

CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

Conversion Report

**of the Executive Board
of ProSiebenSat.1 Media AG**

concerning the change of legal form

of ProSiebenSat.1 Media AG

into a

**European Company
(*Societas Europaea*, SE)**

under the company name

ProSiebenSat.1 Media SE

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List of abbreviations

para.	Paragraph
AG	German Stock Corporation
Alt.	Alternative
AktG	German Stock Corporation Act (<i>Aktiengesetz</i>)
Art.	Article
DCGK	German Corporate Governance Codex
DrittelbG	German One-Third Participation Act (<i>Drittelbeteiligungsgesetz</i>)
EBIT	Earnings before interest and taxes
EBRG	Act on European Works Councils
EBT	Earnings before taxes
EEA	European Economic Area
et seq.	And the following
EU	European Union
EUR	Euro
HGB	German Commercial Code (<i>Handelsgesetzbuch</i>)
HRB	Commercial Register, Sec. B
IFRS	International Financial Reporting Standards
ISIN	International Securities Identification Number
lit.	Letter
MitbestG	German Co-determination Act (<i>Mitbestimmungsgesetz</i>)
no.	Number
SE	European Company (<i>Societas Europaea</i>)
SE Involvement Directive	Council Directive 2001/86/EC of October 8, 2001 supplementing the Statute for a European Company with regard to the involvement of employees
SE Regulation	Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European Company (SE)

SEAG	German Act on the Implementation of Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European Company (SE) (<i>SE-Ausführungsgesetz</i>)
SEBG	German Act on the Involvement of Employees in European Companies (<i>SE-Beteiligungsgesetz</i>)
Sec.	Section
UmwG	German Transformation Act (<i>Umwandlungsgesetz</i>)
European Merger Directive	Directive 2005/56/EC of the European Parliament and the Council of 26 October 2005 on cross-border mergers of limited liability companies
WpHG	German Securities Trading Act (<i>Wertpapierhandelsgesetz</i>)
WpÜG	German Securities Acquisition and Takeover Act (<i>Wertpapiererwerbs- und Übernahmegesetz</i>)

I. Introduction

The Executive Board of ProSiebenSat.1 Media AG with its registered office in Unterföhring, Germany ("**ProSiebenSat.1 AG**" or "**Company**"), will propose to the shareholders' meeting to resolve on the conversion of the legal form of ProSiebenSat.1 Media AG into an European Company (*Societas Europaea*, SE) under the company name ProSiebenSat.1 Media SE.

The conversion is conducted pursuant to Art. 2 para. 4 in conjunction with Art. 37 of the SE Regulation. In addition to the SE Regulation, the provisions of the German Act on the Implementation of the SE Regulation (*SE-Ausführungsgesetz, SEAG*) as well as several other provisions of German law apply to the conversion, in particular, the German Stock Corporation Act (*Aktiengesetz, AktG*) and the German Transformation Act (*Umwandlungsgesetz, UmwG*). The involvement of the employees is governed by the German Act on the Involvement of Employees in European Companies (*SE-Beteiligungsgesetz, SEBG*) which has implemented the SE Involvement Directive into German law. In the other member states of the EU and contracting states of the treaty on the EEA, the respective national provisions implementing the SE Involvement Directive apply additionally.

The intended conversion of ProSiebenSat.1 Media AG into a European Company (*Societas Europaea*, SE) is based on the conversion plan drawn up by the Executive Board in the form of a notarial deed dated March 9, 2015 (UR-Nr. 447/2015 of notary public Prof. Dr. Dieter Mayer in Munich; the "**Conversion Plan**"). The Articles of Incorporation of the future ProSiebenSat.1 Media SE and the agreement on the employee involvement in ProSiebenSat.1 Media SE between the Executive Board of ProSiebenSat.1 Media AG and the special negotiation body dated February 27, 2015 are attached to the Conversion Plan as Annexes 1 and 2, respectively. The Conversion Plan and the Articles of Incorporation require the approval of the shareholders' meeting; it is intended that a respective resolution will be adopted at the shareholders' meeting of the Company on May 21, 2015.

The conversion will be conducted with the identity of the legal entity being preserved. It does neither lead to a winding-up of ProSiebenSat.1 Media AG nor to the formation of a new legal entity. Therefore, the shareholders' interests in the Company will continue to exist.

Pursuant to Art. 37 para. 4 of the SE Regulation, the Executive Board of ProSiebenSat.1 Media AG has drawn up this Conversion Report. It explains and justifies the legal and economic aspects of the conversion and presents the implications of the adoption of the form of an SE for the shareholders and employees.

This Report only provides a summarized presentation of ProSiebenSat.1 Media AG's business activities as these remain unaffected by the conversion of ProSiebenSat.1 Media AG into ProSiebenSat.1 Media SE due to the identity of the legal entity. For further information, reference is made to the annual financial statement and management report as well as the consolidated financial statement and the consolidated management report of ProSiebenSat.1 Media AG for the financial year 2014 and additional information in the annual report for the financial year 2014 (each available on the internet (<http://www.prosiebensat1.de/de/medialounge/downloads/publikationen/2015>) as of the convocation of the shareholders' meeting).

II. ProSiebenSat.1 Media AG

1. Registered office, head office and financial year

ProSiebenSat.1 Media AG is a stock corporation established under German law with its registered office and head office in Unterföhring, Germany. It is registered with the commercial register (*Handelsregister*) of the lower court (*Amtsgericht*) of Munich under HRB 124169. The Company's business address is Medienallee 7, 85774 Unterföhring, Germany. The financial year of the Company is the calendar year.

2. Object and purpose of the Company

According to Sec. 3 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media AG, object and purpose of ProSiebenSat.1 Media AG is to organize broadcast television programs following the issuing of any licenses or permits which may be required under media law and to procure, manufacture and sell film and television productions and to purchase and grant rights of all kinds as well as merchandising and multimedia business.

According to Sec. 3 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media AG, the Company is entitled to carry out all transactions and actions which appear appropriate to serve the objects of the Corporation, in particular to procure, perform and market services of all kinds within the field of electronic communications and to operate movie theaters.

Additionally, according to Sec. 3 para. 3 of the Company's Articles of Incorporation, the Company may establish branch offices in Germany and abroad, may establish or purchase other corporations or hold participating interests in and manage such other corporations or limit itself to the administration of the participating interest and may enter into inter-company agreements. The Corporation is also entitled to carry out its business activity through subsidiaries, through companies in which the Corporation holds a participating interest and through joint ventures. It may spin off parts of its enterprise to group

companies or transfer the use thereof to group companies. The Corporation may also restrict itself to administering its own assets.

3. Business activities

a. Overview

The corporate group consisting of ProSiebenSat.1 Media AG and its directly or indirectly owned subsidiaries (the "**ProSiebenSat.1 Group**") is one of the largest independent media companies in Europe; its core business is free-TV broadcasting financed by advertising.

The operational business activities of ProSiebenSat.1 Group are divided into the three segments "Broadcasting German-speaking", "Digital & Adjacent" and "Content Production & Global Sales":

- The segment "Broadcasting German-speaking" includes the TV activities in Germany, Austria and Switzerland. In total, ProSiebenSat.1 Group operates seven Free TV channels as well as twelve advertising and program windows in the German-speaking countries. Apart from traditional Free TV business, the segment "Broadcasting German-speaking" also includes the HD and Basis-Pay-TV channels of the ProSiebenSat.1 Group.
- The segment "Digital & Adjacent" bundles the business units Digital Entertainment, Digital Commerce and Adjacent:

Digital Entertainment: ProSiebenSat.1 Group markets approximately 50 proprietary online and mobile platforms. These include websites of the TV stations and MyVideo, the online video store maxdome as well as offerings from third parties. ProSiebenSat.1 Group also founded its own multi-channel network, Studio71, by which the ProSiebenSat.1 Group produces, aggregates and distributes web content. Due to the acquisition of Aeria Games Europe GmbH, a publisher specializing in online and mobile games, the ProSiebenSat.1 Group expanded its existing games business with new target groups.

Digital Commerce: ProSiebenSat.1 Group bundles its ventures activities in the Digital Commerce unit. At the end of the 2014 financial year, the portfolio contained about 60 investments and partnerships. With regard to strategic investments, ProSiebenSat.1 Group bundled its travel business under one roof by founding ProSieben Travel GmbH in spring 2014. Apart from the travel business, ProSiebenSat.1 Group has identified additional e-commerce industries like "Beauty & Accessories", "Home & Living" and "Fashion & Lifestyle", which are intended to be developed further.

Adjacent: ProSiebenSat.1 Group bundles its music and life entertainment activities primarily in the Adjacent unit with its record label Starwatch Entertainment. The music activities with extensive marketing and cooperation models are complemented with an own ticketing platform as well as the event agency MMP. With SAM Sports, the Company additionally founded a sport management agency in 2014.

- The Content Production & Global Sales segment covers the ProSiebenSat.1 Group's international program production and distribution business. The two units are bundled under the Red Arrow Entertainment Group. Red Arrow Entertainment Group is represented in seven countries with 13 production companies, with own sales offices in Los Angeles and Hong Kong.

b. Group structure and group management

ProSiebenSat.1 Media AG functions as management holding company of the ProSiebenSat.1 Group and is responsible for the strategic and financial control of the ProSiebenSat.1 Group. Additionally, it fulfills several financing functions within the ProSiebenSat.1 Group.

The operational business of ProSiebenSat.1 Group is carried out almost completely by subsidiaries.

c. Key figures

aa. ProSiebenSat.1 Group

The consolidated financial statement of ProSiebenSat.1 Media AG for the financial year ending as of December 31, 2014 was prepared in accordance with the International Financial Reporting Standards (IFRS) as to be applied within the European Union as of the balance sheet date according to the Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

Compared to the financial year 2013, Group revenues from continuing operations increased by 10.4 % or EUR 270.4 million to EUR 2.876 billion. All segments contributed to this:

The segment "Broadcasting German-speaking" with the core business of advertising-financed television achieved revenue growth of EUR 64.9 million to EUR 2,063 million. This corresponds to a share in consolidated revenues of 71.7 % (previous year: 76.7 %). The segment "Digital & Adjacent" increased its revenues by EUR 127.0 million to EUR 610.7 million, and, thus, contributed the highest amount of growth. The segment

grew organically as well as by acquisitions. The segment “Content Production & Global Sales” also grew. It generated revenues of EUR 202.2 million (previous year: EUR 123.8 million). The positive revenue development in this regard was largely based on organic growth.

In Germany, external revenues (*Außenumsätze*) in the amount of EUR 2,476.7 million (previous year: EUR 2,271.5 million) were generated. This corresponds to a share of 86.1 % (previous years: 87.2 %) in the external revenues of the Group.

After elimination of non-recurring effects, recurring EBITDA of ProSiebenSat.1 Group increased by 7.2 % and amounted to EUR 847.3 million in the financial year 2014 (previous year: EUR 790.3 million). Underlying net income (meaning consolidated net income after minority interests from continuing operations before purchase price allocation effects and non-recurring effects) grew by 10.3 % to EUR 418.9 million (previous year: EUR 379.7 million).

The following provides an overview of key figures of ProSiebenSat.1 Group for the last two financial years.

Figures of ProSiebenSat.1 Group (IFRS) from continuing operations			
in million EUR	2014	2013	Change
Group Revenue	2,875.6	2,605.3	+ 270.4
Operating costs¹⁾	2,046.9	1,835.8	- 211.1
Total costs	2,209.0	1,961.9	- 247.1
EBIT	694.5	668.9	+ 25.7
Recurring EBITDA²⁾	847.3	790.3	+ 57.0
EBITDA	818.4	757.8	+ 60.6
Profit before taxes	560.1	526.9	+ 33.2
Consolidated net profit (after interests of other shareholders)³⁾	346.3	312.1	+ 34.2
Result per share – undiluted (in EUR)	1.75	1.69	+ 0.06
Dividend per share (in EUR)	1.60 ⁴⁾	1.47	+ 0.13
Equity	753.9	584.1	+ 169.8
Equity ratio (in %)	19.3	16.4	+ 2.9
Balance sheet totals	3,900.7	3,556.0	+ 344.6

¹⁾ Total costs minus non-recurring expenses and amortizations

²⁾ EBITDA adjusted for non-recurring items

³⁾ Consolidated net profit attributable to shareholders of ProSiebenSat.1 Media AG including discontinued operations

⁴⁾ according to the Executive Board's proposal to the shareholders' meeting on May 21, 2015 for the appropriation of profit

For further details, reference is made to the consolidated annual financial statement and the consolidated management report of ProSiebenSat.1 Media AG for the financial year 2014.

bb. ProSiebenSat.1 Media AG

The annual financial statement of ProSiebenSat.1 Media AG is prepared in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch, HGB*).

In the financial year 2014, the revenues of ProSiebenSat.1 Media AG increased by EUR 0.8 million (2,8 %) compared to the previous year and amounted to EUR 30.8 million. The increase in the revenues largely results from higher proceeds realized by the sale of rights attached to programs (*Programmnebenrechte*). The annual net profit decreased by EUR 62.0 million compared to the previous year and amounted to EUR 300.2 million (previous year: EUR 362.2 million).

The following provides an overview of key figures of ProSiebenSat.1 Media AG for the last two financial years.

Key figures ProSiebenSat.1 Media AG (HGB)			
in million EUR	2014	2013	Change
Revenues	30.8	30.0	+ 0.8
Other operating revenues	135.9	100.0	+ 35.9
Results of normal business activity	449.5	479.6	- 30.1
Annual profit	300.2	362.2	- 62.0
Profit carried forward from the previous year	1,527.3	1,478.6	+ 48.7
Net profit	1,827.5	1,840.7	- 13.2
Equity	2,668.5	2,665.1	+ 3.4
Equity ratio (in %)	41.2	37.8	+ 3.4
Balance sheet totals	6,470.1	7,047.7	- 577.6

For further details, reference is made to the annual financial statement and the management report of ProSiebenSat.1 Media AG for the financial year 2014.

4. Share capital

The share capital of ProSiebenSat.1 Media AG amounts to EUR 218,797,200.00. It is subdivided into 218,797,200 registered no-par value shares of common stock.

Different classes of shares do not exist.

5. Authorized and contingent capital; treasury stock

a. Authorized capital

According to Sec. 4 para. 4 of the Articles of Incorporation of ProSiebenSat.1 Media AG, the Executive Board is authorized, subject to the approval of the Supervisory Board, to increase the Company's share capital on one or more occasions on or before July 22, 2018, by not more than EUR 109,398,600.00, in return for contributions in cash and/or in kind, by issuing new no-par value shares (Authorized Capital 2013). The Executive Board is authorized, subject to the approval of the Supervisory Board, to define the further content of the shareholder rights and the terms and conditions for the new share issuance.

The Authorized Capital 2013 was established by a resolution of the shareholders' meeting of ProSiebenSat.1 Media AG dated July 23, 2013 on agenda item 6. As long as non-voting preference shares of the Company still existed, the Authorized Capital 2013 also included the authorization, subject to the statutory maximum amount, to issue new preference shares having the same priority as previously issued preference shares in the distribution of profits and/or the Company's assets as well as the authorization, subject to the approval of the Supervisory Board, to exclude the preemptive right of one class of shareholders to subscribe for shares of the respective other class if both common shares and preference shares are issued and provided that the same subscription ratio (*Bezugsverhältnis*) applies for both classes of shares (mutual exclusion of preemptive rights (*gekreuzter Bezugsrechtsausschluss*)). However, these authorizations became irrelevant in 2013 when all preference shares were converted into common shares.

Since then, the Authorized Capital 2013 in its current version does no longer include an authorization to exclude the statutory preemptive right of the shareholders.

b. Contingent Capital

According to Sec. 4 para. 5 of the Articles of Incorporation of ProSiebenSat.1 Media AG, the share capital shall be contingently increased by a total amount of up to EUR 109,398,600.00 by the issuance of a total amount of up to 109,398,600 new registered common shares and/or bearer preference shares. The contingent capital increase serves to grant shares to the holders or creditors of convertible and/or option bonds which are issued, upon authorization by the shareholders' meeting of June 4, 2009, by the Company, and which grant a conversion or option right on no-par value registered or bearer shares of the Company or provide for a conversion or option obligation. The Company has not exercised the authorization mentioned above which was granted for a period until June 3, 2014 and, therefore, expired in the meantime. Therefore, the contingent capital as set out in Sec. 4 para. 5 of the Articles of Incorporation has become irrelevant.

Another contingent capital of the Company pursuant to Secs. 192 et seq. AktG does not exist.

c. Treasury stock

By resolution of the shareholders' meeting of ProSiebenSat.1 Media AG dated May 15, 2012 on agenda item 7, which was amended for the purpose of considering the conversion of all preference shares into common shares by resolution of the shareholders' meeting of ProSiebenSat.1 Media AG dated July 23, 2013 on agenda item 10, the Company is authorized to acquire and use treasury stock pursuant to Sec. 71 para. 1 no. 8 AktG, also with exclusion of preemptive rights, in an amount of up to 10 % of the Company's share capital as it exists at the time of the authorization (the "**Authorization 2012**"). An acquisition of shares based on the Authorization 2012 is permitted only until May 14, 2017.

In addition to the Authorization 2012, the shareholders' meeting of ProSiebenSat.1 Media AG dated May 15, 2012 has authorized the Company by resolution on agenda item 8, which was amended for the purpose of considering the conversion of all preference shares into common shares by resolution of the shareholders' meeting of ProSiebenSat.1 Media AG dated July 23, 2013 on agenda item 10, to use derivatives in connection with the acquisition of treasury stock, with an exclusion of shareholders' subscription or tender rights, in an amount of up to 5 % of the Company's share capital as it exists at the time of the authorization. This authorization is also temporary and has a fixed term running until May 14, 2017.

The Company has not exercised the authorizations described above so far. However, as of December 31, 2014, the Company holds treasury stock in an amount of in total 5,178,600 shares (which corresponds to approximately 2.4 % of the share capital) which have been acquired by the Company on the basis of previous authorizations pursuant to Sec. 71 para. 1 no. 8 AktG.

The treasury stock mentioned above is used by the Company on the basis of the authorization to use treasury stock included in the Authorization 2012, in particular, for servicing stock option and bonus programs (*Aktienoptions- und Aktientantieme-Programme*) of the Company for members of the Executive Board and members of the management of dependent group companies as well as other employees of the Company and dependent group companies.

The Executive Board delivers a written report on the use of treasury stock to the respective following shareholders' meeting. The shareholders' meeting on May 21, 2015 will also be provided with such a report to which reference is made.

Under agenda items 10 and 11 of the shareholders' meeting of ProSiebenSat.1 Media AG on May 21, 2015, the Executive Board and the Supervisory Board of ProSiebenSat.1 Media AG will propose to the shareholders' meeting to resolve on a new authorization to acquire and use treasury stock, also with exclusion of the shareholders' preemptive rights, as well as a new authorization to use derivatives in connection with the acquisition of treasury stock with an exclusion of shareholders' subscription and tender rights. For further details regarding the content and the scope of the authorizations described above, reference is made to the proposals of the Executive Board and the Supervisory Board regarding agenda items 10 and 11 of the shareholders' meeting of ProSiebenSat.1 Media AG on May 21, 2015 and to the respective written reports to the shareholders' meeting prepared by the Executive Board pursuant to Sec. 71 para. 1 no. 8 sentence 5 AktG in conjunction with Sec. 186 para. 4 sentence 2 AktG, which will be included in the invitation to the shareholders' meeting, respectively.

