

CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!



Information on agenda item 5 of the Annual General Meeting of ProSiebenSat.1 Media SE on May 16, 2018

Redesign of the compensation system for the Executive Board of ProSiebenSat.1 Media SE

At last year's Annual General Meeting on May 12, 2017, the agenda item "Resolution on the approval of the compensation system for members of the Executive Board" was put to the vote. The Executive Board's compensation system did not attain the necessary majority shareholder support. High complexity, potential free discretionary compensation decisions made by the Supervisory Board, the design of the Group Share Plan, the lack of a relative comparison against competitors and the lack of obligations to purchase and hold shares in the Company were referenced as criticisms. In addition, it was noted that the level of transparency in the compensation report could be improved, in particular with respect to the criteria underlying discretionary decisions and the application of these criteria, as well as on each Executive Board member's individual level of target achievement.

Against this backdrop, the Supervisory Board of ProSiebenSat.1 Media SE has fundamentally redesigned the compensation system for the Executive Board. Furthermore, it was decided to improve the level of transparency in the 2017 compensation report. The revised compensation system will hereafter be implemented in Executive Board contracts that are extended or newly concluded. The revised compensation system is thus already part of the Executive Board service agreement for the new CEO, Max Conze, whose appointment is effective June 1, 2018.

This information on agenda item 5 presents the newly adopted compensation system, which is the object of the resolution on agenda item 5 concerning approval of the compensation system for the Executive Board of ProSiebenSat.1 Media SE. Please find a transparent description of the previous compensation system in the 2017 compensation report. As shown in the following overview, investors' major criticisms have been addressed in the redesign:

Goals of the redesigned compensation system	Instruments
Ambitious incentives for sustainable company performance ("pay for performance").	Use of strategically relevant financial target parameters. Measurement of the Executive Board's performance based on individual and collective targets. Inclusion of financial and non-financial targets. Calculation of variable compensation based on predominantly long-term targets. Long-term variable compensation to account for a larger share of total compensation than short-term variable compensation. Structure of payout range in line with market practice: - Maximum payout equal to 200% of target amounts. - Total loss of variable compensation possible.
Reduced complexity.	Use of only one plan in long-term variable compensation. Only three compensation components overall, down from four.
Removal of free discretionary decisions.	Assessment of Executive Board members' individual and collective performance based on pre-defined criteria (bonus/malus).
Alignment of interests between the Executive Board and shareholders.	Comparison of the total shareholder return with comparable companies in long-term variable compensation as a target in a Performance Share Plan. Introduction of obligations to purchase and hold shares in the Company ("share ownership guidelines").
Increase in transparency.	Specification of financial parameters and criteria for non-financial targets. Ex-post publication of target achievement for individual target parameters.

Avoidance of double incentives in variable compensation.	Use of different target parameters in the short-term and long-term variable compensation.
--	---

The new compensation system continues to be in line with the requirements of the Stock Corporation Act (Aktiengesetz) as well as the recommendations of the German Corporate Governance Code (GCGC) and now also follows best practice among German listed corporations. During the redesign, the Supervisory Board was advised by an independent external compensation advisor, which used as peer group executive board compensation of comparable companies. The Supervisory Board presently considers companies in the DAX and MDAX to be comparable companies, as well as those in STOXX Europe 600 Media, a sub-index of the STOXX Europe 600 index, which primarily comprises companies from the European media industry.

The components of the new compensation system for members of the Executive Board are described in detail in the following, as are revisions in comparison to the previous system.

I. Compensation structure

Going forward, the new Executive Board compensation system consists of only three components instead of four: a fixed base salary as well as an annual and multi-year variable compensation element. The Mid-Term Incentive plan has been eliminated to reduce the complexity of the compensation system. With target compensation levels largely unchanged, the compensation structure under the revised system amounts to 35 : 30 : 35 (fixed base salary to annual variable compensation to multi-year variable compensation) for the CEO and 40 : 20 : 40 for the other Executive Board members.

