Agencies, Corporate Communication, Human Resources, Wellbeing, Special Projects;

- Conrad Albert, External Affairs & Industry Relations Officer, General Counsel

Responsibilities: External Affairs & Industry Relations, Regulatory Affairs & Governmental Relations, German Industry Relations, Group Content Acquisition, Legal Affairs, Distribution Contract Management, Audiovisual Transaction Business Development, Corporate Security, Compliance, Corporate Office;

- Sabine Eckhardt, Chief Commercial Officer

Responsibilities: 7Ventures, Licensing, Digital TV Ad Cooperations, AdFactory, TV Germany Sales KAM, Operations & Media Inventory Management, Media Competence Center, CMO;

- Dr. Ralf Schremper, Chief Investment Officer

Responsibilities: Mergers & Acquisitions;

- Dr. Gunnar Wiedenfels, Chief Financial Officer (until March 31, 2017)

Responsibilities: Group Operations & IT, Group Controlling, Group Finance & Investor Relations, Accounting & Taxes, Internal Audit, Corporate Procurement, Corporate Real Estate;

- Jan David Frouman, Content & Broadcasting

Responsibilities: TV Germany, P7S1 Austria, P7S1 Switzerland, Pay TV, Red Arrow Entertainment Group, Group Content Strategy;

- Christof Wahl, Digital Entertainment, L&CS/COO

Responsibilities: Data, Media Alliance, Distribution, AdVoD/AdTech, Digital Platforms, Leisure & CS, Sports.

In accordance with the Articles of Incorporation, the Supervisory Board of ProSiebenSat.1 Media SE comprises nine members which are all elected by the shareholders' meeting as the Supervisory Board of ProSiebenSat.1 Media SE is not subject to co-determination on company level according to Sec. 24 of the Agreement on the Involvement of Employees of ProSiebenSat.1 Media SE dated February 27, 2015. Chairman of the Supervisory Board is Dr. Werner Brandt.

In 2016, the ProSiebenSat.1 Group employed 6,504 employees worldwide in the annual average.

## CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

- 4 -

### 2.1.5 Share Capital and Shareholders

The share capital of ProSiebenSat.1 Media SE amounts to EUR 233,000,000.00 and is subdivided into 233,000,000 registered no-par value shares with a proportionate amount of EUR 1.00 of the share capital per share.

The shares of ProSiebenSat.1 Media SE are admitted for trading in the segment of the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with further post-admission obligations (*Prime Standard*) and in the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*).

The Executive Board is authorized, subject to the consent of the Supervisory Board, to increase the share capital of ProSiebenSat.1 Media SE on or before June 30, 2021 against contributions in cash and/or in kind on one or more occasions by up to EUR 73,316,080.00 by issuance of new registered no-par value shares (Authorized Capital 2016; Sec. 4 para. 4 of the Articles of Incorporation of ProSiebenSat.1 Media SE). Subject to certain requirements which are specified in the authorization, the shareholders' preemptive rights can be excluded when utilizing the Authorized Capital 2016.

According to Sec. 4 para. 5 of the Articles of Incorporation of ProSiebenSat.1 Media SE, the registered share capital is furthermore contingently increased by up to EUR 21,879,720.00 by issuing up to 21,879,720 new registered no-par value shares (Contingent Capital 2016). The contingent capital increase serves to grant shares to holders or creditors, respectively, of convertible bonds as well as to holders of option rights attached to option bonds that are issued on or before June 29, 2021, based on the authorization granted by resolution of the ordinary meeting of shareholders dated June 30, 2016 by ProSiebenSat.1 Media SE or a national or foreign subsidiary in which ProSiebenSat.1 Media SE either directly or indirectly holds a majority in terms of voting rights and capital.

The entire shares of ProSiebenSat.1 Media SE except for the treasury stock held by ProSiebenSat.1 Media SE are in free float.

### 2.1.6 Financial Results

In the fiscal year 2016 ProSiebenSat.1 Media SE generated revenues in the amount of EUR 99.2 million, earnings before taxes in the amount of EUR 517.0 million and group revenues in the amount of EUR 3,799.1 million and group earnings before taxes in the amount of EUR 658.2 million.

For further details of the development of the business and the financial results of ProSiebenSat.1 Media SE reference is made to the financial statements and consolidated financial statements as well as the combined management report for ProSiebenSat.1 Media SE and the group for the fiscal

## CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

- 5 -

year 2016.