6. Convertible and option bonds; participating bonds and participation rights; other conversion and subscription rights

Convertible or option bonds (*Wandel- oder Optionsschuldverschreibungen*) issued by the Company do not exist. Likewise, participating bonds (*Gewinnschuldverschreibungen*) or participation rights (*Genussrechte*) issued by the Company do not exist.

The authorization to issue convertible and/or option bonds granted by resolution of the shareholders' meeting on June 4, 2009 was not exercised by the Company and expired on June 3, 2014.

Other authorizations to issue convertible and/or options bonds or to issue participating bonds or participation rights do not exist.

Except for the subscription rights described below under Sec. II.7 arising from share option and bonus programs, other conversion and subscription rights in respect of shares in the Company do not exist either.

7. Rights to subscribe for shares arising from share option and bonus programs

In the context of stock option and bonus programs for Executive Board members and for members of the management of dependent group companies as well as other employees of the Company and of dependent group companies, the Company has issued stock options and so called Performance Share Units (PSUs) which grant rights to subscribe for shares in the Company. In each case, the servicing of the respective rights to subscribe for shares is conducted by use of treasury stock.

In the context of the Company's stock option programs, stock options were issued for the last time in 2011; as of December 31, 2014, participants of the plan held a total number of 1,133,850 stock options from the years 2009, 2010 and 2011 which grant the right to subscribe for a no-par value share in the Company against payment of the determined subscription price provided that the conditions for exercise are fulfilled.

In the context of the Company's share bonus program (Group Share Plan), so-called Performance Share Units (PSUs) are issued to the participants which are converted into shares in the Company upon expiry of a fixed waiting period and subject to the fulfillment of performance targets linked to financials figures of ProSiebenSat.1 Group. The Group Share Plan was initiated in 2012 and provides for an annual issuance of PSUs. As of December 31, 2014, participants of the plan held a total number of 1,190,069 PSUs from the years 2012 to 2014 which will be converted into shares in the Company upon expiry of a four years' waiting period which, in each case, commences on January 1 of the year of issuance. The conversion ratio between PSUs and shares depends on the target achievement during the term of the plan; however, in respect of one PSU, at most 1.75 shares may be subscribed for.

8. Shareholders

The Company is only aware of such shareholdings in ProSiebenSat.1 Media AG which are recognizable from the Company's share register or notified to the Company by notification regarding voting rights (*Stimmrechtsmitteilung*) according to the provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*).

To the Company's knowledge, as of December 31, 2014, except for the treasury stock held by the Company, all shares in the Company were free-float shares (*in Streubesitz*).¹

With respect to shareholdings notified to the Company according to the provisions of the WpHG, reference is made to the respective information included in the attachment to the consolidated annual financial statement of the Company for the financial year 2014 (as of December 31, 2014; mentioned on pages 279 to 282 of the Company's annual report for the financial year 2014).

9. Structure of the Company

a. Overview

As a stock corporation under German law, ProSiebenSat.1 Media AG has a two-tier management and Supervisory Board system comprising the Executive Board as man-

¹ According to the guidelines of Deutsche Börse AG regarding stock indices (*Leitfaden zu den Aktienindizes der Deutschen Börse AG*) as of December 2014, version 6.29.

agement organ and the Supervisory Board as supervisory organ. The other corporate organ is the shareholders' meeting. The responsibilities of these organs are set out in further detail in the provisions of the AktG and in the Articles of Incorporation of ProSiebenSat.1 Media AG.

b. Executive Board

The Executive Board is responsible for the management of the Company and represents the Company in dealings with third parties as well as in legal proceedings.

According to Sec. 6 of the Articles of Incorporation of ProSiebenSat.1 Media AG, the Executive Board comprises one or more persons. The members of the Executive Board are appointed by the Supervisory Board.

According to Sec. 7 of the Articles of Incorporation of ProSiebenSat.1 Media AG, the Company is legally represented either by two members of the Executive Board or by one member of the Executive Board and one executive officer vested with power of commercial representation under German law (*Prokurist*); additionally, the Supervisory Board may determine that individual or all members of the Executive Board have sole and individual authority to represent the Company.

Since April 1, 2015, ProSiebenSat.1 Media AG's Executive Board consists of the following members:

Name	Position/ responsibility	Year of first appointment	Memberships in Supervisory Boards / other supervisory bodies
Thomas Ebeling	Chairman of the Executive Board; Television Germany (SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, ProSieben MAXX), Group Content, Group Program Strategy & Development, Content Production & Global Sales, Sales & Marketing, Corporate Communication, Human Resources	2009	Member of the Supervisory Board of Bayer AG; Member of the Administrative Board of Lonza AG, Basel

Name	Position/ responsibility	Year of first appointment	Memberships in Supervisory Boards / other supervisory bodies
Conrad Albert	Member of the Executive Board; Legal, Distribution & Regulatory Affairs, Shareholder & Boards Management, Pay TV and Content Acquisition	2011	Vice Chairman of the Advisory Board of VG Media GmbH
Dr. Christian Wegner	Member of the Executive Board; Digital & Adjacent, Digital Entertainment, Digital Commerce & Ventures, Adjacent	2011	--
Dr. Ralf Schremper	Member of the Executive Board; Corporate Strategy and Investments	2015	--
Dr. Gunnar Wiedenfels	Member of the Executive Board, Chief Financial Officer (CFO); Group Operations & IT, Group Controlling, Group Finance & Investor Relations, Accounting & Taxes, Internal Audit, Administration	2015	--

Axel Salzmann, a current member of the Company's Executive Board, withdrew from the Company's Executive Board with effect as of the end of March 31, 2015.

c. Supervisory Board

The Supervisory Board appoints the Executive Board members and advises and supervises the Executive Board with respect to its management of the Company.

Pursuant to Secs. 96 para. 1, 101 para. 1 AktG, 1 para. 4 no. 2 of the German Co-determination Act (*Mitbestimmungsgesetz, MitbestG*) and Sec. 8 para. 1 of the Articles of Incorporation, the Supervisory Board of ProSiebenSat.1 Media AG comprises nine members which are all elected by the shareholders' meeting. The shareholders' meeting is not bound by election proposals.

Currently, ProSiebenSat.1 Media AG's Supervisory Board consists of the following members:

Name (Practiced profession)	Position	Member since	Other memberships in Supervisory Boards / other supervisory bodies
Dr. Werner Brandt	Chairman	2014	Deutsche Lufthansa AG, Frankfurt am Main – Member of the Supervisory Board, Chairman of the Audit Committee and Member of the Nomination Committee RWE AG, Essen – Member of the Supervisory Board and Chairman of the Audit Committee Osram Licht AG, Munich – Member of the Supervisory Board, Chairman of the Audit Committee and Member of the Nomination Committee Qiagen N.V., Venlo/Netherlands – Chairman of the Board (Dr. Werner Brandt will not stand again for re-election at the shareholders' meeting in June 2016)
Philipp Freise	Vice Chairman	2007	Arago GmbH, Frankfurt am Main – Member of the Supervisory Board Victoria Investments BidCo Limited, London/United Kingdom – Board Member Omnimedia Holding AG, Wünnewil-Flamatt/Switzerland – Board Member (Vice-President) Omnimedia AG, Wünnewil-Flamatt/Switzerland – Board Member (Vice-President) Scout24 Holding AG, Wünnewil-Flamatt/Switzerland – Board Member (Vice-President) Scout24 Schweiz AG, Wünnewil-Flamatt/Switzerland – Board Member (Vice-President)
Lawrence A. Aidem	Member	2014	No other memberships

Name (Practiced profession)	Position	Member since	Other memberships in Supervisory Boards / other supervisory bodies
Antoinette (Annet) P. Aris	Member	2014	Kabel Deutschland Holding AG, Unterföhring – Member of the Supervisory Board and Chairperson of the Audit Committee (until May 12, 2015) Jungheinrich AG, Hamburg – Member of the Supervisory Board Thomas Cook PLC, London/United Kingdom – Board Member ASR Netherlands N.V., Utrecht/Netherlands – Board Member und Chairman of the Nomination and Compensation Committee ASML N.V., Veldhoven/Netherlands – Board Member (as of April 22, 2015)
Adam Cahan	Member	2014	No other memberships
Dr. Marion Helmes	Member	2014	NXP Semiconductors N.V., Eindhoven/Netherlands – Board Member and Member of the Audit Committee Commerzbank AG, Frankfurt am Main, Member of the Central Advisory Board
Erik Adrianus Hubertus Huggers	Member	2014	Consolidated Media Industries B.V., Hilversum/Netherlands – Board Member
Prof. Dr. Harald Wiedmann	Member	2007	DO Deutsche Office AG, Cologne – Member of the Supervisory Board Universal Investment GmbH, Frankfurt am Main – Member of the Supervisory Board

Mr. Stefan Dziarski has resigned from office with effect as of the end of October 30, 2014; no successor has been elected or appointed so far. Therefore, the Company's Supervisory Board currently comprises only eight members. It is intended that the shareholders' meeting on May 21, 2015 resolves on a by-election for the vacant seat on the Supervisory Board under agenda item 6. The Supervisory Board will propose Ms. Angelika Gifford as successor of Mr. Stefan Dziarski; for more details, reference is made to the information included in the invitation to the shareholders' meeting.

With respect to publicly traded companies (*kapitalmarktorientierte Gesellschaften*) within the meaning of Sec. 264d HGB as which ProSiebenSat.1 Media AG qualifies due to the listing of its shares on the regulated market (*Regulierter Markt*), at least one independent

member of the Supervisory Board must be competent in the areas of accounting or auditing pursuant to Sec. 100 para. 5 AktG. According to the Supervisory Board's observations, the requirements of independence and competence mentioned above are fulfilled by Mr. Prof. Dr. Harald Wiedmann.

The Supervisory Board of ProSiebenSat.1 Media AG has set up as constant committees the Presiding Committee, the Audit and Finance Committee and the Compensation Committee which consist of the following members:

Name of the Committee	Members
Presiding Committee	Dr. Werner Brandt (Co-Chairman), Philipp Freise (Co-Chairman), Lawrence A. Aidem
Audit and Finance Committee	Prof. Dr. Harald Wiedmann (Chairman and independent financial expert within the meaning of Sec. 100 para. 5, 107 para. 4 AktG and Clause 5.3.2 sentence 2 and 3 DCGK), Antoinette (Annet) P. Aris, Dr. Marion Helmes
Compensation Committee	Dr. Werner Brandt (Chairman), Antoinette (Annet) P. Aris, Philipp Freise, Erik Adrianus Hubertus Huggers

The Presiding Committee coordinates the work of the Supervisory Board and prepares Supervisory Board meetings. It resolves on matters of significant operational or strategic importance. This Committee also functions as Nomination Committee pursuant to the German Corporate Governance Codex (*DCGK*). In this capacity, the Presiding and Nomination Committee proposes to the Supervisory Board suitable candidates for the Supervisory Board's election proposals to the shareholders' meeting.

The Compensation Committee prepares the decisions of the Supervisory Board concerning personnel issues regarding the Executive Board. Its responsibilities also involve the annual review of the remuneration of the Executive Board members.

In accordance with its responsibility pursuant to Sec. 107 para. 3 sentence 2 AktG and Clause 5.3.2 of the DCGK, the Audit and Finance Committee deals with the supervision

of the accounting process, the efficiency of the internal control system, the risk management, the compliance and the internal revision. In addition, the Audit and Finance Committee prepares the Supervisory Board's resolutions regarding the annual financial statements and the consolidated financial statements as well as agreements with the auditor. This includes, apart from the issuing of the audit mandate to the auditor, in particular, the determination of the main focus of the audit and the details of the fee agreement. Furthermore, it prepares the Supervisory Board's proposal to the shareholders' meeting regarding the appointment of the auditor and issues a recommendation to the Supervisory Board in this regard.

d. Shareholders' meeting

The Company's shareholders take their decisions at the shareholders' meeting which is held at least once a year within the first eight months of the financial year.

The shareholders' meeting may only resolve on such matters which are assigned to it by law. Such matters include the appropriation of the net profit (*Verwendung des Bilanzgewinns*), the formal approval (*Entlastung*) of acts of the Executive and Supervisory Board, the election of auditors and of the Supervisory Board members which are to be elected by the shareholders' meeting as well as amendments to the Articles of Incorporation and capital measures.

10. Corporate governance

As a listed stock corporation under German law, ProSiebenSat.1 Media AG must comply with the obligation of declaration pursuant to Sec. 161 AktG regarding the recommendations of the DCGK. ProSiebenSat.1 Media AG's Executive Board and Supervisory Board most recently declared by declaration of compliance (*Entsprechenserklärung*) of March, 2015 that, subject to certain exceptions further specified and justified in the declaration of compliance, the recommendations of the DCGK have been and will be complied with. The declaration of compliance of March, 2015 is available on the Internet (<http://www.prosiebensat1.de/de/unternehmen/corporate-governance/archiv-entsprechenserklaerung/maerz-2015>).

11. Employees and co-determination

On an annual average, ProSiebenSat.1 Group employed in total 4,118 employees worldwide in 2014 (based on positions equivalent to full-time jobs (*vollzeitäquivalente Stellen*)), 3,188 of them in Germany (corresponding to approximately 77.4 %) and 930 of them abroad (corresponding to approximately 22.6 %). 527 of the employees abroad (corresponding to approximately 12.8 % of all employees worldwide and 56.7 % of all

employees abroad) are employed within member states of the EU and other contracting states of the treaty on the European Economic Area (*EEA*).

According to the provisions of the Co-determination Act and the One-Third Participation Act relevant to ProSiebenSat.1 Media AG as a stock corporation under German law, ProSiebenSat.1 Media AG is considered as company that primarily serves purposes of reporting or expressing opinions (*Tendenzunternehmen*) within the meaning of Sec. 1 para. 4 no. 2 MitbestG and, therefore, is not subject to corporate co-determination (*Unternehmensmitbestimmung*). According to the relevant provisions of the Co-determination Act and the Third-Participation Act, the German subsidiaries of ProSiebenSat.1 Media AG are not subject to co-determination either. Likewise, no type of corporate co-determination applies to the foreign subsidiaries of ProSiebenSat.1 Media AG.

With respect to operational co-determination (*betriebliche Mitbestimmung*), the following works council committees exist in Germany: At the business location Munich-Unterföhring, a local works council has been set up with respect to ProSiebenSat.1 Produktion GmbH. Regarding other group companies of the ProSiebenSat.1 Group (including ProSiebenSat.1 Media AG) situated at the business location Munich-Unterföhring, a joint local works council (*gemeinschaftlicher örtlicher Betriebsrat*) has been set up. Additionally, a central works council (*Gesamtbetriebsrat*) exists with respect to Sat.1 Norddeutschland GmbH, which consist of local works council representatives (*örtlichen Betriebsratsvertretern*) from the business locations of Sat.1 Norddeutschland GmbH. No further employee representations exist in Germany. Apart from that, with respect to foreign subsidiaries of ProSiebenSat.1 Media AG, a local works council has been set up (only) in Austria for the employees of Puls 4 TV GmbH & Co. KG in accordance with the respective national provisions. A committee for the representation of employees (*Mitarbeitervertretungsgremium*) has not been set up at European level.

12. Listing

The shares of ProSiebenSat.1 Media AG are admitted, respectively, for trading to the regulated market of the Frankfurt Stock Exchange with concurrent admission to the sub-section (*Teilbereich*) of the regulated market of the Frankfurt Stock Exchange involving further post-admission obligations (*Prime Standard*) as well as to the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). Furthermore, the shares are listed at the stock exchanges of Berlin, Düsseldorf, Hamburg, Hannover, Munich, Stuttgart and Zurich and tradable via the electronic trading platform XETRA of Deutsche Börse AG.

The International Securities Identification Number (*ISIN*) and the German Securities Identification Number (*WKN*) of the shares of ProSiebenSat.1 Media AG are:

ISIN: DE000PSM7770

WKN: PSM777

III. Material aspects of the conversion into an SE

1. Main reasons for the conversion

The legal form of the SE is a supranational legal form based on European law applicable to stock corporations with their registered office and head office in a member state of the EU or in one of the other contracting states of the EEA; therefore, it is also the only supranational legal form based on European law which is currently available for a listed company under German law.

ProSiebenSat.1 Group is a corporate group which operates internationally; its business activity particularly includes also a number of European countries. The intended change of the legal form of ProSiebenSat.1 Media AG, a stock corporation under German law, into the legal form of the SE, which is known all over Europe, will facilitate the business performance of the Company abroad and takes account of the international growth strategy in the digital segment.

As a stock corporation under German law, ProSiebenSat.1 Media AG has a two-tier management and Supervisory Board system, comprising a management organ and a supervisory organ. The legal form of the SE allows for the maintenance of this two-tier management and Supervisory Board system. Therefore, the future ProSiebenSat.1 Media SE will also have a two-tier management and Supervisory Board system comprising an Executive Board and a Supervisory Board. By conversion into the legal form of the SE, the current structure of the Supervisory Board of ProSiebenSat.1 Media AG, which exclusively comprises members elected by the shareholders' meeting, can be assumed and maintained permanently. This applies regardless of the future growth of the ProSiebenSat.1 Group.

In consideration of the reasons described above, the change of the legal form of ProSiebenSat.1 Media AG into an SE is a consistent step in the Company's development.

2. Alternatives

The Executive Board of ProSiebenSat.1 Media AG has thoroughly considered alternatives to the Company's conversion into an SE.

However, the SE is the only supranational legal form currently available for a listed stock corporation under German law. Among the internationally common legal forms, the struc-

ture of an SE is most similar to a stock corporation under German law provided that the SE has a two-tier management and Supervisory Board system. Therefore, an SE provides an appearance corresponding to the business activities of ProSiebenSat.1 Group.

Other options of converting into an SE, in particular by merger pursuant to Art. 2 para. 1 in conjunction with Art. 17 et seq. of the SE Regulation, are more complex with respect to the implementation than the suggested conversion by change of legal form. A cross-border merger involving ProSiebenSat.1 Media AG on the basis of the respective national provisions on the implementation of the European Merger Directive is, as a rule, not applicable to a conversion into an SE, at most, it may be applicable, if an SE which already exists participates as acquiring entity. With respect to the implementation, the latter would be more complex again than the conversion by change of legal form.

Therefore, the Executive Board of ProSiebenSat.1 Media AG has come to the conclusion that there is no alternative to the suggested conversion by change of legal form which, in consideration of the objectives pursued with the conversion (please see Sec. III.1 of this Conversion Report above), will better serve the interests of the shareholders and the Company.

3. Costs of the conversion

According to the current estimation by the Executive Board of ProSiebenSat.1 Media AG, the costs of the conversion will in total amount to EUR 1.5 million at most.

This estimation particularly includes costs for the procedure for the involvement of the employees, costs of the conversion audit by the independent court-appointed auditor, costs of notarizing the Conversion Plan, costs of external advisors, costs of registrations with the commercial register, costs of necessary publications and costs of converting the listing of shares in ProSiebenSat.1 Media AG into shares in ProSiebenSat.1 Media SE as well as internal costs.

The costs of the shareholders' meeting of ProSiebenSat.1 Media AG on May 21, 2015 which will resolve on the conversion, have not been included in the estimation as such, as this shareholders' meeting must be held in any case.

IV. Effects of the conversion on the Company – comparison between the legal form of an SE and the legal form of a stock corporation

1. Overview

Pursuant to Art. 37 para. 2 of the SE Regulation, the conversion of ProSiebenSat.1 Media AG into an SE does neither result in the winding-up of the Company nor the formation of a new legal entity. Instead, it is a change of legal form preserving the legal and economic identity of the Company.

Therefore, the Company's current contractual relations, official authorizations and approvals as well as other legal relations with third parties are, as a rule, not affected by the conversion.

