

Corporate Governance – Declaration of Conformity 2020

Declarations 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 Executive Board and the Supervisory Board declare:

The recommendations of the “Government Commission German Corporate Governance Code” in the version of February 7, 2017 (“GCGC 2017”) published by the Federal Ministry of Justice on April 24, 2017 in the official part of the *Bundesanzeiger* (Federal Law Gazette) were complied with during the period since the last Declaration of Conformity of December 12, 2019 until the entry into force of the reformed GCGC in the version of December 16, 2019 on March 20, 2020, except for the clauses referred to hereinafter for the mentioned reasons and during the mentioned periods:

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 2017).
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 2017)
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 2017)
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 2017)

Furthermore, the Executive Board and the Supervisory Board declare:

The recommendations of the “Government Commission German Corporate Governance Code” in the version of December 16, 2019 (“GCGC 2020”) published by the Federal Ministry of Justice on March 20, 2020 in the official part of the *Bundesanzeiger* (Federal Law Gazette) were complied with during the period since the entry into force of this version of the GCGC and continue to be complied with, except for the recommendations referred to hereinafter for the mentioned reasons and during the mentioned periods:

5. The recommendation to institute protected whistleblower systems has not been implemented for the reasons mentioned in Clause 2 (A.2 GCGC 2019).
6. No Committees are set up by the Supervisory Board for the reasons mentioned in Clause 3 (D.2 to D.5 GCGC 2019).
7. 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 for the reasons mentioned in Clause 4 (F.2 GCGC 2019).
8. The current Executive Board service contracts are not based on a remuneration system but were individually negotiated since there had not been a statutory obligation to set up a remuneration system (G.1 bis G. 13 GCGC 2019). Against the backdrop of the statutory obligation to set up a remuneration system, the Supervisory Board will, however, adopt such a remuneration system and intends to take the recommendations of the GCGC 2019 into account.

Berlin, December 16, 2020

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