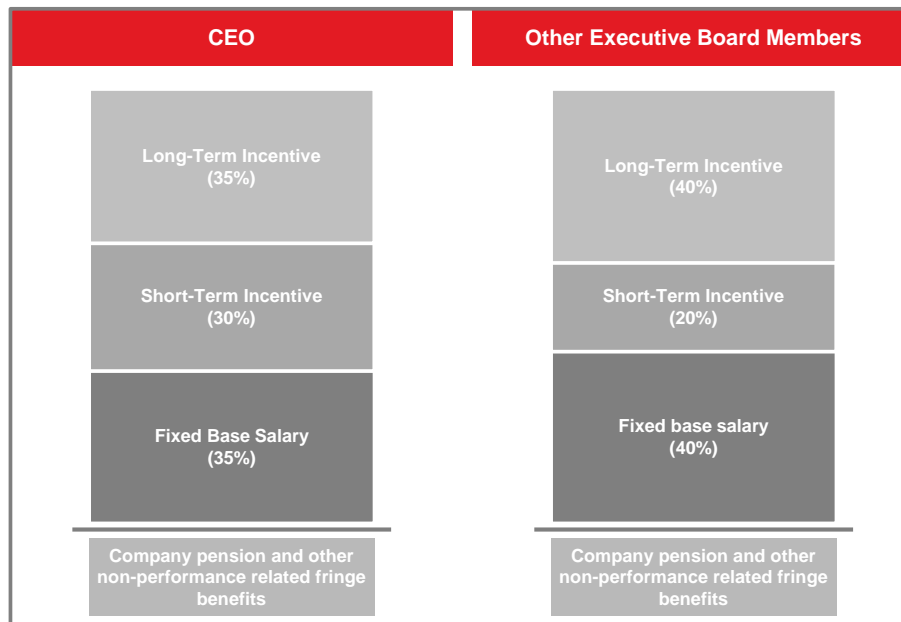


Figure 1: Structure of the new compensation system

Independent of these changes, the company pension remains unchanged. The annual contribution of the Company to the pension continues to amount to 20% of the fixed base salary. Furthermore, members of the Executive Board continue to receive fringe benefits.

II. Fixed base salary

The structure of the fixed base salary remains unchanged. The base salary is paid out in twelve equal installments, each at the end of the month. If the service agreement begins or ends during a fiscal year, the base salary will be granted for that year on a pro-rata basis.

III. Variable compensation

Going forward, the variable compensation comprises only two elements, an annual variable compensation (Short-Term Incentive) in the form of an annual bonus payment (Performance Bonus) and a multi-year variable compensation (Long-Term Incentive) in the form of virtual shares in ProSiebenSat.1 Media SE (Performance Share Plan).

1. Short-Term Incentive (Performance Bonus)

The Short-Term Incentive continues to depend on the economic performance of ProSiebenSat.1 Group in the respective prior fiscal year. The Short-Term Incentive is calculated from the degrees of target achievement (0% - 200%) determined for the fiscal year for the targets for the Group EBITDA (earnings before interest, taxes, depreciation and amortization) and the Group Free Cash Flow (FCF), as well as from a Modifier (0.8 to 1.2) to assess the individual and collective performance of the Executive Board members. The final payout is limited to a maximum of 200% of the individual target value (Cap) that has been agreed with each Executive Board member in the service agreement.

The Supervisory Board has determined the two financial performance metrics EBITDA and FCF as relevant target parameters. EBITDA is a commonly-used measure of operational performance in the industry that allows a high level of comparability with other companies in the media industry and is also regularly used by the capital market to conduct company valuations based on multiples. For shareholders, FCF is also an important measure of liquid funds generated by operations, after deducting investments which are available for debt servicing or distribution to shareholders. Likewise, FCF is an important indicator for measuring so-called cash returns on investments and is a common calculation basis employed for cash flow-based company valuations. ProSiebenSat.1 Media SE publishes both performance metrics, EBITDA and FCF, as part of the regular financial reporting for the ProSiebenSat.1 Group.