However, there are certain effects of the conversion on the Company resulting from the new Articles of Incorporation included in the Conversion Plan which are implemented by the conversion and include provisions deviating from the current Articles of Incorporation of ProSiebenSat.1 Media AG in several respects. The differences between the current Articles of Incorporation of ProSiebenSat.1 Media AG and the new Articles of Incorporation of ProSiebenSat.1 Media SE will be described in further detail in Sec. VI.2. below of this Conversion Report.

Further effects of the conversion on the Company result from the fact that the statutory provisions applicable to an SE partially deviate from the statutory provisions applicable to a stock corporation under German law.

Therefore, hereinafter, the essential statutory provisions which will be applicable to ProSiebenSat.1 Media SE, will be compared with the statutory provisions currently applicable to ProSiebenSat.1 Media AG, to the extent that there are significant changes due to the conversion. Additionally, certain selected aspects will be explained which do not involve a (significant) change caused by the conversion.

2. Applicable law

Upon the effective date of ProSiebenSat.1 Media AG's conversion into an SE, the Company will be governed by the statutory provisions applicable to an SE.

In contrast to a stock corporation under German law, an SE is a supranational legal form, established by European law in the form of the SE Regulation with effect as of October 8, 2004.

Therefore, an SE is governed primarily by the provisions of the SE Regulation (Art. 9 para. 1 lit. a) of the SE Regulation), which prevails over the provisions of national law as European law which is directly applicable in all member states. This ensures that an SE is recognized all over Europe regardless of where its registered office is situated. Subject to the provisions of the SE Regulation, an SE is treated in every member state as if it was a stock corporation formed in accordance with the law of the member state in which its registered office is situated (Art. 10 of the SE Regulation).

Due to its low degree of regulation, the SE Regulation provides for an extensive recourse to the national statutory provisions of the member states. With respect to an SE with its registered office in Germany, the corresponding references regularly result in the applicability of German law.

If expressly authorized by the SE Regulation, an SE is governed primary by the provisions of its Articles of Incorporation (Art. 9 para. 1 lit. b) of the SE Regulation). Therefore, an SE's Articles of Incorporation may, as a rule, also include provisions which prevail over the statutory provisions of national law applicable to stock corporations.

Regarding matters not regulated or, where matters are only partly regulated by the SE Regulation, regarding those aspects not covered by it, Art. 9 para. 1 lit. c) of the SE Regulation stipulates that an SE is governed by the national law of the member state in which the SE has its registered office. Hereby, primarily the provision adopted by the member states relating specifically to SEs apply (Art. 9 para. 1 lit. c) (i) of the SE Regulation). In Germany, these are in particular the SEAG and the SEBG. If these specific provisions do not include a regulation, an SE with its registered office in Germany is governed by the provisions which would apply to a stock corporation with its registered office in Germany (Art. 9 para. 1 lit. c) (ii) of the SE Regulation). In particular, these are the provisions of the AktG, the HGB, the UmwG, the WpHG and the German Securities Acquisition and Take-over Act (*Wertpapiererwerbs- und Übernahmegesetz, WpÜG*).

3. Commercial enterprise; legal entity

Corresponding to a stock corporation under German law, an SE is a commercial enterprise (Art. 1 para. 1 of the SE Regulation) and has legal personality (Art. 1 para. 3 of the SE Regulation). Further, also a shareholder of an SE is only liable for the amount he has subscribed (Art. 1 para. 2 sentence 2 of the SE Regulation). Therefore, the conversion does not involve changes in this regard.

4. Registered office and head office

Corresponding to a stock corporation under German law, the registered office of an SE is determined by the Articles of Incorporation provided that the registered office is situated within the EU and in the same member state as its head office (Art. 7 sentence 1 of the SE Regulation). Therefore, the head office of an SE with its registered office in Germany has to be situated in Germany as well. In contrast, with respect to a stock corporation under German law, only the registered office, but not the head office, has to be situated in Germany (Sec. 5 AktG).

However, Art. 8 of the SE Regulation permits the transfer of the registered office of the SE to another member state. The transfer of the registered office requires a resolution of the shareholders' meeting adopted with the same majority which is required for resolutions on the amendment of the Articles of Incorporation. The SE is obliged to offer to each shareholder, who objects to the resolution on the transfer by way of a recorded declaration, to acquire his shares against payment of an appropriate cash compensation (Sec. 12 para. 1 sentence 1 SEAG).

5. Registration with the commercial register

Pursuant to Sec. 3 SEAG, an SE is registered with the commercial register in accordance with the provisions applicable to stock corporations. As the registered office of the Company remains unchanged, the competent commercial register for ProSiebenSat.1 Media SE will be, as before, the lower court of Munich as register court (*Amtsgericht München als Registergericht*). However, upon the effective date of the conversion, ProSiebenSat.1 Media SE will receive a new commercial register number which will deviate from the commercial register number of ProSiebenSat.1 Media AG. After the effective date of the conversion, registrations and filings regarding the Company will be made only with the commercial register of ProSiebenSat.1 Media SE and, therefore, under the new commercial register number.

6. Share capital

While the minimum nominal amount of the share capital of a stock corporation under German law amounts to EUR 50,000.00 (Sec. 7 AktG), the share capital of an SE must amount to EUR 120,000.00 at least (Art. 4 para. 2 of the SE Regulation).

Apart from that, due to the reference made in Art. 5 of the SE Regulation, the share capital and the structure of the shares of an SE with its registered office in Germany, are governed by the provisions of the AktG.

The share capital of ProSiebenSat.1 Media SE will have the same amount as and will be subdivided correspondingly to the share capital of ProSiebenSat.1 Media AG as of the date of the conversion. Currently, it amounts to EUR 218,797,200.00 and, therefore, significantly exceeds the legally required minimum share capital of EUR 120,000.00 of an SE.

7. Raising and preservation of the share capital; changes in the share capital

Also regarding the raising and preservation of the share capital and changes in the share capital, the SE Regulation refers to the provisions applicable to stock corporations in the member state in which the SE is registered (Art. 5 of the SE Regulation, Art. 9 para. 1 lit. c) (ii) of the SE Regulation, Art. 15 para. 1 of the SE Regulation).

Therefore, the provisions of the AktG will continue to govern the raising and preservation of the share capital with respect to ProSiebenSat.1 Media SE. Consequently, in particular, also the shareholders of ProSiebenSat.1 Media SE must not be exempted from their obligations of contribution (*Einlageverpflichtungen*) (Secs. 54, 65, 66 para. 1 AktG); the prohibition of refunding contributions (*Verbot der Einlagenrückgewähr*) remains unchanged (Sec. 57 para. 1 AktG); as a rule, only the net profit (*Bilanzgewinn*) may be distributed among the shareholders (Sec. 57 para. 3 AktG) and the acquisition of treasury stock by the Company is only permissible if the specific requirements of Sec. 71 AktG are fulfilled.

Additionally, the provisions of the AktG (Secs. 182 et seq., 202 et seq. AktG) will still apply to changes in the share capital, particularly to capital increases including a capital increase from authorized and contingent capital as well as to capital decreases.

8. Organs of the Company

a. Two-tier and one-tier system

A stock corporation under German law has a mandatory two-tier system comprising the Executive Board as management organ (Sec. 76 et seq. AktG) and a Supervisory Board as supervisory organ (Sec. 95 et seq. AktG). No person may be a member of both the Executive Board and the Supervisory Board of a stock corporation at the same time.

In contrast, according to Art. 38 b of the SE Regulation, an SE comprises either a two-tier system comprising a management and a supervisory organ (Art. 39 et seq. of the SE Regulation in conjunction with Secs. 15 et seq. SEAG) or a one-tier system comprising an administrative organ (Art. 43 et seq. of the SE Regulation in conjunction with Secs. 20 et seq. SEAG), depending on the form adopted in the Articles of Incorporation.

According to Sec. 6 paragraph 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE, the two-tier system comprising the Executive Board as management organ and the Supervisory Board as supervisory organ shall be maintained in ProSiebenSat.1 Media SE. Therefore, also with respect to ProSiebenSat.1 Media SE, the organs of the Company are the Executive Board, the Supervisory Board and the shareholders' meeting. Thus, the conversion does not affect the structure of the Company. In addition, the statutory provision applicable to the Executive Board, the Supervisory Board and the shareholders' meeting of an SE correspond to the provisions applicable to a stock corporation under German law to a large extent. Only with respect to certain areas, differences arise from the application of the SE Regulation and the SEAG. Significant differences as well as selected areas in which the conversion does not lead to such differences, will be described in further detail below.

Against the background of the two-tier system adopted in the Articles of Incorporation of ProSiebenSat.1 Media SE, the description below will not include differences between an SE and a stock corporation under German law which would only result from the adoption of the one-tier system.

b. Executive Board

aa. Management and representing organ

Corresponding to ProSiebenSat.1 Media AG as a stock corporation under German law (Sec. 76 para. 1 AktG), the Executive Board of ProSiebenSat.1 Media SE is responsible for managing the Company (Art. 39 para. 1 sentence 1 of the SE Regulation).

The rules of representation applicable to a stock corporation under German law also apply to an SE. Therefore, also the Executive Board of an SE is the organ which represents the Company in dealings with third parties as well as in legal proceedings (Art. 9 para. 1 lit. c) (ii) of the SE Regulation in conjunction with Sec. 78 AktG).

bb. Appointment and term of office; removal

Executive board members of a stock corporation may be appointed by the Supervisory Board for a term of up to five years; reappointment or extension of the term of office is permissible for up to five years, respectively (Sec. 84 para. 1 AktG).

Pursuant to Art. 39 para. 2 of the SE Regulation, also the members of an SE's Executive Board are appointed by the Supervisory Board. Pursuant to Art. 46 para. 1 of the SE Regulation, members of the Executive Board are appointed for a period laid down in the Articles of Incorporation not exceeding six years. Therefore, as a rule, the maximum terms of office in an SE may exceed the maximum terms of office in a stock corporation

under German law. However, the Articles of Incorporation of ProSiebenSat.1 Media SE do not make use of this possibility; instead, Sec. 7 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE still stipulates that the term of office is at most five years. Reappointment is also permissible in an SE (Art. 46 para. 2 of the SE Regulation).

Neither the SE Regulation nor the SEAG contain specific provisions regarding the removal of Executive Board members. In this regard, the provisions applicable to stock corporations under German law will continue to apply after the conversion; therefore, also with respect to an SE, the appointment of an Executive Board member may only be revoked by the Supervisory Board for good cause (*aus wichtigem Grund*) (Art. 9 para. 1 lit. c) (ii) of the SE Regulation in conjunction with Sec. 84 para. 3 AktG).

cc. Resolutions

With respect to a stock corporation under German law, the Executive Board's resolutions require the approval of all members provided that the Articles of Incorporation or the rules of procedure of the Executive Board do not state otherwise; however, it may not be stipulated that disputes are decided against the majority of the Executive Board members (Sec. 77 para. 1 AktG).

With respect to an SE, unless otherwise provided by the SE Regulation or the Articles of Incorporation, the Executive Board's resolutions are passed with the simple majority of the votes of the members present or represented, whereby the chairman has a casting vote in the event of a tie (Art. 50 para. 1 lit. b), para. 2 sentence 1 of the SE Regulation). The Articles of Incorporation of ProSiebenSat.1 Media SE do not provide otherwise. Therefore, both the principle of majority decision (*Grundsatz der Mehrheitsentscheidung*) described above and the casting vote of the Executive Board's chairman provided for by law will apply to ProSiebenSat.1 Media SE.

However, the rules of procedure of the Executive Board adopted by the Supervisory Board provide that - corresponding to the statutory provision applicable to an SE - resolutions of the Executive Board are adopted by simple majority vote of the participating members and that, in the event of a tie, the vote of the Chairman of the Executive Board prevails. Therefore, the conversion does not involve any changes in this regard.

dd. Reports to the Supervisory Board

The Executive Board's obligation to report to the Supervisory Board of ProSiebenSat.1 Media SE corresponds largely to the current obligations to report in ProSiebenSat.1 Media AG.

With respect to an SE, the Executive Board's obligations to report to and inform the Supervisory Board are stipulated in Art. 41 of the SE Regulation and correspond largely to the obligations to report and inform in a stock corporation under German law pursuant to Secs. 90, 111 AktG. The rules on the obligations of an SE's Executive Board to report regularly are less detailed as is the case with a stock corporation under German law, however, similar in terms of content. Partially, the rights of an SE's Supervisory Board to request information even go beyond the respective rights of the Supervisory Board of a stock corporation under German law. Therefore, the Executive Board of ProSiebenSat.1 Media SE is obliged to report to the Supervisory Board of ProSiebenSat.1 Media SE at least to the same extent as the Executive Board of ProSiebenSat.1 Media AG is obliged to report to the Supervisory Board of ProSiebenSat.1 Media AG. In detail, the following applies:

Pursuant to Sec. 90 para. 1 AktG, the Executive Board of a stock corporation under German law is obliged to report to the Supervisory Board on the following matters:

- the intended business policy and other fundamental issues of corporate planning (in particular, financial, investment and personnel planning), whereby it is required to explain deviations of the actual development from the targets reported earlier and give reasons,
- the profitability of the company (in particular, the profitability of the equity capital),
- the course of business (in particular, turnover) and the economic situation of the company, and
- transactions which can be of significant importance for the profitability or the liquidity of the company.

To the extent the company is a parent company, the report must include subsidiaries and joint ventures (Sec. 90 para. 1 sentence 2 AktG). Additionally, reports must be provided to the chairman of the Supervisory Board in the case of other important matters. A business transaction with respect to an affiliate which can be of significant influence on the economic situation of the company, is considered to be such an important matter (Sec. 90 para. 1 sentence 3 AktG). According to Sec. 90 para. 2 AktG, the respective reports must be provided on a regular basis.

In addition to the reporting duties described above, the Supervisory Board may at any time request a report on the affairs of the Company, its business relations with affiliates as well as any business transactions with respect to these affiliates which can be of significant influence on the economic situation of the Company (Sec. 90 para. 3 sentence 1

AktG). Reports may also be requested by individual Supervisory Board members but only to the Supervisory Board as a whole. Each Supervisory Board member is entitled to examine the reports (Sec. 90 para. 5 sentence 1 AktG).

The reports must be prepared in accordance with the principles of conscientious and true accounting. They must be provided as early as possible and, as a rule, in text form (Sec. 90 para. 4 AktG).

An SE's Executive Board shall report to the Supervisory Board at least once every three months on the progress and the foreseeable development of the SE's business (Art. 41 para. 1 of the SE Regulation). In addition to the regular information, the Executive Board shall promptly pass the Supervisory Board any information on events likely to have an appreciable effect on the SE (Art. 41 para. 2 of the SE Regulation). Pursuant to Art. 41 para. 3 of the SE Regulation, the Supervisory Board may require the Executive Board to provide information of any kind which is necessary to exercise supervision by the Supervisory Board. Corresponding to a stock corporation under German law, each member of the Supervisory Board is entitled to request this information, however, only to the Supervisory Board as a body (Art. 41 para. 3 of the SE Regulation in conjunction with Sec. 18 SEAG). The Supervisory Board may undertake or arrange for any investigations necessary for the performance of its duties (Art. 41 para. 4 of the SE Regulation). Each Supervisory Board member is entitled to examine all information submitted to the Supervisory Board (Art. 41 para. 5 of the SE Regulation).

ee. Transactions requiring approval

With respect to a stock corporation under German law, the Articles of Incorporation or the Supervisory Board must determine that certain transactions may only be carried out with the approval of the Supervisory Board (see Sec. 111 para. 4 sentence 2 AktG). Therefore, it is not mandatory that a stock corporation's Articles of Incorporation include a respective list of transactions which require approval.

In contrast, pursuant to Art. 48 para. 1 sentence 1 of the SE Regulation, an SE's Articles of Incorporation must list the categories of transactions which require the approval of the Supervisory Board. However, the Supervisory Board of an SE with its registered office in Germany may also determine that certain categories of transactions require its approval (Art. 48 para. 1 sentence 2 of the SE Regulation in conjunction with Sec. 19 SEAG).

In contrast to the Articles of Incorporation of ProSiebenSat.1 Media AG which so far do not contain a list of transactions requiring approval, such a list is now included in Sec. 9 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE considering the statutory requirements described above. However, Sec. 9 para. 2 of the Articles of Incorporation

tion of ProSiebenSat.1 Media SE expressly provides that the list of transactions in the Articles of Incorporation shall not be exhaustive and that the Supervisory Board may resolve that additional types of transactions require its approval.

The SE Regulation does not expressly provide whether with respect to an SE, as is the case with a stock corporation under German law, an approval not given by the Supervisory Board may be replaced by a resolution of the shareholders' meeting provided that the Executive Board submits for approval the respective transaction to the shareholders' meeting. In the view of the Executive Board, however, Art. 52 sentence 2 of the SE Regulation applies in this context which refers to the provisions of German law regarding the responsibilities of the shareholders' meeting of an SE with its registered office in Germany; therefore, also ProSiebenSat.1 Media SE's shareholders' meeting may replace by its approval an approval not given by the Supervisory Board in accordance with Sec. 111 para. 4 sentences 3 to 5 AktG.

ff. Duty of care and liability

Pursuant to Art. 51 of the SE Regulation, the liability of members of an SE's Executive Board is governed by the provisions applicable to stock corporations in the member state in which the SE's registered office is situated. Therefore, the conversion does not involve any changes in this regard. Thus, the members of an SE's Executive Board are liable for loss or damage sustained by the SE following any breach on their part of the legal, statutory or other obligations inherent in their duties (Sec. 93 para. 2 AktG). The standard of a prudent and conscientious manager (Sec. 93 para. 1 sentence 1 AktG) as well as the so-called Business Judgement Rule (Sec. 93 para. 1 sentence 2 AktG) regarding the liability of Executive Board members of a stock corporation apply unchanged to Executive Board members of an SE.

Additionally, corresponding to German law applicable to stock corporations, the SE Regulation expressly contains the prohibition to divulge any information concerning the company by the Executive Board members (also after termination of their offices) the disclosure of which might be prejudicial to the company's interests, except where such disclosure is required or permitted under national law provisions applicable to stock corporations or is in the public interest (Art. 49 of the SE Regulation).

c. Supervisory Board

aa. Supervisory organ

The Supervisory Board of an SE with a two-tier system is a supervisory organ. It supervises the Executive Board, but may not itself exercise the power to manage the SE

(Art. 40 para. 1 of the SE Regulation). This corresponds to the statutory provisions applicable to a stock corporation under German law (Sec. 111 para. 1, para. 4 sentence 1 AktG).

bb. Size and composition

The number of members of the Supervisory Board is determined by the Articles of Incorporation (Art. 40 para. 3 of the SE Regulation). In accordance with the provisions applicable to a stock corporation under German law which is not co-determined (Sec. 95 sentences 1 to 4 AktG), also the number of members of an SE's Supervisory Board must be divisible by three whereby the Supervisory Board must comprise at least three and can comprise at most 21 members depending on the amount of the share capital (Sec. 17 para. 1 SEAG). In accordance with the provisions of the Articles of Incorporation of ProSiebenSat.1 Media AG, Sec. 10 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE stipulates that the Supervisory Board comprises nine members.

The participation of employees in the Supervisory Board of a stock corporation under German law is governed by the statutory provisions concerning the co-determination with respect to a stock corporation, in particular, by the German One-Third Participation Act (*Drittelbeteiligungsgesetz, DrittelbG*) and the MitbestG (Sec. 95 sentence 5 AktG).

