

Corporate Governance – Declaration of Conformity

Declaration by the Executive Board and the Supervisory Board of DEAG Deutsche Entertainment Aktiengesellschaft in accordance with § 161 AktG (German Stock Corporation Act) on the German Corporate Governance Code

The recommendations on conduct of the German Corporate Governance Code (GCGC) were and are complied with in the version of May 5, 2015 and, after the latter's amendment, in the now valid version of February 7, 2017, except for the following deviations:

1. The D&O insurance for the Supervisory Board does not provide for a deductible, since this does not appear to be appropriate or necessary in view of the moderate amount of the Supervisory Board compensation for behavior control. (3.8 GCGC).
2. The recommendation to institute protected whistleblower systems has not been implemented because of the extensive labor law and data privacy aspects involved as well as the associated high administrative input. Against the backdrop of the moderate size of the company, the low headcount as well as the concrete risk profile of the DEAG Group, the institution of such a whistleblower system is not considered to be necessary. (4.1.3 GCGC)
3. No Committees are set up by the Supervisory Board. For a Supervisory Board, which is only composed of three members, every substantive issue which requires a contribution of the Supervisory Board can be dealt with through the direct involvement of all Supervisory Board members. An increase in efficiency of the Supervisory Board activities is not to be expected through the setting up of Committees against this backdrop. (5.3.1 to 5.3.3 GCGC)
4. The consolidated financial statements are not made available publicly within 90 days of the end of the financial year; the interim reports are not made available publicly within 45 days of the end of the reporting period. The publications are made within the framework of the statutory periods and the periods under stock exchange law in each case. An earlier publication would involve a significantly higher personnel and organizational expenditure and hence considerable extra costs, also in view of several non-listed subsidiaries and investees outside Germany. (7.1.2 GCGC)

Berlin, December 15, 2017

For the Supervisory Board

Wolf-D. Gramatke
Chairman of the Supervisory Board

For the Executive Board

Prof. Peter L.H. Schwenkow
Chairman of the Executive Board