### **2.2. ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH**

#### **2.2.1 Corporate Purpose of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH**

ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH is a limited liability company (*Gesellschaft mit beschränkter Haftung – GmbH*) with its seat in Unterföhring, district of Munich, registered with the commercial register of the local court of Munich under HRB 231745. According to the Articles of Incorporation of the company, its corporate purpose is the management of its own assets. Modality and timing of starting and conducting an operational business of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH are currently not certain. At present, the activity of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH is limited to the management of its own assets.

#### **2.2.2 Legal History of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH**

ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH was established on February 21, 2017 as shelf company under the same corporate name. The registration with the commercial register was effected on March 2, 2017.

#### **2.2.3 Share Capital and Shareholders**

The share capital of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH amounts to EUR 25,000.00. ProSiebenSat.1 Media SE is the sole shareholder of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH.

#### **2.2.4 Corporate Bodies and Employees**

The sole managing director of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH is Dr. Jens Mitnacht. ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH does not have any employees at the time of the submission of this report.

#### **2.2.5 Financial Results**

Due to the establishment of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH during the current fiscal year, the fiscal year 2017 constitutes a short fiscal year (*Rumpfgeschäftsjahr*). Reference is made to the opening balance sheet dated March 9, 2017.

## CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

- 6 -

### 3. Reasons for the Conclusion of the Domination and Profit and Loss Transfer Agreement

#### 3.1 Corporate Law Reasons

ProSiebenSat.1 Group has a holding structure on which basis the total operational activities are carried out by legally independent group companies. These are managed by ProSiebenSat.1 Media SE as group managing holding company (see above 2.1.2). From a corporate law perspective, the purpose of the domination and profit and loss transfer agreement of ProSiebenSat.1 Media SE with ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH is to facilitate a coherent management of the group of companies by ProSiebenSat.1 Media SE.

The contract based group of companies (*Vertragskonzern*) guarantees that ProSiebenSat.1 Media SE may successfully fulfill its tasks as group managing holding company. These tasks include the strategic management with guidelines for targets of the group of companies, the further development, the control of financial results, the best possible use of synergy potentials between and within the individual business activities as well as the best use of financial resources in the group of companies. This purpose serves the provision in Sec. 1 of the domination and profit and loss transfer agreement concluded with ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH pursuant to which ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH submits itself to the control and the instructions of ProSiebenSat.1 Media SE. The contract based group of companies creates the possibility to match the interest of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH with the interest of the whole group of companies keeping the responsibility for the financial results with ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH.

Furthermore, the conclusion of the domination and profit and loss transfer agreement shall facilitate the handling within the ProSiebenSat.1 Group of the existing bank account clearing systems. With the existence of a domination and profit and loss transfer agreement, the legal restrictions resulting from the provisions regarding the capital maintenance (*Kapitalerhaltung*) of the subsidiaries do not apply in the context of the establishment of a bank account clearing system for the management of the liquidity within the group of companies; instead, the obligation to loss absorption of the dominating company serves as protection mechanism. This leads to a significant simplification of the control and implementation of the group-wide bank account clearing system.

#### 3.2 Tax Law Reasons

ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH is a legally independent subsidiary of ProSiebenSat.1 Media SE. A corporate result generated by ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH is subject to taxation on company level and may, therefore,

## CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

- 7 -

generally not be set off with profits and losses of ProSiebenSat.1 Media SE or other group companies for purposes of corporate income tax (*Körperschaftsteuer*) or trade tax (*Gewerbesteuer*), regardless of whether any profits are retained (*thesauriert*) or distributed or any losses are compensated.

If ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH distributes profits in the form of dividends, such dividends as a result are 95% tax-free at the level of ProSiebenSat.1 Media SE; 5% of the dividends are deemed non-deductible operating expenses (*Betriebsausgaben*) and are, therefore, subject to taxation pursuant to general principles. Further, ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH generally has to retain withholding tax (*Kapitalertragsteuer*) in the amount of in total 26.375% in case of distribution of dividends and to pay it to the financial authority (*Finanzamt*) which, however, is to be deducted from the corporate income tax obligations of ProSiebenSat.1 Media SE and to be compensated in case of a hangover.

The aforementioned consequences may be avoided by the establishment of a fiscal unity (*Organschaft*) with respect to corporate income tax and trade tax between ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH and ProSiebenSat.1 Media SE. Main requirement for the establishment of such fiscal unity is the conclusion of a profit and loss transfer agreement (*Gewinnabführungsvertrag*) between ProSiebenSat.1 Media SE as dominating company (subsequently also „**Dominating Company**“) and ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH as dependent company (subsequently also „**Dependent Company**“ or „**Subsidiary**“).