With respect to an SE, a possible participation of employees in the Supervisory Board is determined in the course of the procedure for the involvement of employees which is to be carried out in the context of the formation of an SE (see Sec. V.4 of this Conversion Report); in Germany, this procedure is governed by the SEBG. The statutory provisions concerning co-determination applicable to a stock corporation under German law, in particular the DrittelbG and the MitbestG, are not applicable to an SE.

As company that primarily serves purposes of reporting or expressing opinions (*Tendenzunternehmen*) within the meaning of Sec. 1 para. 4 no. 2 MitbestG, ProSiebenSat.1 Media AG is not subject to co-determination. Therefore, the Supervisory Board of ProSiebenSat.1 Media AG only comprises representatives of shareholders. As a result of the procedure for the involvement of employees in ProSiebenSat.1 Media SE which has already been completed (see Sec. VI.1.j. of this Conversion Report), also the Supervisory Board of ProSiebenSat.1 Media SE will only comprise representatives of shareholders.

cc. Personal requirements

Corresponding to a stock corporation under German law, only natural persons with full legal capacity may be members of an SE's Supervisory Board with its registered office in Germany (Art. 47 para. 1 sentence 1 of the SE Regulation in conjunction with Sec. 100

para. 1 AktG). Unlike in other member states, German law does not permit a company or other legal entities to be a member of an SE's Supervisory Board.

Additionally, no person may be a member of the Supervisory Board who is disqualified, under the law of the member state in which the SE's registered office is situated, from serving on the management, supervisory or administrative organ of a stock corporation governed by the law of that member state, or is disqualified from serving on the management, supervisory or administrative organ of a stock corporation governed by the law of a member state owing to a judicial or administrative decision delivered in a member state (Art. 47 para. 2 of the SE Regulation). As a result of the reference above to the personal requirements applicable to stock corporations in the member state where an SE's registered office is situated, the provisions of Sec. 100 para. 2 AktG will continue to apply to ProSiebenSat.1 Media SE. Furthermore, also at least one independent member of ProSiebenSat.1 Media SE's Supervisory Board must have specialist knowledge in the area of accounting and auditing (Art. 9 para. 1 lit. c) (ii) of the SE Regulation in conjunction with Sec. 100 para. 5 AktG).

dd. Incompatibility of being a member of both the Executive Board and the Supervisory Board at the time

Corresponding to a stock corporation under German law (Sec. 105 para. 1 AktG), no person may at the same time be a member of both the Executive Board and the Supervisory Board of an SE (Art. 39 para. 3 sentence 1 of the SE Regulation).

However, the Supervisory Board of an SE may – as is the case with a stock corporation under German law (Sec. 105 para. 2 AktG) – nominate one of its members to act as a member of the Executive Board for a limited period of time, at most for one year. During such a period the functions of the person concerned as a member of the Supervisory Board are suspended; reappointment or extension of the term of office as Executive Board member is permissible provided that the total term of office does not exceed one year (Art. 39 para. 3 of the SE Regulation in conjunction with Sec. 15 SEAG).

Sec. 105 para. 1 AktG, which stipulates that no person who is authorized officer (*Prokurist*) or authorized to represent the company concerning all its business operations (*zum gesamten Geschäft ermächtigter Handlungsbevollmächtigter*) may be a member of the Supervisory Board of a stock corporation under German law, also applies to an SE pursuant to Art. 9 para. 1 lit. c) of the SE Regulation.

ee. Appointment

Pursuant to Sec. 101 para. 1 AktG, members of the Supervisory Board of a stock corporation under German law are elected by the shareholders' meeting to the extent that statutory provisions on co-determination do not provide otherwise.

Also the members of an SE's Supervisory Board are, as a rule, appointed by the shareholders' meeting without prejudice to any employment participation determined by an agreement which has been concluded in this regard (Art. 40 para. 2 of the SE Regulation). Concerning an SE with its registered office in Germany, delegation rights may be stipulated by the Articles of Incorporation within the limits of Sec. 101 para. 2 AktG as is the case with a stock corporation under German law (Art. 40 para. 2 sentence 3, 47 para. 4 of the SE Regulation).

With respect to ProSiebenSat.1 Media AG, all of the nine members of ProSiebenSat.1 Media AG's Supervisory Board are elected by the shareholders' meeting. As this is stipulated by statutory provisions (Secs. 96 para. 1, 101 para. 1 AktG, Sec. 1 para. 4 no. 2 MitbestG), the Articles of Incorporation of ProSiebenSat.1 Media AG do not contain a respective provision. In contrast, Sec. 10 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE contains an explicit provision in this regard.

Corresponding to a stock corporation under German law, in order to fill vacant seats on the Supervisory Board, Supervisory Board members of an SE with its registered seat in Germany may be appointed by court order; this results from the reference to Sec. 104 AktG in Art. 9 para. 1 lit. c) (ii) of the SE Regulation. Additionally, Sec. 17 para. 3 SEAG applies, stipulating that also an SE's works council (if any) is entitled to initiate proceedings regarding the appointment by court order.

ff. Term of office

The Supervisory Board members of a stock corporation under German law may not be appointed for a term of office exceeding the period ending with the close of the shareholders' meeting which resolves on the formal approval of their acts (*Entlastung*) for the fourth financial year following the commencement of their term of office, not including the financial year in which the term of office commences (Sec. 102 para. 1 AktG). Depending on the date of the respective shareholders' meeting, this usually results in a term of office of approximately five years; due to the dynamic connection with the resolution on the formal approval of the acts of the Supervisory Board members, longer terms of office are possible in particular cases. Concerning the term of office of the Supervisory Board members of ProSiebenSat.1 Media AG, Sec. 8 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media AG refers to the maximum period stipulated by law.

Members of an SE's Supervisory Board are appointed for a period laid down in the Articles of Incorporation not exceeding six years (Art. 46 para. 1 of the SE Regulation). As the case may be, such periods may exceed the terms of office permissible in stock corporations under German law.

However, the Articles of Incorporation of ProSiebenSat.1 Media SE do not make use of this possibility; Sec. 10 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media SE provides for a maximum term of office of the Supervisory Board members which corresponds to a stock corporation under German law; it is merely additionally limited to the statutory maximum period of six years applicable to an SE. According to Sec. 10 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media SE, the members of the first Supervisory Board of ProSiebenSat.1 Media SE are appointed for a term ending with the close of the shareholders' meeting which resolves on the formal approval of their acts for the financial year 2018; therefore, the term of office of ProSiebenSat.1 Media SE's first Supervisory Board corresponds to the remaining term of office of ProSiebenSat.1 Media AG's current Supervisory Board.

gg. Removal

Members of the Supervisory Board of a stock corporation under German law which have been elected by the shareholders' meeting without being bound by election proposals, may be removed from office at any time by a resolution of the shareholders' meeting adopted by a majority of three quarters of the votes cast; the Articles of Incorporation may stipulate a different majority and additional requirements (Sec. 103 para. 1 AktG). Finally, at the request of the Supervisory Board, the competent court must remove a Supervisory Board member from office provided that there is good cause (*wichtiger Grund*); the Supervisory Board resolves on the submission of the request by simple majority (Sec. 103 para. 3 AktG).

As neither the SE Regulation nor the SEAG includes provisions on the removal of members of the Supervisory Board, the statutory provisions described above apply also to an SE with its registered office in Germany due to the reference in Art. 9 para. 1 lit. c) (ii) of the SE Regulation. Therefore, the conversion does not involve any changes in this regard.

hh. Resolutions

With respect to a stock corporation under German law, unless otherwise provided by the Articles of Incorporation, the quorum (*Beschlussfähigkeit*) of the Supervisory Board requires the participation of at least half of the total number of its constituent members. According to Sec. 108 para. 2 sentence 3 AktG, it is required that, in any case, at least three

members of the Supervisory Board participate in the resolution. As a rule, the Supervisory Board's resolutions require a majority of the votes cast. According to Sec. 10 of the Articles of Incorporation of ProSiebenSat.1 Media AG, in the event of a tie, the chairman has a casting vote; if the chairman does not participate in the voting, his deputy has a casting vote.

Unless otherwise provided by the Articles of Incorporation, the quorum of an SE's Supervisory Board requires that at least half of its constituent members participate in the voting (Art. 50 para. 1 lit. a) of the SE Regulation). However, a minimum number of participating members required by mandatory provisions of statute as is the case with stock corporations under German law does not exist. Therefore, if the Articles of Incorporation so provide, resolutions of the Supervisory Board may also be passed with less than three Supervisory Board members present. However, the Articles of Incorporation of ProSiebenSat.1 Media SE do not make use of this possibility. Therefore, the quorum for the Supervisory Board requires the participation of at least half of the total number of its constituent members in the resolution as is the case with ProSiebenSat.1 Media AG. As it is intended that the Supervisory Board will comprise nine members, the respective quorum would require the participation of at least five members.

Unless provided otherwise by the Articles of Incorporation, resolutions of the Supervisory Board require a simple majority of the votes cast (Art. 50 para. 1 lit. b) of the SE Regulation), however, in the event of tie, the chairman shall have a casting vote (Art. 50 para. 2 of the SE Regulation). Therefore, also in those regards, no changes will be involved regarding the provisions currently applicable to the Company.

ii. Duty of care and liability

When exercising their responsibilities, the Supervisory Board members of a stock corporation under German law must apply the care of a prudent and conscientious manager and are liable to the Company in case of violating their duties (Sec. 116 in conjunction with Sec. 93 AktG). Due to the reference in Art. 51 of the SE Regulation, these provisions of the AktG also apply to the duties of care and the liability of members of an SE's Supervisory Board. Corresponding to members of the Supervisory Board of a stock corporation under German law, also the members of an SE's Supervisory Board are subject to an obligation not to divulge any information which they have concerning the company (see Sec. 116 sentence 2 AktG concerning a stock corporation under German law and Art. 49 of the SE Regulation concerning an SE).

d. Shareholders' meeting*aa. Rights of the shareholders' meeting*

Shareholders of a stock corporation under German law may exercise their rights regarding the affairs of the company at the shareholders' meeting unless stipulated otherwise by statutory provisions (Sec. 118 para. 1 AktG).

Concerning measures of company management (*Maßnahmen der Geschäftsführung*), the shareholders' meeting of a stock corporation under German law as well as of an SE with its registered office in Germany, as a rule, may only take decisions if this is requested by the Executive Board (Sec. 119 para. 2 AktG; or Art. 52 sentence 2 of the SE Regulation in conjunction with Sec. 119 para. 2 AktG). According to case law implemented by the German Federal Court (*Bundesgerichtshof*), exceptions apply to structural measures which formally fall within the scope of responsibilities of the Executive Board, but, however, affect the interests of the shareholders to such a large extent that it would not be reasonable to expect that the Executive Board is entitled to decide such measures in its own discretion (so-called *Holz Müller/Gelatine* case law). In the view of the Executive Board, this case law is also applicable to an SE with its registered office in Germany; therefore, the conversion does not involve any changes in this regard.

Beyond the responsibilities of the shareholders' meeting of a stock corporation under German law, the shareholders' meeting of an SE decides according to Art. 52 sentence 1 of the SE Regulation on matters for which it is given sole responsibility by the SE Regulation or a statutory provision of the member state in which the SE's registered office is situated adopted in implementation of the SE Involvement Directive. This includes, in particular, the transfer of the registered office to another member state (Art. 8 para. 4 of the SE Regulation) as well as the re-conversion of the SE into a stock corporation under national law (Art. 66 para. 6 of the SE Regulation). A resolution on the re-conversion may be adopted only after a period of two years following the registration of the SE or after the approval of the first two annual financial statements.

bb. Time limit for the holding of the shareholders' meeting

The annual shareholders' meeting of a stock corporation under German law to which the approved annual financial statement, the approved consolidated financial statement as well as the management report and the consolidated management report are submitted and which resolves on the appropriation of the net profit and the formal approval of acts of the Executive Board and the Supervisory Board, must be held within the first eight months of the fiscal year (Secs. 175 para. 1, 120 para. 1 sentence 1 AktG).

These provisions of the AktG, as a rule, also apply to an SE due to the reference in Art. 52 sentence 2, 53 of the SE Regulation. The time limit for the holding of the shareholders' meeting of an SE, however, is shorter than the respective time limit in a stock corporation under German law; an SE's annual shareholders' meeting must be held within six month of the end of its financial year (Art. 54 para. 1 of the SE Regulation).

cc. Convocation of the shareholders' meeting; amendments to the agenda

As a rule, the Executive Board of a stock corporation under German law is responsible for the convocation of the shareholders' meeting (Sec. 121 para. 2 sentence 1 AktG); however, also the Supervisory Board must convene a shareholders' meeting if the interests of the company so require (Sec. 111 para. 3 AktG).

In the case of an SE, both the Executive Board and the Supervisory Board may convene a shareholders' meeting at any time (Art. 54 para. 2 of the SE Regulation); with respect to the competence of other organs, authorities or persons to convene the shareholders' meeting, the SE Regulation refers to the provision of national law (Art. 54 para. 2 of the SE Regulation). Therefore, no significant differences result from the conversion with regard to the responsibilities for the convocation of the shareholders' meeting.

Also the right of a minority of shareholders of an SE to require the convocation of a shareholders' meeting or amendments to the agenda corresponds largely to the provisions applicable to a stock corporation under German law:

The shareholders' meeting of a stock corporation under German law must be convened if so required by a minority of shareholders who together hold 5 % of the share capital; this must be in writing and include purpose and reasons (Sec. 122 para. 1 AktG). The shareholders must prove that they have been holding the shares for at least three months and continue to hold the shares until a decision is made on the request (meaning until the authorization by a court or the convocation by the Executive Board) (Sec. 122 para. 1 sentence 3 in conjunction with Sec. 142 para. 2 sentence 2 AktG). Similarly, shareholders who together hold 5 % of the share capital or a pro rata amount of the share capital corresponding to at least EUR 500,000.00 may require the agenda to be amended by certain items and a publication of the respective items pursuant to Sec. 122 para. 2 AktG. Each new item must include reasons and a resolution proposal. The request must be addressed to the Executive Board in writing. If the company is listed, the request must be received by the company at least 30 days prior to the date of the shareholders' meeting. If the request is not granted, the court may authorize the shareholders who have issued the request to convene the shareholders' meeting or to publish the respective item on the agenda (Sec. 122 para. 3 sentence 1 AktG).

One or more shareholders who together hold at least 5 % of an SE's share capital may request the SE to convene a shareholders' meeting and draw up the agenda therefor (Art. 55 para. 1 of the SE Regulation, Sec. 50 para. 1 SEAG). The request must include the items to be put on the agenda (Art. 55 para. 2 of the SE Regulation). If, following a request for convocation, a shareholders' meeting is not held within two months, the court may upon application authorize the shareholders to convene the shareholders' meeting (Art. 55 para. 3 of the SE Regulation). In contrast to the provisions of Secs. 122 para. 1 sentence 3, 142 para. 2 sentence 2 AktG applicable to stock corporations under German law, a minimum holding period (*Mindestbesitzzeit*) of three months prior to issuing the request is not a prerequisite for the request in an SE. The amendment of the agenda of an SE's shareholders' meeting by one or more additional items may be requested by one or more shareholders who together hold at least 5 % of the share capital or the pro rata amount of at least EUR 500,000.00 of the share capital (Art. 56 of the SE Regulation, Sec. 50 para. 2 SEAG). Again, a minimum holding period is not a prerequisite for the amendment of the agenda. With respect to the time limit applicable to such requests, an SE with its registered office in Germany is governed by the same provisions as a stock corporation under German law (Art. 56 sentence 2 of the SE Regulation).

dd. Organization and conduct of the shareholders' meeting

Concerning the organization and the conduct of the shareholders' meeting, Art. 53 of the SE Regulation refers to the national law of the Members State in which the SE's registered office is situated. Therefore, the conversion of ProSiebenSat.1 Media AG into an SE does not involve any changes in this regard.

ee. Shareholder's right to information

As neither the SE Regulation nor the SEAG provide for a specific provision in this regard, the statutory provisions of Sec. 131 AktG concerning the shareholder's right to information at the shareholders' meeting apply without change to an SE with its registered office in Germany (Art. 5 of the SE Regulation, Art. 9 para. 1 lit. c) (ii) of the SE Regulation).

ff. Resolutions

Resolutions of the shareholders' meeting of a stock corporation under German law are adopted by a simple majority of the votes cast unless statutory provisions or the Articles of Incorporation provide for a larger majority or further requirements (Sec. 133 para. 1 AktG). Also resolutions of an SE's shareholders' meeting are adopted by a simple majority of the votes cast unless the SE Regulation, the AktG or other statutory provisions applicable to stock corporations with the registered office in Germany require a larger ma-

majority (Art. 57 of the SE Regulation). Therefore, the principle of simple majority with respect to resolutions of the shareholders' meeting remains unaffected by the conversion of ProSiebenSat.1 Media AG into an SE. Subject to particularities described below concerning resolutions on the amendment of the Articles of Incorporation, the statutory requirements for larger majorities applicable to resolutions of the shareholders' meeting of a stock corporation under German law also apply to ProSiebenSat.1 Media SE.

However, certain particularities apply with respect to resolutions on the amendment of the Articles of Incorporation in a stock corporation under German law as well as in an SE:

Resolutions on the amendment of the Articles of Incorporation adopted by the shareholders' meeting of a stock corporation under German law require a majority of at least three quarters of the share capital represented when the resolution is adopted as well as a simple majority of the votes cast (Secs. 179 para. 2, 133 AktG). The Articles of Incorporation may stipulate a different majority, however, with respect to an amendment of the object of the company, only a larger majority (Sec. 179 para. 2 sentence 2 AktG). Sec. 16 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media AG includes a provision to reduce the majority required, according to which, resolutions may, as a rule, be adopted by simple majority of the share capital (*einfache Kapitalmehrheit*) unless provided otherwise by mandatory provisions of statute.

With respect to amendments of the Articles of Incorporation of an SE, the SE Regulation and the SEAG contain provisions partially deviating thereof. As a rule, amendments of an SE's Articles of Incorporation require a decision by the shareholders' meeting adopted by a majority which may not be less than two thirds of the votes cast, unless the law applicable to stock corporations in the member state in which an SE's registered office is situated requires or permits a larger majority (Art. 59 para. 1 of the SE Regulation). A member state may, however, provide that in case at least half of an SE's share capital is represented, instead a simple majority of the votes cast shall suffice (Art. 59 para. 2 of the SE Regulation). The German legislator has made use of this possibility. Therefore, the Articles of Incorporation of an SE with its registered office in Germany may stipulate that a simple majority of the votes cast shall suffice provided that at least half of the share capital is represented for the resolution (Sec. 51 sentence 1 SEAG); however, this does not apply to amendments of the object of the company, to a resolution on the transfer of the registered office to another member state pursuant to Art. 8 para. 6 of the SE Regulation as well as to resolutions requiring a larger majority of the share capital according to mandatory provisions (Sec. 51 sentence 2 SEAG). In particular, resolutions of ProSiebenSat.1 Media SE's shareholders' meeting on amendments of the Articles of Incorporation which, according to the AktG, require a majority of at least three quarters of the share capital, also require a majority of at least three quarters of the votes validly cast.

Sec. 18 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE makes use of the possibility established by Sec. 51 sentence 1 SEAG. According to this, if not provided otherwise by mandatory law, for amendments of the Articles of Incorporation a simple majority of votes cast suffices if at least half of the share capital is represented.

gg. Control of resolutions

The SE Regulation and the SEAG do not include provisions on the contestation of resolutions (*Beschlussanfechtung*) or the examination of the legality of the content of resolutions (*materielle Beschlusskontrolle*). Therefore, according to the comprehensive reference in Art. 9 para. 1 lit. c) (ii) of the SE Regulation and Art. 5 of the SE Regulation, the provisions of the AktG regarding contestation and invalidity of shareholder resolutions (Secs. 241 et seq. AktG) apply unchanged to ProSiebenSat.1 Media SE.