Figure 2: How the Short-Term Incentive works

1.1 Group EBITDA

Going forward, Group EBITDA will be used in the Short-Term Incentive for determining target achievement, with a weighting of 50%.

The target value for the EBITDA target will be set annually in Euros by the Supervisory Board and is derived from the budget planning for the ProSiebenSat.1 Group.

Where necessary, to determine target achievement, the actual Group EBITDA reported by ProSiebenSat.1 Media SE will be adjusted for effects arising from significant changes in IFRS accounting standards, unplanned effects from M&A transactions conducted within the reporting period, and valuation effects of the group-wide multi-year variable compensation plans. This allows the Supervisory Board to correct for effects that could potentially distort the target achievement. Further adjustments are not provided for.

To measure the target achievement, the actual EBITDA as reported in the relevant approved consolidated financial statements of ProSiebenSat.1 Media SE, subject to above described adjustments, is compared with the target value for the respective fiscal year. The target achievement will be disclosed retrospectively in the compensation report.

If the actual EBITDA corresponds to the target value, target achievement is equal to 100%. The target achievement is equal to 0% if there is a negative deviation from the target EBITDA of 10% or more. To reach the maximum target achievement of 200%, the actual EBITDA must exceed the target EBITDA by 10% or more. Intermediate values will be linearly interpolated. The EBITDA target achievement curve is symmetrically designed, meaning that an over- or underachievement of the target will be reflected evenly.

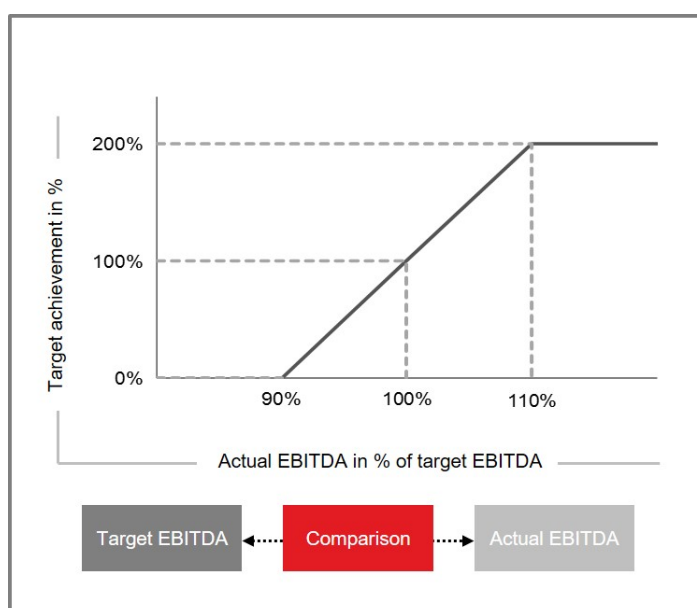


Figure 3: Target achievement curve reported EBITDA

1.2 Group Free Cash Flow (FCF)

Group FCF will be used in the Short-Term Incentive for determining the target achievement, with a weighting of 50%.

The target value for the FCF target will be set annually in Euros by the Supervisory Board and is derived from the budget planning for the ProSiebenSat.1 Group.

Where necessary, to determine target achievement, the actual Group FCF reported by ProSiebenSat.1 Media SE will be adjusted for effects arising from significant changes in IFRS accounting standards and M&A transactions. This allows the Supervisory Board to correct for

effects that could potentially distort the target achievement. Further adjustments are not provided for.

To measure the target achievement, the actual FCF as reported in the relevant approved consolidated financial statements of ProSiebenSat.1 Media SE, subject to above described adjustments, is compared with the target value for the respective fiscal year. The target achievement will be disclosed retrospectively in the compensation report.

If the actual FCF corresponds to the target value, target achievement is equal to 100%. The target achievement is equal to 0% if there is a negative deviation from the target FCF of 25% or more. To reach the maximum target achievement of 200%, the actual FCF must exceed target FCF by 25% or more. Intermediate values will be linearly interpolated. The FCF target achievement curve is symmetrically designed, meaning that an over- or underachievement of the target will be reflected evenly.