As a result of the fiscal unity, the profits and losses under tax law determined on the level of the Subsidiary are attributed to the Dominating Company for purposes of corporate income tax and trade tax. Thereby, a consolidation of the profits and losses of the Subsidiary with the profits and losses of the Dominating Company for tax purposes is possible. As a consequence, profits and losses of the Subsidiary may be set off with losses and profits of other dependent entities and/or the Dominating Company for tax purposes.

The fiscal unity with respect to corporate income tax does not lead to the cancellation of the general tax obligations of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH. ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH must continue to determine its profits under tax laws as until now pursuant to the general provisions separately from the Dominating Company. The Dependent Company must transfer to the Dominating Company its annual profit (*Jahresüberschuss*) as calculated under the requirements of the German Commercial Code. Such transfer obligation must be shown in the financial statements of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH as a debt vis-à-vis group companies. Any annual loss (*Jahresfehlbetrag*) must be compensated by the Dominating Company and must be shown in the financial statements of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH as a claim vis-à-vis group companies.

The allocation of profits and losses pursuant to the provisions of the German Commercial Code

## CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

- 8 -

must be distinguished from the one under tax law. Neither the annual profit nor the annual loss is attributed to the Dominating Company but rather the result of the profits and losses of the Dependent Company determined in accordance with tax law. For example, non-deductible expenses, tax-free revenues and permitted allocation of reserves lead to differences between the attributable result under tax laws and the result to be transferred or compensated, respectively, pursuant to the trade balance.

The part of the company agreement with ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH regarding the domination shall enable the organizational integration required for purposes of the establishment of a fiscal unity with respect to value added tax (VAT) (*Umsatzsteuer*). As a consequence of the fiscal unity with respect to VAT, only ProSiebenSat.1 Media SE is considered an entrepreneur within the meaning of the Value Added Tax Act (*Umsatzsteuergesetz – UStG*); all services rendered by ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH vis-à-vis third parties are, therefore, attributed to ProSiebenSat.1 Media SE for VAT purposes, whereas services between ProSiebenSat.1 Media SE and ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH are considered internal services not subject to VAT.

Thus, by the establishment of a fiscal unity between ProSiebenSat.1 Media SE and ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH an ideal structure is created for purposes of corporate income tax but also for trade tax and VAT. This does not only apply to the relation between ProSiebenSat.1 Media SE and ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH but also, for example, to the relation to further companies with which ProSiebenSat.1 Media SE as Dominating Company maintains or will establish a fiscal unity.

An economically reasonable alternative to the conclusion of a domination and profit and loss transfer agreement between ProSiebenSat.1 Media SE and ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH did not exist from the point of view of the Executive Board of ProSiebenSat.1 Media SE and the management of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH. In particular, by the conclusion of any other company agreement within the meaning of Secs. 292 et seq. of the German Stock Corporation Act (business lease agreement (*Betriebspachtvertrag*), business surrender agreement (*Betriebsüberlassungsvertrag*), profit pool (*Gewinngemeinschaft*) or agreement to transfer a share of profits (*Teilgewinnabführungsvertrag*)) or a business management contract (*Betriebsführungsvertrags*), a consolidated taxation of ProSiebenSat.1 Media SE and ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH cannot be reached.

#### **4. Explanation of the Domination and Profit and Loss Transfer Agreement**

The domination and profit and loss transfer agreement between ProSiebenSat.1 Media SE as Dominating Company and ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH as

## CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

- 9 -

Subsidiary (hereinafter also the “**Agreement**”) constitutes a company agreement within the meaning of Secs. 291 ss. of the German Stock Corporation Act.

The Agreement as well as its individual provisions are to be explained as follows:

### 4.1 Management and Directives (Sec. 1 of the Agreement)

Pursuant to the provision in Sec. 1 para. 1 of the Agreement, the Subsidiary submits itself irrespective of its legal independence to the control of the Dominating Company.

In Sec. 1 para. 2 of the Agreement, the Dominating Company is granted the right, in exercising its authority to control the business activities of the Subsidiary and within the statutory limits, to take decisions on the business policy, to issue general guidelines and to give instructions on individual cases.

In Sec. 1 para. 3 of the Agreement, it is made clear that the personal responsibility of the Subsidiary’s managing directors for complying with the requirements of law is not affected by this obligation.