9. Different classes of shares

According to Sec. 11 AktG, the shares of a stock corporation under German law may carry different rights, in particular, regarding the distribution of profit and assets of the company; shares carrying the same rights constitute one class. Due to the reference in Art. 5 of the SE Regulation, these provisions also apply to an SE with its registered office in Germany.

With respect to ProSiebenSat.1 Media AG as a stock corporation under German law, a change in the ratio between several classes of shares to the detriment of one class would require the approval of the detrimentally affected shareholders by way of a special resolution adopted by simple majority of the share capital and of the votes (Sec. 179 para. 3 sentence 2 AktG in conjunction with Sec. 16 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media AG).

Where an SE has two or more classes of shares, every resolution of the shareholders' meeting is subject to a separate vote by each class of shareholders whose class rights are affected by the resolution (Art. 60 para. 1 of the SE Regulation). In this context, the required majority for resolutions corresponds to the required majority for the shareholders' resolution which detrimentally affects the class rights of the respective class of shareholders (Art. 60 para. 2 of the SE Regulation).

In this regard, there are no significant differences compared to the legal situation in a stock corporation under German law. As the Company does not have different classes of shares, no further explanation of different classes of shares and their legal treatment is necessary.

10. Accounting

Pursuant to Art. 61 of the SE Regulation, concerning accounting and auditing as well as concerning all other rules regarding the annual financial statement and the management report as well as the consolidated financial statement and the consolidated management report, the provisions applicable to stock corporations under German law apply unchanged to ProSiebenSat.1 Media SE.

Therefore, in particular, the consolidated financial statement and the interim financial statements of ProSiebenSat.1 Media SE will be prepared in accordance with the rules of IFRS as applicable within the EU as is currently the case with ProSiebenSat.1 Media AG. Furthermore, the consolidated financial statement will, as before, additionally include the information required by Sec. 315a para. 1 HGB. After the conversion, the Company's annual financial statement will be prepared as before in accordance with the provisions of the HGB.

11. Winding-up and insolvency of the Company

Pursuant to Art. 63 of the SE Regulation, regarding winding-up, liquidation, insolvency, cessation of payments und similar procedures, an SE with its registered office in Germany is governed by the provisions applicable to a stock corporation under German law; this also applies to provisions regarding resolutions of the shareholders' meeting. Therefore, the conversion of ProSiebenSat.1 Media AG into an SE does not involve any changes in this regard.

In contrast to a stock corporation under German law, the registered office of which, according to Sec. 5 AktG, must be situated in Germany, a resolution of an SE's shareholders' meeting on the transfer of the registered office to another member state is not deemed as a resolution to wind-up the company (*Auflösungsbeschluss*); this is because Art. 8 of the SE Regulation permits the transfer of the registered office to another member state (see also Sec. IV.4. of this Conversion Report above).

12. Regulation on groups of companies

According to the dominating view shared by the Executive Board, the German statutory provisions on groups of companies (*deutsches Konzernrecht*) also apply to an SE, regardless of whether the SE is the dependent or the dominating company; this regards, in particular, inter-company agreements, principles of the *de facto* group (*faktische Konzernierung*), integration and the exclusion of minority shareholders against payment of a cash compensation.

13. German Corporate Governance Codex

According to Sec. 161 AktG, the Executive Board and the Supervisory Board of a listed stock corporation must issue a so-called declaration of compliance (*Entsprechenserklärung*) each year, in which it is declared that the recommendations of the DCGK have been and will be complied with or which recommendation have not been or will not be complied with and why not. The declaration of compliance must be published permanently on the webpage of the company.

The DCGK applies to the Company as a listed entity also after the conversion. Due to the reference in Art. 9 para. 1 lit. c) (ii) of the SE Regulation, the obligation to issue a declaration of compliance pursuant to Sec. 161 AktG, will apply also to ProSiebenSat.1 Media SE. Therefore, as before, the Executive Board and the Supervisory Board of ProSiebenSat.1 Media SE will annually issue a declaration of compliance.

14. Tax implications of the conversion

Due to the principle of the identity of the legal entity, the conversion of ProSiebenSat.1 Media AG into ProSiebenSat.1 Media SE does not involve a transfer of assets. Therefore, the conversion is tax-neutral with respect to the Company itself and, in particular, does not involve income or transfer taxes (*Ertrags- oder Verkehrssteuern*) with respect to the Company itself.

Regarding the current taxation of an SE, the applicable tax provisions correspond to those applicable to ProSiebenSat.1 Media AG.

V. Implementation of the conversion of ProSiebenSat.1 Media AG into ProSiebenSat.1 Media SE

1. Preparation of the Conversion Plan

According to Art. 37 para. 4 of the SE Regulation, the Executive Board must draw up a Conversion Plan regarding the conversion of the company into an SE. Art. 37 para. 4 of the SE Regulation does not provide for further details with respect to the information which must be included in the Conversion Plan. Therefore, the Executive Board of ProSiebenSat.1 Media AG has decided to apply the provision of Art. 20 of the SE Regulation regarding the merger plan (*Verschmelzungsplan*) for the purpose of drawing up the Conversion Plan unless these provisions specifically refer to the formation of an SE by merger. According to these, the Conversion Plan must include the name and the registered office, special rights and advantages, the Articles of Incorporation of the SE as well as information regarding the procedure for the involvement of the employees. Additionally, certain provisions of the UmwG regarding the change of legal form were considered. Ac-

According to the SE Regulation, the Conversion Plan does not require any specific form; however, it is constant practice to notarize the Conversion Plan.

The Executive Board of ProSiebenSat.1 Media AG drew up the Conversion Plan (including the Articles of Incorporation of ProSiebenSat.1 Media SE which are an integral part of the Conversion Plan) on March 9, 2015 in the form of a notarial deed. It further resolved to submit the Conversion Plan to the shareholders' meeting of ProSiebenSat.1 Media AG on May 21, 2015 for approval. The Conversion Plan drawn up by the Executive Board will be described in further detail below under Sec. VI.1. of this Conversion Report.

The Supervisory Board of ProSiebenSat.1 Media AG approved the Conversion Plan by resolution dated March 13, 2015 and resolved to propose to the shareholders' meeting of ProSiebenSat.1 Media AG on May 21, 2015 to approve the Conversion Plan.

2. Conversion Report

According to Art. 37 para. 4 of the SE Regulation, the Executive Board of a stock corporation which is to be converted into an SE, must draw up a report explaining and justifying the legal and economic aspects of the conversion and indicating the implications for the shareholders and for the employees of the adoption of the form of an SE.

In fulfilling this obligation, the Executive Board of ProSiebenSat.1 Media AG has drawn up the present Conversion Report. Its purpose is, in particular, to provide information to the shareholders of ProSiebenSat.1 Media AG with respect to the resolution on the conversion at the shareholders' meeting of ProSiebenSat.1 Media AG on May 21, 2015.

3. Conversion and formation audit

Art. 37 para. 6 of the SE Regulation stipulates that prior to the shareholders' meeting which resolves on the conversion of ProSiebenSat.1 Media AG into an SE, one or more independent experts ("**Conversion Auditor**") must certify that the company has net assets at least equivalent to its share capital plus those reserves which must not be distributed under the law or the statutes (so-called impairment test).

In preparation of the conversion, the Executive Board of ProSiebenSat.1 Media AG thus requested the competent district court of Munich (*Landgericht München I*) to appoint an independent expert by letter dated November 10, 2014, in accordance with Art. 37 para. 6 of the SE Regulation in conjunction with Sec. 10 UmwG.

By court order dated November 11, 2014, the District Court of Munich I appointed KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, as Conversion Auditor. The court-

appointed Conversion Auditor issued the certification pursuant to Art. 37 para. 6 of the SE Regulation on March 20, 2015. It includes the following result:

"In accordance with the final results of our statutory audit pursuant to Art. 37 (6) of the SE Regulation, based on the documents, books and records submitted to us, as well as explanations and evidence we received, we confirm that ProSiebenSat.1 Media AG has net assets at least equivalent to its share capital plus, pursuant to statutory provisions or the company articles, its non-distributional reserves, totalling EUR 846,149,770.42."

Apart from the impairment test by the Conversion Auditor, an additional formation audit by an external formation auditor in accordance with the provisions applicable to the formation of a stock corporation (Sec. 33 para. 2 AktG) is not required. In this regard, the specific provision of Art. 37 para. 6 of the SE Regulation prevails. According to the prevailing view shared by the Executive Board of ProSiebenSat.1 Media AG, due to the general legal principle (*Rechtsgedanken*) of Sec. 75 para. 2 UmwG and Sec. 245 para. 4 UmwG, a formation report in accordance with the provisions applicable to the formation of a stock corporation (Sec. 32 AktG) is not required for the change of the legal form of a stock corporation into an SE.

However, after the members of ProSiebenSat.1 Media SE's Executive Board and Supervisory Board have been appointed, they will carry out an internal audit on the process of the formation and prepare a respective audit report in accordance with Art. 15 para. 1 of the SE Regulation in conjunction with Sec. 33 para. 1 AktG before the application of ProSiebenSat.1 Media SE for registration with the commercial register.

4. Procedure for the involvement of the employees

In the context of the conversion involving the change of legal form of ProSiebenSat.1 Media AG into an SE, a procedure for the involvement of the employees in the future ProSiebenSat.1 Media SE is to be carried out pursuant to Art. 12 para. 2 of the SE Regulation in conjunction with the provisions of the SEBG. Involvement of employees within the meaning of these provisions means any procedure – including the information, consultation and participation – by means of which the employee's representatives can exercise influence on resolutions within the Company. The aim of the procedure for the involvement of employees is pursuant to Sec. 13 para. 1 sentence 1 SEBG to reach an agreement on the involvement of employees in the SE. Pursuant to Sec. 21 para. 6 SEBG, in case of an SE's formation by conversion, the agreement must provide for at least the same level of all elements of employee involvement as the ones existing within ProSiebenSat.1 Media AG as company changing the legal form.

In order to carry out negotiations, a special negotiating body has to be established by the employees. Upon the establishment of the special negotiating body, the negotiations between the Executive Board of ProSiebenSat.1 Media AG and the special negotiating body regarding the involvement of employees can commence.

The procedure for the involvement of the employees is initiated by the information of the employees or their representatives on the intended conversion; according to Sec. 4 para. 2 sentence 3 SEBG, this information must be provided without undue delay and unsolicited after the publication of the Conversion Plan. However, this only implies the final date for the initiation of the procedure for the involvement of employees which, therefore, may be initiated and also closed prior to the preparation and publication of the Conversion Plan.

Accordingly, the Executive Board of ProSiebenSat.1 Media AG initiated this procedure already on October 23, 2014 by providing the necessary information to the employees. The composition of the special negotiation body took place in its inaugural meeting dated January 19, 2015 in Unterföhring.

The procedure was closed on February 27, 2015 by conclusion of an agreement on the employee involvement in ProSiebenSat.1 Media SE pursuant to Secs. 13 para. 1, 21 SEBG between the Executive Board of ProSiebenSat.1 Media AG and the special negotiation body. The agreement is an integral part of the Conversion Plan and attached to it as Annex 2.

The procedure on the involvement of employees in ProSiebenSat.1 Media SE is described in further detail under Sec. 10 of the Conversion Plan. Additionally, the procedure for the involvement of employees and the agreement on the employee involvement in ProSiebenSat.1 Media SE dated February 27, 2015 are described in further detail under Sec. VI.1.j. of this Conversion Report below.

5. Publication

According to Art. 37 para. 5 of the SE Regulation in conjunction with the statutory provisions implementing Art. 3 of the Directive 69/151/EWG, the Conversion Plan must be published at least one month prior to the day of the shareholders' meeting which resolves on the conversion. The publication is carried out by way of filing with the competent commercial register for the purpose of publication and the respective publication by the register court. According to the view of parts of the relevant legal literature, Art. 37 para. 5 of the SE Regulation has to be interpreted extensively so that this obligation would be also applicable to the conversion report.

The Executive Board will register in time the Conversion Plan, and, for reasons of legal precaution, also the Conversion Report with the commercial register of the lower court (*Amtsgericht*) of Munich for the purpose of publication in order to comply with the time limit of one month described above.

The Conversion Plan (including the Articles of Incorporation of ProSiebenSat.1 Media SE and the agreement on the employee involvement in ProSiebenSat.1 Media SE), the certificate of the Conversion Auditor as well as this Conversion Report will also be published on the webpage (<http://www.prosiebensat1.de/de/investor-relations/veranstaltungen/hauptversammlung/hauptversammlung-2015>) commencing on the convocation of the shareholders' meeting on May 21, 2015.

Further, for reasons of legal precaution, the Executive Board will submit the Conversion Plan to the competent works council at least one month prior to the date of the shareholders' meeting in accordance with Secs. 5 para. 3, 194 para. 2 UmwG.

6. Shareholders' meeting of ProSiebenSat.1 Media AG

According to Art. 37 para. 7 of the SE Regulation, the Conversion Plan and the Articles of Incorporation of ProSiebenSat.1 Media SE require the approval of the shareholders' meeting of ProSiebenSat.1 Media AG.

Therefore, the Executive Board and the Supervisory Board of ProSiebenSat.1 Media AG will submit the Conversion Plan and the Articles of Incorporation of ProSiebenSat.1 Media SE to the shareholders' meeting of ProSiebenSat.1 Media AG on May 21, 2015 for approval under agenda item 8. The respective resolution of the shareholders' meeting (the "**Resolution on the Conversion**") requires a majority of three quarters of the share capital represented for the resolution.

Subject to the approval of the conversion by the shareholders' meeting of ProSiebenSat.1 Media AG, the shareholders' meeting must also resolve on the election of the nine members of ProSiebenSat.1 Media SE's first Supervisory Board who are all to be elected by the shareholders' meeting. The respective election proposals are included in the agenda of the shareholders' meeting of ProSiebenSat.1 Media AG on May 21, 2015 under agenda item 9.

7. Appointment of the first Executive Board and the first Supervisory Board of ProSiebenSat.1 Media SE

Upon the effective date of the conversion, the respective offices of the current members of ProSiebenSat.1 Media AG's Executive Board and Supervisory Board will terminate.

The members of ProSiebenSat.1 Media SE's Executive Board are appointed by ProSiebenSat.1 Media SE's Supervisory Board (Art. 39 para. 2 sentence 1 of the SE Regulation) and have to be registered with the commercial register together with the conversion (Art. 15 para. 1 of the SE Regulation in conjunction with Sec. 246 para. 2 UmwG). Therefore, the appointment of the members of ProSiebenSat.1 Media SE's first Executive Board and the establishment of ProSiebenSat.1 Media SE's first Supervisory Board required thereto must be carried out prior to the effective date of the conversion of ProSiebenSat.1 Media AG.

According to Sec. 10 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE, ProSiebenSat.1 Media SE's Supervisory Board comprises nine members all elected by the shareholders' meeting which is not bound by election proposals.

It is intended that the members of ProSiebenSat.1 Media SE's first Supervisory Board will be elected by the annual shareholders' meeting of ProSiebenSat.1 Media AG on May 21, 2015, which also resolves on the approval to the conversion of ProSiebenSat.1 Media AG into ProSiebenSat.1 Media SE (see Sec. V.6. above). To the extent that the members of ProSiebenSat.1 Media SE's first Supervisory Board will not be elected by the shareholders' meeting, they can also be appointed by the competent court upon request.

ProSiebenSat.1 Media SE's first Supervisory Board established as described above will be constituted by way of election of a chairman and a deputy chairman of the Supervisory Board and, subsequently, appoint the members of ProSiebenSat.1 Media SE's Executive Board.

8. Registration of ProSiebenSat.1 Media SE with the commercial register

The conversion of ProSiebenSat.1 Media AG into ProSiebenSat.1 Media SE will become effective upon its registration with the competent commercial register of the lower court (*Amtsgericht*) of Munich.

The representative organ (*Vertretungsorgan*) of the legal entity changing its legal form and thus, the Executive Board of ProSiebenSat.1 Media AG, is responsible for the application of the conversion for registration with the commercial register (Art. 15 para. 1 of the SE Regulation in conjunction with Sec. 246 para. 1 UmwG).

Together with the application for registration, the Executive Board must declare that legal action against the validity of the resolution on the approval to the conversion has not been brought (or not within the prescribed time limit) or that such a legal action has been finally (*rechtskräftig*) dismissed or withdrawn (so-called negative declaration (*Negativklärung*)). If no such declaration is submitted, the conversion must not be registered

with the commercial register pursuant to Art. 15 para. 1 of the SE Regulation in conjunction with Sec. 198 para. 3, 16 para. 2 UmwG (so-called block on the register (*Registersperre*)).

Legal actions against the validity of the resolution on the approval to the conversion may only be brought within a one month limitation period following the resolution of the shareholders' meeting (Art. 15 para. 1 of the SE Regulation in conjunction with Sec. 195 para. 1 UmwG).

In the event of a legal action against the validity of the resolution of the shareholders' meeting of ProSiebenSat.1 Media AG, approval proceedings (*Unbedenklichkeitsverfahren*) may be initiated pursuant to Art. 15 para. 1 of the SE Regulation in conjunction with Secs. 198 para. 3, 16 para. 3 UmwG. According to this, upon request of ProSiebenSat.1 Media AG, the block on the register can be overcome if

- the legal action is inadmissible or manifestly unfounded (*offensichtlich unbegründet*) (Sec. 16 para. 3 sentence 3 Nr. 1 UmwG);
- the claimant has failed to furnish documentary evidence within one week from the date on which the application was served proving that he or she has held a pro-rata share of the share capital of ProSiebenSat.1 Media AG amounting to at least EUR 1,000.00 since the publication of the convocation of the shareholders' meeting (Sec. 16 para. 3 sentence 3 Nr. 2 UmwG); or
- granting immediate effect to the conversion appears to take precedence because the court finds at its free discretion that the material disadvantages to ProSiebenSat.1 Media AG and its shareholders, as depicted by the applicant, outweigh the disadvantages to the respondent, except where the case involves a particularly severe infringement of rights (Sec. 16 para. 3 sentence 3 Nr. 3 UmwG).

In addition, an SE may only be registered with the commercial register after the procedure for the involvement of employees has been carried out and completed in accordance with the provisions set out in Art 12 para. 2 of the SE Regulation. In the present case, this requirement is fulfilled by conclusion of the agreement on the involvement of employees in ProSiebenSat.1 Media SE dated February 27, 2015 (see Sec. V.4 of this Conversion Report above).

Finally, the Articles of Incorporation of the future ProSiebenSat.1 Media SE must not conflict with the negotiated agreement on the involvement of employees at any time (Art. 12 para. 4 of the SE Regulation). In the event of such conflict, the Articles of Incorporation would have to be amended by resolution of the shareholders' meeting of ProSiebenSat.1

Media AG. The Articles of Incorporation of ProSiebenSat.1 Media SE as attached to the Conversion Plan as Annex 1 including in particular the provisions on the composition of ProSiebenSat.1 Media SE's Supervisory Board comply with the agreement on the involvement of employees in ProSiebenSat.1 Media SE dated February 27, 2015; therefore, subject to the approval of the Conversion Plan by the shareholders' meeting, this requirement for the registration would be fulfilled as well.