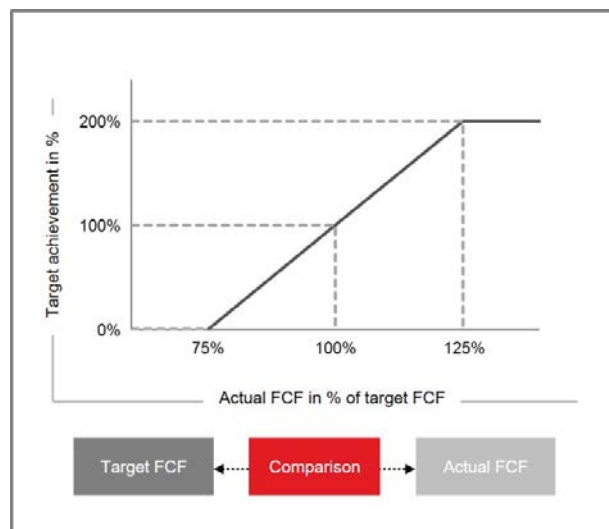


Figure 4: Target achievement curve reported Free Cash Flow (FCF)

1.3 Modifier

To determine the Executive Board members' individual as well as collective performance, the Supervisory Board assesses the achievement of individual targets as well as the contribution toward fulfilling collective targets, based on criteria defined in advance. Relevant criteria could include customer satisfaction, corporate social responsibility, corporate governance and strategic projects, and also other group and segment financial performance indicators. The resulting modifier for adjusting the Short-Term Incentive can take a value between 0.8 and 1.2. The Modifier thereby functions as a bonus/malus mechanism. Individual and collective targets are agreed upon in advance in an annual target agreement between the Supervisory Board and the Executive Board member. A maximum of five targets are set annually, which will be disclosed retrospectively in the compensation report, along with the accompanying target achievement levels.

1.4 Payment date

The Short-Term Incentive is due to be paid out in the following year, within one month after the audited and approved consolidated financial statements for the relevant fiscal year are available, and will be paid out with the next monthly salary.

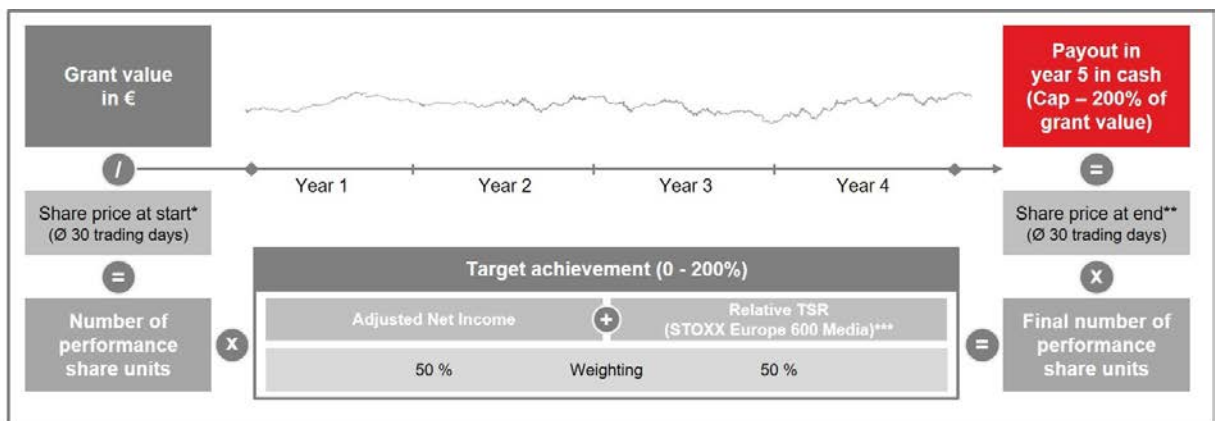
2. Long-Term Incentive (Performance Share Plan)

The Long-Term Incentive is designed as a multi-year variable compensation in the form of virtual shares (Performance Shares). Tranches are granted annually, each with a four-year performance period. Payout occurs in cash in year five, the year following the end of the performance period. Instead of a payout in cash, the Company reserves the right to alternatively choose a settlement with own shares and to deliver a corresponding number of shares in the Company. However, in the interests of its shareholders, the Company will likely only make use of this option if the currently unfavorable tax treatment at the Company level for equity settlement is repealed.