### 4.2 Profit Transfer (Sec. 2 of the Agreement)

By the provision in Sec. 2 para. 1 of the Agreement the Subsidiary undertakes to transfer to the Dominating Company in corresponding application of Sec. 301 of the German Stock Corporation Act its entire profit as calculated under the pertinent requirements of the German Commercial Code and in consideration of Sec. 2 para. 2 of the Agreement providing for deposits and release of other revenue reserves (*andere Gewinnrücklagen*). As a consequence, as a rule the annual profit not taking into account the transfer of profits, must be transferred reduced by any loss carried forward (*Verlustvortrag*) and an amount not subject to transfer pursuant to Sec. 268 para. 8 of the German Commercial Code.

Sec. 2 para. 2 of the Agreement, however, stipulates that to the extent permissible under German commercial law and justified according to the judgment of a reasonable businessperson in business terms, the Subsidiary may, subject to the Dominating Company’s approval, deposit amounts from its annual profit for a given year to other revenue reserves (Sec. 272 para. 3 of the German Commercial Code). In this case, the profit to be transferred is reduced accordingly. The Dominating Company may request that other revenue reserves formed during the term of the Agreement are to be released and either to be used to make up losses or to be transferred as profits.

Pursuant to Sec. 2 para. 3 of the Agreement, the income from the release of other reserves (*sonstige Rücklagen*), even to the extent they have been formed during the term of the Agreement, may not be transferred or used to make up losses for a year; the same applies to any earnings brought forward from other periods (*Gewinnvortrag*) existing as of the commencement of the term

## CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

- 10 -

of the Agreement.

The financial statements of the Subsidiary will neither show an annual profit nor a net profit (*Bilanzgewinn*) for the duration of the domination and profit and loss transfer agreement due to the existing profit transfer obligation.

### **4.3 Loss Absorption (Sec. 3 of the Agreement)**

The Agreement provides for the obligation of the Dominating Company to loss absorption (*Verlustübernahme*) in accordance with the provisions of Sec. 302 para. 1 of the German Stock Corporation Act as amended from time to time. The Dominating Company is, therefore, obliged to compensate any annual loss – not taking into account the loss absorption obligation – occurring during the term of the Agreement to the extent that such loss is not compensated by withdrawing amounts from the other revenue reserves that were transferred to such reserves during the term of the Agreement.

Also the further provisions of Sec. 302 of the German Stock Corporation Act as amended from time to time apply accordingly to the claim of the Subsidiary for loss absorption. Therefore, the claim for loss absorption becomes time-barred ten years after the publication of the registration of the termination of the Agreement with the commercial register. Further, as a rule the Subsidiary may only waive or settle any claim for loss absorption three years after the date of such publication.

### **4.4 Entry into Effect and Term of Agreement (Sec. 4 of the Agreement)**

Sec. 4 of the Agreement provides for the entry into effect of the domination and profit and loss transfer agreement, its term and the termination options.

In accordance with statutory provisions, Sec. 4 para. 1 of the Agreement stipulates that the domination and profit and loss transfer agreement requires the consent of the Subsidiary's shareholders' meeting as well as the consent of the shareholders' meeting of the Dominating Company and that it becomes effective upon the subsequent registration with the commercial register of the Subsidiary.

According to Sec. 4 para. 2 of the Agreement, the duty to transfer profits pursuant to Sec. 2 and the duty to absorb losses pursuant to Sec. 3 of the Agreement shall apply for the first time – and therefore retroactively – as from the beginning of the fiscal year of the Subsidiary in which the Agreement becomes effective pursuant to Sec. 4 para. 1 of the Agreement. In all other respects, the Agreement shall apply as from its registration with the commercial register. This concerns, in particular, the right to give instructions pursuant to Sec. 1 as such right may not be granted retroactively.

## CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

- 11 -

Sec. 4 para. 3 of the Agreement stipulates that the Agreement may be terminated by notice of ordinary cancellation with a notice period of four weeks to the end of the fiscal year of the Subsidiary, however, not earlier as to the end of the fiscal year that ends at least five full years after the beginning of the fiscal year of the Subsidiary during which the Agreement takes effect pursuant to Sec. 4 para. 1 of the Agreement. It is envisaged that the Agreement becomes effective during the ongoing short fiscal year of the Subsidiary by registration with the commercial register of the Subsidiary; an ordinary cancellation would then be possible at the earliest as of the end of December 31, 2022 under continuation of the calendar based fiscal year. Such corresponding minimum term is stipulated with respect to the statutory requirements for the envisaged fiscal unity with respect to corporate income tax and trade tax (Sec. 14 para. 1 sentence 1 no. 3 German Corporation Tax Act (*Körperschaftsteuergesetz – KStG*), Sec. 2 para. 2 sentence 2 German Trade Tax Act (*Gewerbesteuer-gesetz – GewStG*)), whereby the disadvantageous tax consequences of an ordinary cancellation during the ongoing fiscal year of the Subsidiary are avoided. It is further shown that with the conclusion of the domination and profit and loss transfer agreement a long term approach is taken. If the Agreement is not terminated by notice of cancellation, it is extended until the end of the respective subsequent fiscal year of the Subsidiary.