If all requirements for the registration are fulfilled, the conversion must be registered with the competent commercial register of the lower court (*Amtsgericht*) of Munich. Upon registration, the conversion of the legal form becomes effective and the SE acquires legal personality (Art. 16 para. 1 of the SE Regulation). However, the principle of the identity of the legal entity applies pursuant to Art. 37 para. 2 of the SE Regulation, according to which the conversion does neither result in the winding-up of ProSiebenSat.1 Media AG nor in the creation of a new legal person; instead, the identity of the Company will be maintained and only the legal form will change.

VI. Explanation of the Conversion Plan and the Articles of Incorporation of ProSiebenSat.1 Media SE

1. Explanation of the Conversion Plan

a. Conversion of ProSiebenSat.1 Media AG into ProSiebenSat.1 Media SE (Sec. 1 of the Conversion Plan)

Sec. 1.1 of the Conversion Plan stipulates that ProSiebenSat.1 Media AG is converted into a European company (*Societas Europaea*, SE) in accordance with Art. 2 para. 4 in conjunction with Art. 37 of the SE Regulation. The cited provisions of the SE Regulation deal with the formation of an SE by way of a conversion with the change of legal form.

Sec. 1.2 of the Conversion Plan deals with the requirements to be fulfilled by a stock corporation with respect to a conversion into an SE pursuant to Art. 2 para. 4 of the SE Regulation. A stock corporation established under the laws of a member state or a Contracting State of the EEA (hereinafter each a "**Member State**"), which has its registered office and head office in a Member State may be transformed into an SE if it has had a subsidiary company governed by the law of another Member State for at least two years. In the case of ProSiebenSat.1 Media AG, these requirements are fulfilled: ProSiebenSat.1 Media AG is a stock corporation established under German law with its registered office and head office in Germany. It has a large number of subsidiaries in Germany and abroad, including several subsidiaries which are governed by the laws of other Member States. This applies, in particular, to ProSiebenSat.1 Puls 4 GmbH with its registered seat in Vienna, Austria, registered with the commercial register (*Firmenbuch*) of the

Republic of Austria under FN 167897 h. ProSiebenSat.1 Puls 4 GmbH has been an indirect wholly owned subsidiary of ProSiebenSat.1 Media AG since 2000. Therefore, ProSiebenSat.1 Media AG, has had a subsidiary company governed by the laws of another Member State for more than two years.

Sec. 1.3 of the Conversion Plan refers to the principle of the so-called identity of the legal entity stipulated in Art. 37 para. 2 of the SE Regulation regarding the conversion into an SE. According to this, the conversion of ProSiebenSat.1 Media AG into an SE does neither lead to a liquidation of the Company nor to the formation of a new legal entity. Additionally, Sec. 1.3 of the Conversion Plan describes the following further aspects of the identity of the legal entity: since the identity of the legal entity itself will be preserved, no transfer of assets will take place; rather, ProSiebenSat.1 Media AG will continue to exist in the legal form of an SE. Furthermore, the shareholding of the shareholders in the Company will continue to exist without change due to the preservation of the identity of the legal entity.

In Sec. 1.4 of the Conversion Plan it is stipulated in accordance with statutory law that shareholders who object to the conversion will not be offered any compensation in cash.

b. Effective date of the conversion (Sec. 2 of the Conversion Plan)

With respect to the effective date of the conversion, Sec. 2 of the Conversion Plan refers to Art. 16 para. 1 of the SE Regulation which stipulates that the conversion will become effective upon registration with the competent commercial register of the Company; in the present case, the competent commercial register is the lower court (*Amtsgericht*) of Munich. In addition, according to Sec. 2 of the Conversion Plan, the date of the registration with the commercial register is defined as “**Conversion Date**” for further purposes of the Conversion Plan.

The conversion may not be registered with the commercial register before the procedure for the involvement of employees has been carried out and concluded in accordance with the more detailed provisions of Art. 12 para 2 of the SE Regulation. In the present case, this requirement has been fulfilled by the conclusion of the agreement on the involvement of employees in ProSiebenSat.1 Media SE between the Executive Board of ProSiebenSat.1 Media AG and the special negotiation body dated February 27, 2015 (see the more detailed descriptions below under Sec. VI.1.j. of this Conversion Report).

c. Name, registered office, share capital and Articles of Incorporation of ProSiebenSat.1 Media SE (Sec. 3 of the Conversion Plan)

Sec. 3 of the Conversion Plan stipulates name, registered office, share capital and Articles of Incorporation of ProSiebenSat.1 Media SE.

Upon the effective date of the conversion, the company name of ProSiebenSat.1 Media AG will be "ProSiebenSat.1 Media SE" (Sec. 3.1 of the Conversion Plan). The change of the Company's name is mandatory as the name of an SE must be preceded or followed by the abbreviation "SE" pursuant to Art. 11 para. 1 of the SE Regulation.

As before, the registered office of the Company is in Unterföhring, Germany. This is also the place of its head office (Sec. 3.2 of the Conversion Plan).

Sec. 3.3 of the Conversion Plan deals with the share capital of ProSiebenSat.1 Media SE. In accordance with the principle of the identity of the legal entity, the entire share capital of ProSiebenSat.1 Media AG in the amount existing as of the Conversion Date and as subdivided as of the Conversion Date will become the share capital of ProSiebenSat.1 Media SE. Additionally, the proportionate amount of each no-par value share in the share capital will remain the same.

Sec. 3.4 of the Conversion Plan then describes the participation of the Company's shareholders in ProSiebenSat.1 Media SE. Due to the principle of the identity of the legal entity, the participation of the shareholders remains unchanged after the conversion. The shareholdings in the share capital of ProSiebenSat.1 Media SE will exist to the same extent and with the same number of registered no-par value shares as in the share capital of ProSiebenSat.1 Media AG as of immediately prior to the Conversion Date. Third party rights in shares or with respect to shares of ProSiebenSat.1 Media AG will continue to exist in the future shares of ProSiebenSat.1 Media SE.

Sec. 3.5 of the Conversion Plan provides that ProSiebenSat.1 Media SE will have the Articles of Incorporation attached to the Conversion Plan as Annex 1. These form an integral part of the Conversion Plan. The Articles of Incorporation of ProSiebenSat.1 Media SE will be explained in detail under Sec. VI.2. of this Conversion Report.

In order to ensure that the capital structure of the Company remains unchanged by the conversion, Sec. 3.5 of the Conversion Plan expressly stipulates that, as of the Conversion Date,

- the amount of the share capital and the subdivision of the share capital of ProSiebenSat.1 Media SE pursuant to Sec. 4 para. 1 and 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE correspond to the amount of the share capital and the

subdivision of the share capital of ProSiebenSat.1 Media AG pursuant to Sec. 4 para. 1 and 2 of the Articles of Incorporation of ProSiebenSat.1 Media AG;

- the authorized capital of ProSiebenSat.1 Media SE pursuant to Sec. 4 para. 4 of the Articles of Incorporation of ProSiebenSat.1 Media SE corresponds in scope and composition to the authorized capital of ProSiebenSat.1 Media AG pursuant to Sec. 4 para. 4 of the Articles of Incorporation of ProSiebenSat.1 Media AG (Authorized Capital 2013). However, sentences 2 and 5 of Sec. 4 para. 4 of the Articles of Incorporation of ProSiebenSat.1 Media AG will not be incorporated in the Articles of Incorporation of ProSiebenSat.1 Media SE; they contain provisions regarding preference shares (*Vorzugsaktien*) which have become obsolete due to the conversion of all preference shares into common shares implemented in the meantime.

The Authorized Capital 2013 of ProSiebenSat.1 Media AG is described in further detail above under Sec. II.5.a. of this Conversion Report; reference is made in this regard.

The contingent capital of ProSiebenSat.1 Media AG pursuant to Sec. 4 para. 5 of the Articles of Incorporation of ProSiebenSat.1 Media AG has become obsolete by expiration of the corresponding authorization and will not be included in the Articles of Incorporation of ProSiebenSat.1 Media SE.

In order to ensure consistency regarding the amount and the subdivision of the share capital and/or the amount and form of the authorized capital also with respect to any changes occurring prior to the Conversion Date, Sec. 3.5 of the Conversion Plan authorizes and, at the same time, instructs the Supervisory Board of ProSiebenSat.1 Media SE (as well as alternatively the Supervisory Board of ProSiebenSat.1 Media AG) to implement any alterations to the wording of the Articles of Incorporation of ProSiebenSat.1 Media SE with respect to any changes required in this regard prior to the registration of the legal form changing conversion with the commercial register.

This authorization of the Supervisory Board to implement alterations is granted on the basis of Sec. 179 para. 1 sentence 2 AktG, according to which the shareholders' meeting may authorize the Supervisory Board to implement alterations to the wording of the Articles of Incorporation. Due to the general reference in Art. 9 para. 1 lit. c) (ii) of the SE Regulation, this provision also applies to an SE.

d. Continuity of resolutions of the shareholders' meeting of ProSiebenSat.1 Media AG (Sec. 4 of the Conversion Plan)

Sec. 4.1 of the Conversion Plan includes the general principle that resolutions of the shareholders' meeting of ProSiebenSat.1 Media AG continue to apply to ProSiebenSat.1 Media SE to the extent they have not become obsolete as of the Conversion Date.

This applies, in particular, to the authorizations (mentioned in Sec. 4.2 of the Conversion Plan) by resolution of the shareholders' meeting pursuant to Sec. 71 para. 1 no. 8 AktG regarding the acquisition and the use of treasury stock and, therefore, to the resolutions proposed under agenda items 10 and 11 of the shareholders' meeting of ProSiebenSat.1 Media AG dated May 21, 2015 which include new authorizations of the Company to acquire and use treasury stock and to use derivatives for the acquisition of treasury stock or to the authorizations pursuant to Sec. 71 para. 1 no. 8 AktG which are currently in place (see Sec. II.5.c above) to the extent that they will not be cancelled by the resolutions of the shareholders' meeting on May 21, 2015 mentioned above.

However, the continuity of resolutions of the shareholders' meeting as set out in Sec. 4.1 of the Conversion Plan, also applies to other shareholders' resolutions of ProSiebenSat.1 Media AG which have not become obsolete as of the Conversion Date. This includes, *inter alia*, the proposed resolutions under agenda item 7 of the shareholders' meeting of ProSiebenSat.1 Media AG on May 21, 2015 on the approval of domination and profit and loss transfer agreements between the Company and subsidiaries to the extent that these agreements have not been registered with the commercial register as of the Conversion Date.

e. Two-tier system; organs of ProSiebenSat.1 Media SE (Sec. 5 of the Conversion Plan)

According to Art. 38 of the SE Regulation, an SE comprises either a supervisory organ and a management organ (two-tier system) or one administrative organ (one-tier system) depending on the form adopted in the Articles of Incorporation. Sec. 6 of the Articles of Incorporation of ProSiebenSat.1 Media SE adopts the form of a two-tier system. With reference to this provision of the Articles of Incorporation, Sec. 5.1 of the Conversion Plan provides that the current two-tier management and supervisory system of ProSiebenSat.1 Media AG comprising an Executive Board (management organ) and a Supervisory Board (supervisory organ) shall be maintained with respect to ProSiebenSat.1 Media SE. The organs of ProSiebenSat.1 Media SE mentioned in Sec. 5.2 of the Conversion Plan are, therefore, the Executive Board, the Supervisory Board as well as the shareholders' meeting.

f. Executive Board (Sec. 6 of the Conversion Plan)

Regarding the composition of the Executive Board of ProSiebenSat.1 Media SE and its term of office, Sec. 6.1 of the Conversion Plan refers to the respective provisions of the Articles of Incorporation of ProSiebenSat.1 Media SE. According to Sec. 7 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE, the Executive Board of ProSiebenSat.1 Media SE consists of one or more members. The term of office pursuant to Sec. 7 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE is at most five years and, therefore, corresponds to the provision currently applicable to ProSiebenSat.1 Media AG by virtue of law. Reappointments are permissible. In addition, in accordance with the statutory provision of Art. 39 para. 2 of the SE Regulation, Sec. 6.1 of the Conversion Plan notes that the members of the Executive Board of ProSiebenSat.1 Media SE are appointed by the Supervisory Board.

In accordance with the statutory law, Sec. 6.2 of the Conversion Plan points out that the terms of office of the members of the Executive Board of ProSiebenSat.1 Media AG will end upon the legal form changing conversion taking effect on the Conversion Date.

g. Supervisory Board (Sec. 7 of the Conversion Plan)

Sec. 7.1 of the Conversion Plan deals with the provision set out in the Articles of Incorporation of ProSiebenSat.1 Media SE regarding the composition and appointment of the Supervisory Board. Pursuant to Sec. 10 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE, the Supervisory Board comprises nine members who are all elected by the shareholders' meeting. Therefore, the provisions regarding the composition of the Supervisory Board of ProSiebenSat.1 Media SE correspond to the provisions currently applicable to ProSiebenSat.1 Media AG. The Supervisory Board of ProSiebenSat.1 Media AG only comprises representatives of the shareholders. The future Supervisory Board of ProSiebenSat.1 Media SE will also only comprise representatives of the shareholders. As a company that primarily serves purposes of reporting or expressing opinions (*Tendenzunternehmen*) within the meaning of Sec. 1 para. 4 no. 2 MitbestG, ProSiebenSat.1 Media AG is not subject to co-determination, neither according to the Co-determination Act (*MitbestG*) nor the One-Third Participation Act (*DrittelbG*) which are applicable to ProSiebenSat.1 Media AG as a stock corporation under German law. According to the provisions applicable to the future ProSiebenSat.1 Media SE regarding the involvement of employees, they will not be represented in the Supervisory Board of the future SE either (see explanations below under Sec. VI.1.j. of this Conversion Report).

Sec. 7.2 of the Conversion Plan describes the provisions of the Articles of Incorporation of ProSiebenSat.1 Media SE regarding the term of office of the Supervisory Board mem-

bers of ProSiebenSat.1 Media SE. The Supervisory Board members of ProSiebenSat.1 Media SE are elected pursuant to Sec. 10 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media SE for a term ending with the close of the shareholders' meeting which resolves on the formal approval of their acts (*Entlastung*) for the fourth fiscal year following the commencement of their term of office, not counting the year in which their term of office commences; however, the election ends after six years at the latest. Except for the additional maximum period of six years, this provision regarding the term of office corresponds to the provision currently applicable to ProSiebenSat.1 Media AG's Supervisory Board. The maximum period of six years for the term of office of an SE's Supervisory Board is required by law (Art. 46 para. 1 of the SE Regulation). Reappointments are permissible.

The term of office of the members of ProSiebenSat.1 Media SE's first Supervisory Board is subject to a special provision: they are appointed for a term ending with the close of the shareholders' meeting which resolves on the formal approval of their acts for the fiscal year 2018; therefore, the first term of office of ProSiebenSat.1 Media SE's Supervisory Board corresponds to the remaining term of office of the current Supervisory Board of ProSiebenSat.1 Media AG.

Sec. 7.3 of the Conversion Plan deals with the appointment of the first Supervisory Board members of ProSiebenSat.1 Media SE. It is intended to elect the members of the first Supervisory Board of ProSiebenSat.1 Media SE by the shareholders' meeting which resolves on the approval of the conversion of ProSiebenSat.1 Media AG into ProSiebenSat.1 Media SE; this will be the annual shareholders' meeting of ProSiebenSat.1 Media AG on May 21, 2015. The Supervisory Board of the Company will propose to the shareholders' meeting on May 21, 2015 under agenda item 9 to elect the following persons as members of the Supervisory Board of ProSiebenSat.1 Media SE:

- (i) Lawrence Aidem,
- (ii) Antoinette (Annet) P. Aris,
- (iii) Dr. Werner Brandt,
- (iv) Adam Cahan,
- (v) Philipp Freise,
- (vi) Dr. Marion Helmes,
- (vii) Erik Adrianus Hubertus Huggers,

- (viii) Prof. Dr. Rolf Nonnenmacher, and
- (ix) Angelika Gifford.

The candidates proposed for election under (i) to (vii) above are currently members of the Supervisory Board of ProSiebenSat.1 Media AG. Prof. Dr. Harald Wiedmann who is also a member of the Supervisory Board of ProSiebenSat.1 Media AG, is not available for a candidacy for the first Supervisory Board of ProSiebenSat.1 Media SE; in his stead, Mr. Prof. Dr. Rolf Nonnenmacher (see (viii) above) shall be proposed to the shareholders' meeting to be elected member of the Supervisory Board of ProSiebenSat.1 Media SE. Under agenda item 6 regarding the by-election, Ms. Angelika Gifford (see (ix)) above) shall be proposed to the shareholders' meeting on May 21, 2015 to be elected also member of the Supervisory Board of ProSiebenSat.1 Media AG as it currently comprises only eight members.

For further details regarding the persons proposed to be elected as members of the Supervisory Board of ProSiebenSat.1 Media SE, reference is made to the information included in the invitation to the shareholders' meeting on May 21, 2015.

To the extent members of the first Supervisory Board of ProSiebenSat.1 Media SE are not elected by the shareholders' meeting or subsequently drop out, Sec. 7.3 of the Conversion Plan refers to the possibility to effect the appointment by the competent court upon request.

Finally, Sec. 7.4 of the Conversion Plan expressly stipulates that the terms of office of the Supervisory Board members of ProSiebenSat.1 Media AG will end upon the legal form changing conversion taking effect on the Conversion Date. This is to avoid any doubts whether, with respect to a conversion into an SE, the offices of the Supervisory Board members automatically end also in the case that the composition of the Supervisory Board remains unchanged or continue to run in application of Sec. 203 sentence 1 UmwG, as Sec. 203 sentence 2 UmwG provides for the possibility to terminate the offices also in this case.

h. Special rights (*Sonderrechte*) (Sec. 8 of the Conversion Plan)

According to the statutory provisions on the merger plan applicable to the formation of an SE by merger (see Art. 20 para. 1 lit. f) of the SE Regulation) and the statutory provisions on the change of legal form according to the German Transformation Act (see Sec. 194 para. 1 no. 5 UmwG) which are applied accordingly, the Conversion Plan includes information on the rights granted by the SE to shareholders with special rights and to the

holders of securities other than shares and the intended arrangements concerning these persons.

Sec. 8.1 of the Conversion Plan clarifies that, apart from the rights described below, no special rights will be granted to the persons within the meaning of Art. 20 para. 1 sentence 2 lit. f) of the SE Regulation and/or Sec. 194 para. 1 no. 5 UmwG and no special arrangements will be made for such persons.

Sec. 8.2 and Sec. 8.3 of the Conversion Plan point out that, bonds issued by the Company continue to apply unchanged in ProSiebenSat.1 Media SE and rights of participants arising from share-based participation programs existing at the Company (Long Term Incentive Plan, Group Share Plan and further share-based employee participation programs, if any) for members of the Executive Board and further executives and employees of the ProSiebenSat.1 Group continue to apply in ProSiebenSat.1 Media SE in accordance with the provisions of the applicable terms and conditions.

i. Special privileges (*Sondervorteile*) (Sec. 9 of the Conversion Plan)

Again in accordance with the provisions applicable to the formation of an SE by merger (Art. 20 para. 1 lit. g) of the SE Regulation), the Conversion Plan includes a provision on special privileges, if any. Special privileges are such advantages granted on the occasion of the conversion to the Conversion Auditor issuing the certification pursuant to Art. 37 para. 6 of the SE Regulation or to members of the administrative, management, supervisory or controlling organs of the company changing its legal form, this means in the present case, of ProSiebenSat.1 Media AG.