The payout depends on the development of ProSiebenSat.1 Media SE's share price as well as on the Company's internal and external performance. The company performance is measured based on the Adjusted Net Income on Group level as well as the relative Total Shareholder Return (TSR – shareholder return for ProSiebenSat.1 Media SE shares compared to shareholder return for companies in the selected index), each with a weighting of 50%. The Performance Share Plan is issued in annual tranches, each with a performance period of four years.

The company performance is on the one hand based on the metric Adjusted Net Income. This is an important performance indicator for the Group and serves, among other functions, as the metric that underlies the dividend policy and the resulting amounts that are distributed to shareholders. ProSiebenSat.1 Media SE publishes the Adjusted Net Income as part of the regular financial reporting for the ProSiebenSat.1 Group. On the other hand, the company performance is determined using relative TSR, as this performance metric compares shareholder return for ProSiebenSat.1 Media SE shares with the shareholder return for a relevant peer group. The relative TSR takes account of the share price development and dividends paid to shareholders over the four-year performance period.

An individual grant value is specified in the service agreement for each Executive Board member. Performance Share Units (PSUs) corresponding to the grant value are granted on the first day of a fiscal year, based on the volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 preceding trading days. Following the end of the four-year performance period, the granted Performance Shares Units are converted into a final number of Performance Share Units according to a conversion factor, which is determined according to the weighted target achievement for the Adjusted Net Income and the relative TSR. The payout amount for each Performance Share Unit is equal to the volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days preceding the end of the performance period, plus cumulative dividend payments over the performance period on the ProSiebenSat.1 Media SE share. This amount is limited per tranche to a maximum of 200% of the individual grant value (Cap). In case of a settlement in own shares, the payout amount will be converted, based on the average share price noted above, into a corresponding number of shares in the Company and delivered to the beneficiary.



* Volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days preceding the start of the performance period, rounded down to two decimal places.
 ** Volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days preceding the end of the performance period, rounded down to two decimal places, plus cumulative dividend payments on each share in ProSiebenSat.1 Media SE.
 *** Relative TSR of ProSiebenSat.1 Media SE's shares over the four-year performance period in comparison to STOXX Europe 600 Media companies.

Figure 5: How the Performance Share Plan works

2.1 Group Adjusted Net Income

With a weighting of 50%, the Group Adjusted Net Income determines the target achievement in the Performance Share Plan. That is, 50% of the final number of Performance Share Units are dependent on the average target achievement for the Group Adjusted Net Income over the four-year performance period.

The average annual Adjusted Net Income target achievement over the four-year performance period is used to determine the target achievement for the Group Adjusted Net Income at the end of a tranche. The Adjusted Net Income target value for each of the fiscal years within the performance period is set annually by the Supervisory Board in Euros and is derived from budget planning for the ProSiebenSat.1 Group.

Where necessary, to determine the target achievement, the actual Group Adjusted Net Income reported by ProSiebenSat.1 Media SE will be adjusted for effects arising from significant changes in IFRS accounting standards and unplanned effects from M&A transactions conducted within the reporting period (alongside related financing effects).

To measure the target achievement, the actual Adjusted Net Income as reported in the relevant approved consolidated financial statements of ProSiebenSat.1 Media SE, subject to above described adjustments, is compared with the target Adjusted Net Income for the respective fiscal year. The target achievement will be disclosed retrospectively in the compensation report.

If the actual Adjusted Net Income corresponds to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if there is a negative deviation from the target Adjusted Net Income of 20% or more. To reach the maximum target achievement of 200%, the actual Adjusted Net Income must exceed target Adjusted Net Income by 20% or more. Intermediate values will be linearly interpolated. The Adjusted Net Income target achievement curve is symmetrically designed, meaning that an over- or underachievement of the target will be reflected evenly.