Sec. 4 para. 4 of the Agreement clarifies that the right to terminate the Agreement without notice period for good cause remains unaffected. Good cause shall be deemed to have occurred, in particular, in case of the cancellation of the financial integration within the meaning of Sec. 14 para. 1 sentence 1 no. 1 of the German Corporation Tax Act (e.g. due to a transfer of the shares or a corresponding portion of the shares in the Subsidiary by the Dominating Company), a merger, demerger (*Spaltung*) or liquidation of the Subsidiary or the Dominating Company as well as a transformation of the Subsidiary into a legal form which may not be a subordinated company in the meaning of Secs. 14, 17 of the German Corporation Tax Act.

In accordance with the statutory provision of Sec. 297 para. 3 of the German Stock Corporation Act, Sec. 4 para. 5 of the Agreement provides for the requirement of written form for the notice of cancellation.

### **4.5 Final Provisions (Sec. 5 of the Agreement)**

Sec. 5 para. 1 of the Agreement clarifies that the Agreement contains all provisions agreed upon between the Dominating Company and the Subsidiary that relate to the domination as well as to the profit transfer and loss absorption. Furthermore, it clarifies that ancillary agreements hereto do not exist; neither are they valid.

Sec. 5 para. 2 of the Agreement stipulates that changes and amendments to the Agreement must be made in writing unless a stricter form is prescribed by law.

## **CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!**

- 12 -

Sec. 5 para. 3 stipulates that references to statutory provisions relate to the statutory provisions referred to as amended from time to time and that this applies, in particular, to the references to Sec. 301 of the German Stock Corporation Act (maximum amount of the profit transfer) and Sec. 302 of the German Stock Corporation Act (loss absorption). This ensures that any potential legislative amendments will not affect the further fulfillment of the requirements for a fiscal unity with respect to corporation income tax and trade tax purposes which relate to the provisions in Secs. 301, 302 of the German Stock Corporation Act.

Sec. 5 para. 4 contains a severability clause. According to this clause, in the event that any provision of the Agreement is or becomes, in full or in part, invalid and/or unenforceable, the validity and enforceability, respectively, of the remaining provisions shall remain unaffected. Any invalid and unenforceable, respectively, provision is deemed to be replaced by such valid and enforceable provision that most closely corresponds to the economic substance of the invalid and unenforceable, respectively, provision. The same applies if there is a gap in the Agreement. This provision corresponds to the common provisions in the contractual practice and is included for reasons of legal precaution. There are no indications that one of the contractual provisions could be invalid.

Finally, Sec. 5 para. 5 of the Agreement stipulates that the costs of the Agreement shall be borne by the Dominating Company.

### **4.6 Compensation and Consideration**

As all shares in the share capital of ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH are held by ProSiebenSat.1 Media SE, the domination and profit and loss transfer agreement does not have to provide provisions regarding compensation and consideration (Secs. 304, 305 of the German Stock Corporation Act). Explanations regarding the valuation may, therefore, be omitted. For the same reason the examination of the Agreement by a qualified auditor is not required (Sec. 293b para. 1 of the German Stock Corporation Act).

*[signature page follows]*

**CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!**

- 13 -

Unterföhring, March 29, 2017

Unterföhring, March 29, 2017

**Executive Board of  
ProSiebenSat.1 Media SE:**

**Management of  
ProSiebenSat.1 Einundzwanzigste Verwal-  
tungsgesellschaft mbH:**

(signed)

Thomas Ebeling

Chairman of the Executive Board

(signed)

Dr. Jens Mittnacht

Sole Managing Director

(signed)

Conrad Albert

Member of the Executive Board

(signed)

Sabine Eckhardt

Member of the Executive Board

(signed)

Dr. Gunnar Wiedenfels

Member of the Executive Board

(signed)

Dr. Ralf Schremper

Member of the Executive Board

(signed)

Jan David Frouman

Member of the Executive Board

(signed)

Christof Wahl

Member of the Executive Board