On the occasion of the conversion, special privileges were and are neither granted to the Conversion Auditor or other experts nor to members of the Executive Board and the Supervisory Board of ProSiebenSat.1 Media AG or to members of the Executive Board and the Supervisory Board of ProSiebenSat.1 Media SE. This is stated expressly in Sec. 9.1 of the Conversion Plan.

Only for reasons of legal precaution, it is pointed out in Sec. 9.2 of the Conversion Plan that, regardless of the competency of the Supervisory Board of ProSiebenSat.1 Media SE under stock corporation law for the appointment, it is to be expected that the following persons, who are currently or as of April 1, 2015, respectively, members of the Executive Board of ProSiebenSat.1 Media AG, will be appointed as members of the Executive Board of ProSiebenSat.1 Media SE: Thomas Ebeling, Conrad Albert, Dr. Ralf Schremper, Dr. Christian Wegner and Dr. Gunnar Wiedenfels. Furthermore, it is pointed out for reasons of legal precaution, that it is to be expected that the current chairman of the Execu-

tive Board of ProSiebenSat.1 Media AG, Thomas Ebeling, will also be appointed chairman of the Executive Board of ProSiebenSat.1 Media SE.

Similarly, for reasons of legal precaution, it is pointed out in Sec. 9.3 of the Conversion Plan that the following persons, who are currently members of the Supervisory Board of ProSiebenSat.1 Media AG, are also expected to be appointed as members of the first Supervisory Board of ProSiebenSat.1 Media SE: Dr. Werner Brandt, Philipp Freise, Lawrence A. Aidem, Antoinette (Annet) P. Aris, Adam Cahan, Dr. Marion Helmes and Erik Adrianus Hubertus Huggers. In this context, the Conversion Plan points out that it is intended to propose to the shareholders' meeting of ProSiebenSat.1 Media AG to elect the persons mentioned above as members of the first Supervisory Board of ProSiebenSat.1 Media SE; it is further pointed out that it is to be expected that the current chairman of the Supervisory Board, Dr. Werner Brandt, and the current deputy chairman of the Supervisory Board of ProSiebenSat.1 Media AG, Philipp Freise, will be proposed as candidates for the chairmanship of the Supervisory Board and the deputy chairmanship of the Supervisory Board of ProSiebenSat.1 Media SE, respectively.

j. Information regarding the procedure for the involvement of the employees (Sec. 10 of the Conversion Plan)

Sec. 10 of the Conversion Plan includes information regarding the procedure for the involvement of the employees.

aa. Basic principles and initiation of the procedure (Secs. 10.1 to 10.2 of the Conversion Plan)

Sec. 10.1 of the Conversion Plan explains the basic principles of the procedure for the involvement of the employees; Sec. 10.2 of the Conversion Plan describes the initiation of this procedure.

In the context of the conversion with the change of legal form of ProSiebenSat.1 Media AG into ProSiebenSat.1 Media SE, a procedure for the involvement of the employees in the future ProSiebenSat.1 Media SE is to be carried out pursuant to Art. 12 para. 2 of the SE Regulation (in conjunction with the provisions of the SEBG and the respective national laws of the Member States implementing the SE Involvement Directive and the SE Regulation, respectively).

The Executive Board of ProSiebenSat.1 Media AG initiated the procedure for the involvement of employees in the SE pursuant to the provisions of the SEBG by information letter dated October 23, 2014, involving a request to employees to establish a so-called special negotiation body. The information provided to the employees of ProSiebenSat.1

Media AG, its respective subsidiaries and establishments (*Betriebe*) included pursuant to Sec. 4 para. 3 SEBG, in particular, a) the identity and structure of ProSiebenSat.1 Media AG, its respective subsidiaries and establishments and their distribution across the Member States, b) employee representations (*Arbeitnehmervertretungen*) existing within these companies and establishments, c) the number of employees employed by each of these companies and the total number of employees employed in a Member State calculated thereof and d) the number of employees who are entitled to co-determination with respect to the corporate bodies of these companies.

The special negotiation body has the task to negotiate the involvement of employees in the future SE with the Executive Board of the Company and to enter into a written agreement determining this involvement. The procedure for the involvement of the employees was carried out before the publication of the Conversion Plan (see Sec. V.4 of this Conversion Report above).

The aim of the procedure for the involvement of employees is pursuant to Sec. 13 para. 1 sentence 1 SEBG to enter into an agreement on the involvement of employees in the SE.

According to Art. 12 para. 2 of the SE Regulation, an SE may not be registered before

- an agreement on the involvement of employees has been concluded;
- the statutory negotiation period has expired without an agreement having been concluded; or
- the special negotiation body has resolved not to open negotiations or to terminate negotiations already opened.

If an agreement on the involvement of the employees in the SE is concluded, as in the present case with the agreement between the Executive Board of ProSiebenSat.1 Media AG and the special negotiation body dated February 27, 2015, the employees' involvement rights within the meaning of Sec. 2 para. 9 SEBG are governed by this agreement.

The conclusion of such an agreement requires a resolution of the special negotiation body which must be adopted by the majority of its members which, at the same time, must represent the majority of the represented employees. Pursuant to Sec. 21 para. 6 SEBG, in case of a legal form changing conversion into an SE, the agreement must provide for at least the same level of all elements of employee involvement as existing within the company changing its legal form prior to the conversion. Due to this stipulation the agreement, in particular, must not include a lower level of corporate co-determination in the SE established by the conversion than prior to the conversion. However, as ProSiebenSat.1 Media AG is a company that primarily serves purposes of reporting or express-

ing opinions (*Tendenzunternehmen*) and, therefore, its Supervisory Board does not comprise employee representatives pursuant to Sec. 1 para. 4 MitbestG, this stipulation did not involve any limitations in the present case.

According to Art. 20 para. 1 SEBG, the maximum period for the duration of the negotiations with the special negotiation body is, in general, six months. This negotiation period which may be extended by the Executive Board and the special negotiation body to up to one year (Sec. 20 para. 2 SEBG), commences on the day on which, according to the invitation by the Executive Board, the constitutive meeting of the special negotiation body shall take place.

If the negotiation procedure had not been closed by the conclusion of an agreement within the negotiation period described above, the following statutory default provisions would have applied:

- Regarding operational co-determination at European level, it would have been required by law to establish an SE works council pursuant to Sec. 22 para. 2 no. 2 SEBG for the purpose of consultation and information of the employees of ProSiebenSat.1 Media SE.
- Regarding corporate co-determination also the application of the statutory default provisions would not have resulted in ProSiebenSat.1 Media SE being subject to corporate co-determination; therefore, its Supervisory Board would also only have consisted of representatives of the shareholders as the Supervisory Board of ProSiebenSat.1 Media AG. This is because the provisions of the SEBG on the co-determination by virtue of law do not apply to ProSiebenSat.1 Media SE pursuant to Sec. 39 para. 1 no. 2 SEBG as it is a company that primarily serves purposes of reporting or expressing opinions (*Tendenzunternehmen*) within the meaning of Sec. 39 SEBG. Likewise, German law on corporate co-determination does not apply to an SE. The provision of Sec. 35 para. 1 SEBG leads to the same result in the present case, according to which a co-determination by virtue of law only applies if the legal entity changing its legal form has been subject to co-determination already before the conversion. But this is not the case, because ProSiebenSat.1 Media AG as a company that primarily serves purposes of reporting or expressing opinions (*Tendenzunternehmen*) within the meaning of Sec. 1 para. 4 MitbestG is not subject to co-determination also according to the provisions applicable to a stock corporation under German law.

The application of the statutory default provisions may also be included in the agreement with the special negotiation body.

If the special negotiation body had resolved not to open negotiations or to terminate negotiations already opened pursuant to Sec. 16 para. 1 SEBG, the statutory default provisions described above would not have applied. In this case, it would not have been required to establish an SE works council. Additionally, no corporate co-determination would have been stipulated for ProSiebenSat.1 Media SE and the Supervisory Board would have comprised again only representatives of the shareholders. Such a resolution not to open or to terminate negotiations would have required a majority of two thirds of the members of the special negotiation body representing at least two thirds of the employees in at least two Member States. Such a resolution would have ended the negotiation procedure; concurrently, the negotiations would not have been deemed to have failed.

bb. Formation, composition and establishment of the special negotiation body (Secs. 10.3 to 10.5 of the Conversion Plan)

Secs. 10.3 to 10.5 of the Conversion Plan describe formation, composition and establishment of the special negotiation body.

On the basis of the number of employees in the respective Member States as of the information on the conversion and the request by the Executive Board of ProSiebenSat.1 Media AG to establish the special negotiation body, a total of 18 seats were allocated to the Member States for the special negotiation body with the following breakdown:

Member State	Total number of employees (in brackets: % - rounded)	Number of members in the special negotiation body
Belgium	23 (0.47)	1
Denmark	36 (0.73)	1
Germany	4388 (89.5)	9
Great Britain	111 (2.26)	1
Netherlands	1 (0.02)	1
Norway	5 (0.10)	1
Austria	315 (6.43)	1

Member State	Total number of employees (in brackets: % - rounded)	Number of members in the special negotiation body
Romania	13 (0.27)	1
Sweden	9 (0.18)	1
Czech Republic	2 (0.04)	1
Total	4903 (100)	18

The members of the special negotiation body were appointed in the mentioned countries in accordance with the respective national provisions for the implementation of the SE Involvement Directive and the SE Regulation, respectively.

With effect as of November 27, 2014 Merchandising Prague s.r.o. left the ProSiebenSat.1 Group as the only subsidiary of the ProSiebenSat.1 Group with employees in the Czech Republic so that no member (any longer) from this Member State was to be appointed to the special negotiation body.

In and for Sweden, respectively, no member for the special negotiation body was elected or appointed as the trade union competent under Swedish national law did expressly not make use of its right to appoint a member. A member from Sweden was also not appointed during the course of the negotiations until the conclusion of the agreement with the special negotiation body.

Thereby, the special negotiation body was initially composed by 16 members.

Within the ten weeks period of Sec. 11 para. 1 sentence 1 SEBG the Executive Board of ProSiebenSat.1 Media AG was informed of the names of all these members of the special negotiation body from the respective Member States (including substitute members, if any).

By letter dated January 8, 2015 the Executive Board of ProSiebenSat.1 Media AG invited the respective members of the special negotiation body to its constitutive meeting on January 19, 2015 in Unterföhring. On this date, the special negotiation body met for its constitutive meeting, has been established in accordance with the applicable rules and elected its chairman and two vice-chairmen.

cc. Negotiations and conclusion of negotiations (Secs. 10.6 to 10.8 of the Conversion Plan)

Secs. 10.6 to 10.8 of the Conversion Plan describe the negotiations and the conclusion of the negotiations with the special negotiation body.

Following the establishment of the special negotiation body, negotiations between the Executive Board of ProSiebenSat.1 Media AG and the special negotiation body were opened with the aim to conclude an agreement on the arrangement of the involvement procedure and the determination of the employee involvement in the future SE pursuant to Art. 3 para. 3, Art. 4 para. 1 of the SE Involvement Directive in conjunction with Secs. 13 para. 1 sentence 1, 21 SEBG.

In case that during the activities of the special negotiation body such changes in the structure or the number of employees occur of the involved company, the respective subsidiaries or establishments that the concrete composition of the special negotiation body changes, the special negotiation body has to be re-composed accordingly (Sec. 5 para. 5 SEBG). With effect as of January 31, 2015 the Belgian member left the special negotiation body as the only subsidiary of the ProSiebenSat.1 Group with employees in Belgium did not have any more employees as of February 1, 2015.

With effect as of this date, the special negotiation body, therefore, comprised 15 members.

In this composition of the special negotiation body, the negotiations were closed on February 27, 2015 according to Sec. 21 para. 1 SEBG within the statutory negotiation period of six months by conclusion of the agreement on the employee involvement in ProSiebenSat.1 Media SE (the "**Agreement**") between the Executive Board of ProSiebenSat.1 Media AG and the special negotiation body.

As stipulated, the special negotiation body approved the conclusion of the agreement by resolution dated February 27, 2015 which was adopted by qualified majority pursuant to Sec. 15 para. 2 SEBG.

dd. Content of the Agreement (Sec. 10.9 of the Conversion Plan)

In Sec. 10.9 of the Conversion Plan the content of the Agreement on the employee involvement in ProSiebenSat.1 Media SE are merely summarized. With respect to further details of the Agreement which is attached to the Conversion Plan as Annex 2, reference is made to the wording of the Agreement in Sec. 10.9 of the Conversion Plan.

Overview of the content and the structure of the Agreement

The Agreement deals with the involvement of employees of ProSiebenSat.1 Media SE, its subsidiaries and establishments in the Member States in which the SE Regulation and the SE Involvement Directive apply. The Agreement includes the following provisions in this regard:

- With respect to operational co-determination at European level, the Agreement provides for the establishment of an SE Works Council with the name European Employee Board ("**EEB**") in ProSiebenSat.1 Media SE in order to safeguard the rights of the employees to information and consultation in cross-border matters.
- Further, the Agreement determines in accordance with the statutory default provisions that the Supervisory Board or an administrative board (if any) of ProSiebenSat.1 Media SE are not subject to co-determination.

In particular, the Agreement is divided into several parts following a Preamble which includes introducing remarks; its main provisions are described in further detail below.

Part A of the Agreement – General Provisions

Part A of the Agreement includes in Sec. 1 certain definitions and determines the scope of the Agreement in Sec. 2.

In particular, the definitions contain the term "employee" which is to apply consistently in the Agreement and also includes apprentices, interns, temporary workers (*Leiharbeiter*) and executive staff, but not managing directors and/or board members (Sec. 1 para. 4 of the Agreement). Additionally, the term "cross-border matters" is determined in accordance with the statutory definition in Sec. 27 SEBG. It includes matters of the ProSiebenSat.1 Group affecting ProSiebenSat.1 Media SE itself, another subsidiary of the ProSiebenSat.1 Group or one of its establishments in another Member State, or which exceed the powers of the competent bodies at the level of the individual Member State (Sec. 1 para. 5 of the Agreement).

The territorial scope of the Agreement is the territory of the Member States of the European Union and the EEA in which the SE Regulation and the SE Involvement Directive apply (Sec. 2 para. 1 of the Agreement). In substance, the Agreement applies to the Company, its subsidiaries and their establishments which are in the territorial scope of the Agreement (Sec. 2 para. 2 of the Agreement). In personal terms, the Agreement applies to all employees of ProSiebenSat.1 Group whose usual place of work is in the territorial scope of the Agreement (Sec. 2 para. 3 of the Agreement).

Part B of the Agreement – SE Works Council (European Employee Board)

Part B of the Agreement deals with the establishment and the purpose of the EEB, its composition and the appointment of its members.

As stipulated by law for an SE Works Council, the purpose of the EEB is to safeguard the rights of the employees to information and consultation in cross-border matters of the ProSiebenSat.1 Group (Sec. 3 para. 1 of the Agreement).

The EEB exclusively consists of employees of the ProSiebenSat.1 Group (Sec. 5 para. 1 of the Agreement). The EEB may, as a rule, consist of up to 15 members (Sec. 5 para. 2 of the Agreement). For the allocation of seats to the individual Member States, the following provisions apply (Sec. 5 para. 3 of the Agreement):

- Each Member State in the territorial scope of the Agreement in which ProSiebenSat.1 Group employs employees, shall have one seat on the EEB.
- Should the number of employees employed in a Member State exceed ten percent of the total number of employees employed in the territorial scope of this Agreement, the Member State concerned shall receive an additional seat on the EEB for each additional 10 percent increment commenced. The number of seats on the EEB per Member State is, however, limited to six seats or – if this was to lead to the maximum number of 15 members being exceeded – a maximum of five seats.

On the basis of the current number of employees of ProSiebenSat.1 Group and their allocation to the individual Member States, this seat allocation results in an EEB comprising 12 members (see in this regard the table concerning the seat allocation in Sec. 10.9 of the Conversion Plan). In the case that the seat allocation as determined above leads to the maximum number of 15 members of the EEB being exceeded because of future changes of the numbers of employees or their allocation to the Members States, the seat allocation system of the EEB shall be – keeping the maximum number of 15 members – reviewed by the Executive Board of the Company and the EEB by mutual agreement (Sec. 5 para. 4 in conjunction with Sec. 7 of the Agreement).

During a term of office of the EEB, the composition of the EEB must be reviewed on an annual basis and, as the case may be, modified as follows (Sec. 6 of the Agreement):

- If the review shows that a Member State which has thus far not been represented in the EEB complies with the requirements for the appointment of at least one member from the affected Member State, an additional member is appointed for this Member State.

- If the review shows that a Member State which has thus far been represented in the EEB no longer fulfills the requirements for the appointment of at least one member from the affected Member State, the respective members withdraw from the EEB.

Due to this modifications, the maximum number of 15 members of the EEB may be exceeded temporarily depending on the number of newly appointed or withdrawing members.

The members and substitute members (if any) of the first EEB are appointed directly by the Agreement; their term of office commences with the registration of the conversion of the Company into an SE with the commercial register and terminates in 2017 (Sec. 10 para. 1 in conjunction with annex 1 of the Agreement).

The subsequent terms of office of the EEB amount to four years each (Sec. 11 para. 1 of the Agreement). In this context, the members of the EEB and the same number of substitute members are appointed according to the national provisions as applicable to the appointment of the members and their substitute members in the relevant Member State (Sec. 10 para. 2 of the Agreement).

During the constituent meeting at the commencement of each term of office, the EEB elects by resolution a chairperson and two deputy chairpersons. Immediately afterwards, the first ordinary meeting of the new EEB shall take place involving a regular information and consultation of the EEB regarding cross-border matters (Sec. 12 of the Agreement).

Part C of the Agreement – Internal Organization

Part C of the Agreement contains rules of procedure for the EEB.

The daily business of the EEB is conducted by an Executive Committee which consist of the chairperson of the EEB and his or her two deputy chairpersons (Sec. 13 para. 2 to 4 of the Agreement).

The EEB convenes twice a year for an ordinary meeting in which, in particular, the regular information and consultation regarding cross-border matters takes place (Sec. 14 para. 1 of the Agreement). Information and consultation regarding cross-border matters regarding exceptional circumstances arising from serious reasons do not take place in meetings of the EEB, but in extraordinary meetings of the Executive Committee (Sec. 14 para. 2 of the Agreement). As a rule, at least one member of the Executive Board of the Company shall attend the regular meetings of the EEB and the consultative meetings of the Executive Committee for the information and consultation (Sec. 14 para. 3 of the Agreement).

Further provisions of Part C of the Agreement concern, *inter alia*, meetings which do not have the purpose of information and consultation, the location of meetings, type of meetings, working language and resolution procedure (Sec. 14 of the Agreement) as well as the EEB's right to invite as guests representatives from trade unions represented in the ProSiebenSat.1 Group (Sec. 15 of the Agreement).

Part D of the Agreement – Participation Rights

Part D of the Agreement stipulates as the key participation right that the EEB has the right to be informed and consulted regarding cross-border matters. In this context, it is stipulated that, as a general principle, the information and consultation shall enable the EEB to form an opinion on the basis of the information given, regarding relevant measures which may be considered as part of the decision-making process within the SE (Sec. 16 of the Agreement).

In addition, the Agreement includes provisions on the scope of the regular information and consultation in ordinary meetings of the EEB and the information which is to be made available in this regard (Sec. 17 para. 1 of the Agreement); further, it is determined in which cases an extraordinary information and consultation of the Executive Committee has to be carried out due to exceptional circumstances arising from serious reasons (Sec. 17 para. 2 of the Agreement). Exceptional circumstances arising from serious reasons include the following cross-border matters inasmuch as – with the exception of cross-border closure – at least in each case 5 % of the total number of such employees which are affected by the relevant matter in the territorial and factual scope of this Agreement, are employed in each of two different Member States:

- the transfer or relocation of subsidiaries, establishments or significant parts of establishments;
- the closure of subsidiaries, establishments or significant parts of establishments;
- mass dismissals.