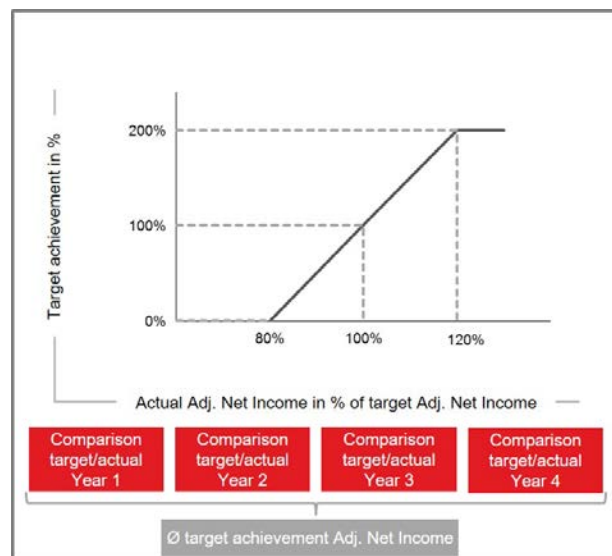


Figure 6: Target achievement curve Adjusted Net Income

2.2 Relative Total Shareholder Return (TSR)

In addition, 50% of the final number of Performance Share Units are dependent on the relative TSR of ProSiebenSat.1 Media SE's shares over the four-year performance period, compared with STOXX Europe 600 Media companies. In terms of the TSR performance metric, this index represents the relevant benchmark for ranking the shareholder return of ProSiebenSat.1 Media SE's shares relative to the shareholder return of companies in the selected index. To determine this, the TSR of ProSiebenSat.1's shares and those of the peer companies' shares are placed in rank order, whereby ProSiebenSat.1 Media SE's relative positioning is expressed in terms of the achieved percentile rank. The target achievement will be disclosed retrospectively in the compensation report.

If the relative TSR achieved by ProSiebenSat.1 Media SE corresponds to the median (50th percentile) of the peer group, the target achievement is equal to 100%. If the positioning is at or lower than the 25th percentile, the target achievement is equal to 0%. To reach the maximum target achievement of 200%, at least the 90th percentile needs to be achieved. Intermediate values will be linearly interpolated for both positive and negative deviations.

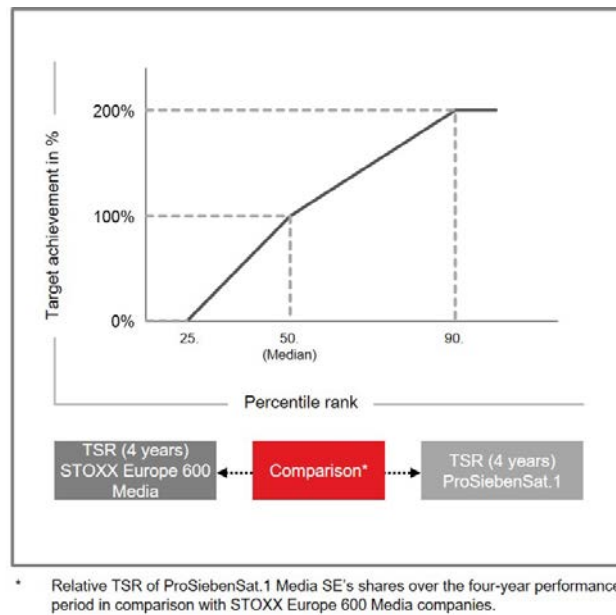


Figure 7: Target achievement curve relative TSR

2.3 Payment date

Each respective tranche of the Long-Term Incentive is paid out or settled, as the case may be, in the following year, after the audited and approved consolidated financial statements for the final fiscal year of the four-year performance period are available.

IV. Obligations to purchase and hold shares in the Company (Share Ownership Guidelines)

To further strengthen the equity culture and further align the interests of the Executive Board and shareholders, obligations on the Executive Board members to purchase and hold shares in the Company will be introduced. Each member of the Executive Board is required to purchase shares in ProSiebenSat.1 Media SE with a total value equal to 200% (CEO) or 100% (other members of the Executive Board) of the annual gross fixed base salary and hold these at least until the end of their appointment as a member of the Executive Board. Until the prescribed levels are reached, the members of the Executive Board are required to invest at least 25% of their annual payouts from the Short-Term Incentive (Performance Bonus) and the Long-Term Incentive (Performance Share Plan) in ProSiebenSat.1 Media SE shares. Payouts from variable compensation elements belonging to the previous compensation system (previous Performance Bonus, Mid-Term Incentive and Group Share Plan) are not subject to the investment obligation.

V. Company pension

The design of the company pension will remain unchanged. As in the previous system, the annual contribution of the Company for each Executive Board member's company pension amounts to 20% of their respective fixed base salary.

VI. Clawback

Going forward, potential claims by the Company against members of the Executive Board will be anchored in the respective service agreements, in reference to § 93 para. 2 of the Stock

Corporation Act. According to this paragraph, Executive Board members who commit a breach of duty are jointly liable to compensate the Company for damages arising as a consequence of such breach of duty.

In the new compensation system, all variable compensation elements for members of the Executive Board continue to be forward-looking and will only be paid out after the end of the plan's respective term. Up until that point, they also reflect the risk that the value of variable compensation could decrease.

* * *

The Supervisory Board of ProSiebenSat.1 Media SE is convinced that the new compensation system is transparent, clearly designed and appropriately takes account of criticism regarding the previous compensation system. The variable compensation depends on targets that are precisely defined in advance and will be disclosed retrospectively in the compensation report. Going forward, variable compensation will be even more strongly linked to the economic performance of the Company and the Group, as well as to the development of the share price of ProSiebenSat.1 Media SE.

We therefore ask you to approve the new compensation system for the Executive Board.

ProSiebenSat.1 Media SE

CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

- 11 -

In the following, the changes made in the redesigned Executive Board compensation system are summarized versus the previous compensation system:

	Previous compensation system	Redesigned compensation system
Base salary		
	Fixed Base Salary	Fixed Base Salary
Scope	Oriented toward the respective area of competence and responsibility of the Executive Board member	Oriented toward the respective area of competence and responsibility of the Executive Board member
Payment date	In monthly installments	In monthly installments
Variable compensation		
	Short-Term Incentive (Performance Bonus)	Short-Term Incentive (Performance Bonus)
Annual variable compensation		
Target compensation	Target amount contractually fixed.	Target amount contractually fixed.
Cap	Cap: 200% of the target amount.	Cap: 200% of the target amount.
Missing of targets	Complete forfeiture possible if targets not met.	Complete forfeiture possible if targets not met.
Target parameters	Determination of target parameters and performance target levels at the discretion of the Supervisory Board. Target parameters are typically Group EBITDA and Group Net Debt as well as further financial and non-financial targets.	Financial target parameters (equally weighted): <ul style="list-style-type: none"> - Group EBITDA - Group Free Cash Flow Modifier (+/- 20 %) serving as a bonus/malus, based on: <ul style="list-style-type: none"> - Individual targets - Team targets
Payment date	Within one month after the audited and approved consolidated financial statements for the relevant fiscal year are available.	Within one month after the audited and approved consolidated financial statements for the relevant fiscal year are available.
Multi-year variable compensation		
	Long-Term Incentive (Group Share Plan) (share-based compensation component)	Long-Term Incentive (Performance Share Plan) (share-based compensation component)
Term	Term of each tranche: 4 years (Performance period)	Term of each tranche: 4 years (Performance period)
Grant value	Contractually agreed annual grant value.	Contractually agreed annual grant value.
Cap	Cap: <ul style="list-style-type: none"> - 150% target achievement - +/- 25% adjustment range* - Max. 200% increase in share price - = 525% overall cap * In the event of extraordinary developments.	Cap: 200% of the target value.
Missing targets	Complete forfeiture possible if targets not met.	Complete forfeiture possible if targets not met.
Target parameters	Annual group EBITDA targets during the term of each respective tranche.	<ul style="list-style-type: none"> - Annual Adjusted Group Net Income targets during the term of the respective tranche (50% weighting) - Relative positioning of Total Shareholder Return compared with STOXX Europe 600 Media companies during the term of the respective tranche (50% weighting).
Grant	Grant of so-called Performance Share Units (PSUs) in annual tranches. Determination of the number of PSUs according to the grant value, based on the volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days before the day on which the respective tranche was granted.	Grant of so-called Performance Share Units (PSUs) in annual tranches. Determination of the number of PSUs according to the grant value, based on the volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days before the beginning of the term (January 1) of the respective tranche.
Determination of payout amount	Determination of the final number of Performance Share Units at the end of the term of a tranche by multiplying PSUs by a performance-based conversion factor. The conversion factor depends on the achievement of annual EBITDA targets during the term of the respective tranche. Option to retroactively adjust the conversion factor by up to 25 percentage points in the event of extraordinary developments, taking individual performance of the respective members of the Executive Board into account. Further, the annual target achievement can be adjusted discretionarily within certain limits. The payout amount per Performance Share Unit corresponds to the volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days preceding the date on which the conversion rate is ultimately determined. In the event of settlement in shares, the participant receives one share for each Performance Share Unit.	Determination of the final number of Performance Share Units at the end of the term of a tranche by multiplying PSUs by a performance-based conversion factor. The conversion factor depends <ul style="list-style-type: none"> - To 50% on the achievement of annual Adjusted Net Income targets during the term of the respective tranche and - To 50% on the relative Total Shareholder Return (TSR) positioning against the STOXX Europe 600 Media companies during the term of the respective tranche. No option to retroactively adjust the conversion factor or undertake discretionary adjustments to target achievement. The payout amount per Performance Share Unit corresponds to the volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days preceding the end of the term of the respective tranche, plus cumulative dividend payments on each share during the term of the tranche. In the event of settlement in shares, the payout amount will be converted into treasury shares using the share price cited above.
Dividend payments	Dividend payments accounted for through a corresponding increase in the number of PSUs, only to the extent that dividend distributions per share for a fiscal year exceed 100% of the group adjusted net income per share for the relevant fiscal year.	All dividend payments during the term of the tranche are accounted for through inclusion of cumulative dividend payments per share in the payout amount.
Vesting	1/4 of the PSUs granted vest at the end of each year of the term of the respective tranche, if certain Group Net Income thresholds for the relevant year are achieved.	1/12 of the PSUs granted vest at the end of each month of the first year of the term of a respective tranche.
Payout	Payout in cash or through delivery of a corresponding number of own shares.	Payout generally in cash or, if decided by the Company, through delivery of a corresponding number of own shares.
Payment date	The respective long-term incentive tranche is paid out or settled, as the case may be, after the audited and approved consolidated financial statements for the final fiscal year of the four-year performance period	The respective long-term incentive tranche is paid out or settled, as the case may be, after the audited and approved consolidated financial statements for the final fiscal year of the four-year performance period are

CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

- 12 -

are available.

available.

Mid-Term Incentive Plan

(repealed)

Term: 3 years
 Contractually agreed target value
 Cap: 250% of the target value

Complete forfeiture possible if targets not met.

Payout dependent on the achieved Recurring EBITDA 2018 (henceforth Adjusted EBITDA) of the ProSiebenSat.1 Group as well as the achievement of certain threshold values for revenue and Recurring EBITDA (henceforth Adjusted EBITDA) during the term.

Payout in cash.

Purchase and holding obligations

No regulations.

Until the prescribed levels are reached, obligation to invest at least 25% of the annual payouts from annual and multi-year variable compensation in ProSiebenSat.1 Media SE shares.

Shares must be held at least until the end of an Executive Board member's appointment.

Volume:

- CEO: 200% of fixed gross base salary
- Other members of the Executive Board: 100% of fixed gross base salary