The restrictions included in the statutory default provision of Sec. 39 Abs. 2 SEBG regarding the scope of information and consultation of the SE Works Council of companies which primarily serve purposes of reporting or expressing opinions (*Tendenzunternehmen*) do not apply to the EEB (Sec. 17 para. 4 of the Agreement).

Further participation rights included in Part C of the Agreement involve the right of the EEB, to inform the employees and their representatives on the results of the information and consultation regarding cross-border matters (Sec. 18 of the Agreement) as well as

the EEB's rights for initiative regarding certain cross-border matters (Sec. 19 of the Agreement).

Part E of the Agreement – Operating Expenses and Costs

Part E of the Agreement includes provisions on the required financial and material means of the EEB, reimbursement of expenses and the release of the members of the EEB from their work duties for the fulfillment of their tasks without a reduction of their pay; apart from that, the members of the EEB conduct their mandate without payment, on an honorary basis (Sec. 20 of the Agreement). Further provisions deal with the protection of members of the EEB against discrimination and the prohibition of preferential treatment (*Verbot der Begünstigung*) (Sec. 20 para. 6 of the Agreement) as well as training, protection against dismissal and confidentiality obligations of the EEB members (Secs. 21 to 23 of the Agreement).

Part F of the Agreement – Final Provisions

Part F of the Agreement includes the provision already described above, according to which the Supervisory Board or administrative boards (if any) of ProSiebenSat.1 Media SE are not subject to co-determination (Sec. 24 of the Agreement).

Further provisions deal, *inter alia*, with the duration and the termination of the Agreement as well as its continuity in case of termination until the conclusion of a new agreement (Sec. 25 of the Agreement), the law applicable to the Agreement (Sec. 27 para. 1 of the Agreement), the establishment and composition of a mediation body which shall be called upon in the event of controversy or dispute (Sec. 27 para. 3) and the competent court for the handling of legal disputes (Sec. 27 para. 4).

ee. Costs (Sec. 10.10 of the Conversion Plan)

Sec. 10.10 of the Conversion Plan describes the provision on the obligation to bear the costs incurred due to the establishment and the activities of the special negotiation body. Such costs are borne by ProSiebenSat.1 Media AG or, following the conversion taken effect, by ProSiebenSat.1 Media SE. The obligation to bear the costs includes, in particular, material and personal costs incurred in connection with the activity of the special negotiation body including the negotiations. In particular, the travel and accommodation expenses of the members of the special negotiation body necessary for the negotiations had to be borne.

k. Other effects of the conversion concerning the employees (Sec. 11 of the Conversion Plan)

Sec. 11 of the Conversion Plan describes the effects of the conversion concerning the employees and clarifies that the conversion of ProSiebenSat.1 Media AG into ProSiebenSat.1 Media SE – except for the changes resulting from the Agreement described above – does not have any effects for the employees of ProSiebenSat.1 Group.

In particular, the employment contracts of the employees of ProSiebenSat.1 Media AG as well as of the employees of ProSiebenSat.1 Group with the respective subsidiaries including their content remain unaffected by the conversion, including all stipulations regarding the company pension scheme; in particular, these contracts continue to apply to the respective company and may not be terminated on the occasion of the conversion. Also all stipulations regarding collective labor law which exist as of the Conversion Date will continue to apply unchanged and in accordance with the respective stipulation and agreements. Also, with the exception of the procedure for the involvement of employees, the conversion of ProSiebenSat.1 Media AG into an SE does not have any consequences for the employees of ProSiebenSat.1 Media AG and ProSiebenSat.1 Group with regard to the operational participation rights (*betriebliche Beteiligungsrechte*) of the employees of ProSiebenSat.1 Media AG and the companies of the ProSiebenSat.1 Group.

Also, the conversion will not result in any changes of the operational structure (*betriebliche Struktur*) and organization. In particular, the existing establishments remain unaffected by the conversion. The existence, composition and term of office of the existing operational and supra-operational representations, including the organs pursuant to the German works council constitution law (*Betriebsverfassungsrecht*), remain unchanged.

Upon the registration of the SE with the commercial register, the German Act on European Works Councils (*Gesetz über Europäische Betriebsräte, EBRG*) does no longer apply pursuant to Sec. 47 para. 1 no. 1 SEBG.

Also, there will be no changes in the composition of the Supervisory Board which will, as before, not comprise employee representatives (see Sec. VI.1.g. above of this Conversion Report).

In the context or as a consequence of the conversion, there are no other measures intended or planned to be taken which would affect the situation of the employees of ProSiebenSat.1 Group.

I. Auditor (Sec. 12 of the Conversion Plan)

Sec. 12 of the Conversion Plan provides that KPMG AG Wirtschaftsprüfungsgesellschaft, Munich is appointed as auditor and group auditor for the first fiscal year of ProSiebenSat.1 Media SE.

KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, was also the appointed auditor of ProSiebenSat.1 Media AG for the last fiscal year 2014.

m. Costs (Sec. 13 of the Conversion Plan)

Sec. 13 of the Conversion Plan clarifies in accordance with Sec. 22 of the Articles of Incorporation of ProSiebenSat.1 Media SE that the Company (this means, upon the effective date of the conversion, ProSiebenSat.1 Media SE) bears the costs incurred by the notarization of the Conversion Plan and its implementation up to the maximum amount of EUR 1,500,000.00 determined in the Articles of Incorporation.

2. Explanation of the Articles of Incorporation of ProSiebenSat.1 Media SE

a. Introduction

Upon the effective date of the conversion, ProSiebenSat.1 Media AG will change its legal form into an SE. The current Articles of Incorporation of ProSiebenSat.1 Media AG will be replaced by the new Articles of Incorporation of ProSiebenSat.1 Media SE. The future Articles of Incorporation of ProSiebenSat.1 Media SE are an integral part of the Conversion Plan and attached to it as Annex 1; according to Art. 37 para. 7 sentence 1 of the SE Regulation, they require the approval by the shareholders' meeting of ProSiebenSat.1 Media AG.

The present Articles of Incorporation of ProSiebenSat.1 Media SE are based on the Articles of Incorporation of ProSiebenSat.1 Media AG. Thereby, the provisions of the current Articles of Incorporation of ProSiebenSat.1 Media AG could be adopted in the Articles of Incorporation of ProSiebenSat.1 Media SE to a large extent as the statutory provisions applicable to the Articles of Incorporation of ProSiebenSat.1 Media SE only selectively deviate from the provisions applicable to the Articles of Incorporation of a stock corporation under German law. However, on the occasion of the conversion, the Articles of Incorporation were revised and modernized in several respects.

The following provides an explanation on the provisions of the future Articles of Incorporation of ProSiebenSat.1 Media SE. In this context, substantial deviations compared to the current Articles of Incorporation of ProSiebenSat.1 Media AG will be pointed out in an appropriate manner.

b. General provisions (Secs. 1 to 3 of the Articles of Incorporation)

The introducing provisions of the Articles of Incorporation of ProSiebenSat.1 Media SE (subsequently also the “**Corporation**”) regarding legal form, corporate name, registered office and financial year (Sec. 1) and notices (Sec. 2) do not involve significant changes compared to the Articles of Incorporation of ProSiebenSat.1 Media AG. Merely the provisions on the object and purpose of the corporation (Sec. 3) were modernized and restated correspondingly on the occasion of the conversion into the SE.

The legal form of the European Company (*Societas Europaea*, SE) is expressly mentioned as new legal form of the Company in Sec. 1 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE. Additionally, the reference to the legal form “AG” in the corporate name is replaced by the reference to the legal form “SE”. Regarding an SE, the reference to the legal form “SE” is mandatory pursuant to Art. 11 para. 1 of the SE Regulation. Therefore, the corporate name will read "ProSiebenSat.1 Media SE" in the future.

Apart from that, the provisions of the Articles of Incorporation of ProSiebenSat.1 Media SE regarding corporate name, registered office and financial year remain unchanged compared to the provisions of the current Articles of Incorporation of ProSiebenSat.1 Media AG. In particular, the registered office of ProSiebenSat.1 Media SE will continue to be in Unterföhring.

Sec. 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE adopts the provisions of the Articles of Incorporation of ProSiebenSat.1 Media AG regarding notices without substantive changes.

Sec. 3 of the Articles of Incorporation of ProSiebenSat.1 Media SE determines the object and purpose of the corporation. The provisions of Sec. 3 of the Articles of Incorporation of ProSiebenSat.1 Media AG were modernized and completely restated on the occasion of the conversion into the SE. According to Sec. 3 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE, from now on, the object and purpose of the Corporation is:

- the organization of broadcasting programs;
- the manufacturing, procurement and sale as well as marketing and distribution of audiovisual and 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.

According to Sec. 3 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE, the Corporation is entitled to carry out all transactions and actions which are related to the aforementioned lines of business or otherwise appropriate to serve directly or indirectly the objects of the Corporation. This provision largely corresponds to Sec. 3 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media AG; however, it has been adapted linguistically.

Sec. 3 para. 3 sentence 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE adopts the provisions set out in Sec. 3 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media AG without significant changes; however, it is clarified that, apart from branch offices, also permanent establishments may be established in Germany and abroad. Sec. 3 para. 3 sentence 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE now expressly provides that the business purpose of subsidiaries and companies in which the Corporation holds a participating interest may also include lines of business other than those referenced to in Sec. 3 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE.

The new Sec. 3 para. 4 of the Articles of Incorporation of ProSiebenSat.1 Media SE primarily adopts the provisions of Sec. 3 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media AG. Accordingly, the Company may limit its business activity to one or several of the lines of business referenced to in Sec. 3 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE. Furthermore, it is clarified that the Corporation is entitled to carry out its business activity in whole or in part, indirectly through subsidiaries, through companies in which the Corporation holds a participating interest and through joint ventures. In particular, it may transfer and/or spin off its operations to dependent companies of the Corporation. The Corporation may also limit its business to acting as a managing holding company and/or restrict itself to administering its own assets.

c. Share capital and shares (Secs. 4 and 5 of the Articles of Incorporation)

The current provisions of Sec. 4 and Sec. 5 of the Articles of Incorporation of ProSiebenSat.1 Media AG regarding share capital and shares of the Company are adopted in the Articles of Incorporation of ProSiebenSat.1 Media SE without significant changes.

aa. Share capital

According to Secs. 3.3 to Sec. 3.5 of the Conversion Plan, the amount and the subdivision of the share capital of ProSiebenSat.1 Media AG as of the Conversion Date remain unchanged with respect to ProSiebenSat.1 Media SE.

Therefore, the provisions of Sec. 4 para. 1 and 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE regarding the amount of the share capital and the subdivision of the share capital correspond to the provisions of the Articles of Incorporation of ProSiebenSat.1 Media AG.

Sec. 4 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media SE clarifies that the share capital was paid up by way of conversion of ProSiebenSat.1 Media AG into ProSiebenSat.1 Media SE. Including this provision in the Articles of Incorporation is required for the compliance with statutory provisions on the formation of stock corporations.

Finally, Sec. 4 para. 4 of the Articles of Incorporation of ProSiebenSat.1 Media SE adopts without substantive changes the authorized capital as currently set out in Sec. 4 para. 4 of the Articles of Incorporation of ProSiebenSat.1 Media AG (Authorized Capital 2013). An authorized capital is an authorization of the Executive Board included in the Articles of Incorporation to increase the company's share capital by issuing new shares in return for contributions. The existing authorized capital of ProSiebenSat.1 Media AG which will be included in the Articles of Incorporation of ProSiebenSat.1 Media SE with its status as of the Conversion Date has a term until and including July 22, 2018 and currently permits to increase the Company's share capital by not more than EUR 109,398,600.00 in total, in return for contributions in cash and/or in kind.

The Authorized Capital 2013 does no longer provide for an authorization to exclude the preemptive rights of shareholders. The authorization to issue further preference shares and to a so-called mutual exclusion of preemptive rights (*gekreuzter Bezugsrechtsausschluss*) involving the issuance of new common and new preference shares at the same time which is currently included in Sec. 4 para. 4 of the Articles of Incorporation of ProSiebenSat.1 Media AG has become obsolete due to the conversion of all preference shares into common shares in 2013 and, therefore, will not be adopted in the Articles of Incorporation of ProSiebenSat.1 Media SE.

The contingent capital pursuant to Sec. 4 para. 5 of the Articles of Incorporation of ProSiebenSat.1 Media AG has become obsolete as the corresponding authorization has expired; therefore, the contingent capital will not be adopted in the Articles of Incorporation of ProSiebenSat.1 Media SE.

In order to ensure consistency regarding the amount and the subdivision of the share capital as well as the amount of the authorized capital with respect to ProSiebenSat.1 Media AG and ProSiebenSat.1 Media SE as of the effective date of the conversion, the Conversion Plan authorizes and instructs the Supervisory Board to implement any alterations to the wording of the Articles of Incorporation of ProSiebenSat.1 Media SE with respect to any changes required in this regard (see the explanations regarding Sec. 3.5 of the Conversion Plan).

bb. Shares

Sec. 5 of the Articles of Incorporation of ProSiebenSat.1 Media SE (Shares) adopts without significant changes the current provisions of Sec. 5 of the Articles of Incorporation of ProSiebenSat.1 Media AG regarding shares and share certificates (*aktienrechtliche Urkunden*).

Sec. 5 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE is merely modified editorially in view of the conversion of preference shares into common shares in 2013; a reference to “shares” without including a specific class of shares is, therefore, sufficient.

According to Sec. 5 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE, the shareholders’ right to have their shares evidenced by certificates is excluded corresponding to Sec. 5 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media AG.

Finally, Sec. 5 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media SE adopts without substantive changes the authorization currently included in Sec. 5 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media AG to determine the profit share of new shares in derogation from Sec. 60 AktG. In this context, in particular, rights of new shares in the distribution of profits may be uniformly applied (retrospectively) as of the beginning of a fiscal year.

d. Constitution of the Corporation (Sec. 6 of the Articles of Incorporation)

According to Art. 38 of the SE Regulation, an SE has either a supervisory organ and a management organ (two-tier system) or one administrative organ (one-tier system); this depends on the form adopted in the Articles of Incorporation.

Sec. 6 of the Articles of Incorporation of ProSiebenSat.1 Media SE (Two-tier System; Governing Bodies) determines that ProSiebenSat.1 Media SE has a two-tier system and states that the governing bodies of ProSiebenSat.1 Media SE are the Executive Board, the Supervisory Board and the shareholders' meeting (subsequently also the "**General Meeting of Shareholders**"). Due to the determination of the two-tier system, the constitution and the governing bodies of ProSiebenSat.1 Media SE basically correspond to the current constitution and governing bodies of ProSiebenSat.1 Media AG as a stock corporation under German law.

e. Executive Board (Secs. 7 to 9 of the Articles of Incorporation)

The provisions on the Executive Board included in Secs. 7 to 9 of the Articles of Incorporation of ProSiebenSat.1 Media SE have been modified editorially compared to the respective provisions in Secs. 6 und 7 of the Articles of Incorporation of ProSiebenSat.1 Media AG, but also revised and amended in certain regards, *inter alia*, to take account of the changed legal framework in an appropriate manner.

aa. Composition of the Executive Board

According to Sec. 7 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE and corresponding to ProSiebenSat.1 Media AG, the Executive Board comprises one or more persons whereby, according to this provision and as in ProSiebenSat.1 Media AG, the concrete number of members of the Executive Board is determined by the Supervisory Board. According to statutory provisions and corresponding to ProSiebenSat.1 Media AG as a stock corporation under German law, the members of the Executive Board of ProSiebenSat.1 Media SE are appointed by the Supervisory Board (Art. 39 para. 2 of the SE Regulation).

The maximum period of appointment is determined by Sec. 7 para. 2 sentence 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE and amounts to five years. Therefore, the possibility set out in Art. 46 para. 1 of the SE Regulation to determine a maximum period of six years in the Articles of Incorporation is not made use of. The maximum period of appointment of five years determined by the Articles of Incorporation corresponds to the maximum period applicable to a stock corporation under German law pursuant to Sec. 84 para. 1 sentence 1 AktG. As reappointments are expressly permissible pursuant to Sec. 7 para. 2 sentence 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE, no changes in this regard are involved compared to the current legal situation with respect to ProSiebenSat.1 Media AG.

bb. Representing ProSiebenSat.1 Media SE

The provisions of Sec. 7 of the Articles of Incorporation of ProSiebenSat.1 Media AG regarding the representation of the Corporation have been substantially adopted in Sec. 8 of the Articles of Incorporation of ProSiebenSat.1 Media SE. Accordingly, the Corporation is either be legally represented by two members of the Executive Board or by one member of the Executive Board and one executive officer vested with power of commercial representation under German law (*Prokurist*).

However, corresponding to ProSiebenSat.1 Media AG, the Supervisory Board may determine also in the future that members of the Executive Board have sole and individual authority to represent the Company. Additionally, the current provisions in Sec. 7 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media AG regarding the power of the Supervisory Board to release members of the Executive Board from the prohibition on multiple representation pursuant to Sec. 181 alternative 2 of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*) have been adopted in Sec. 8 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media SE without substantive changes and involving merely editorial modifications. However, as before, this release does not involve representing the Company vis-à-vis the respective Executive Board member himself/herself or other members as, according to mandatory law, also an SE is represented vis-à-vis the Executive Board by the Supervisory Board (Sec. 112 AktG in conjunction with Art. 9 para. 1 lit. c) of the SE Regulation). Therefore, for reasons of legal precaution, this is expressly stated at the end of Sec. 8 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media SE.

cc. Transactions requiring approval

Sec. 9 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE determines certain transactions in respect of which the Executive Board requires the approval of the Supervisory Board. The Articles of Incorporation of ProSiebenSat.1 Media AG currently do not include such a provision. In contrast to a stock corporation under German law, such determination is required for the Articles of Incorporation of an SE pursuant to Art. 48 para. 1 of the SE Regulation. However, according to Sec. 9 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE, the Supervisory Board may as before resolve that additional types of transactions and measures to the ones mentioned in the Articles of Incorporation require its approval; Sec. 19 SEAG provides for this possibility in accordance with the legal situation with respect to a stock corporation under German law.

f. Supervisory Board (Secs. 10 to 14 of the Articles of Incorporation)*aa. Composition and term of office*

The provisions on the composition of the Supervisory Board in Sec. 8 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media AG have been adopted without substantive changes in Sec. 10 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE. Corresponding to the Supervisory Board of ProSiebenSat.1 Media AG, the Supervisory Board of ProSiebenSat.1 Media SE comprises nine members. Now, it is expressly stated that all Supervisory Board members are elected by the General Meeting of Shareholders which is not bound by election proposals.

The provisions on the personal requirements of the Supervisory Board members in Sec. 8 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media AG have been adopted without substantive changes in Sec. 10 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE. Accordingly, no former member of the Executive Board of the Company may become a member of the Supervisory Board if two members of the Supervisory Board are already former members of the Executive Board. Furthermore, membership on the Supervisory Board is closed to any person who sits on the Executive Board of a listed company and already holds positions on five Supervisory Boards of listed companies outside the group of companies, or who holds offices in an executive body or performs consulting duties for major competitors of the Company.

According to Sec. 10 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media SE, the members of the Supervisory Board of ProSiebenSat.1 Media SE are elected for a term ending with the close of the General Meeting of Shareholders which resolves on the formal approval of their acts for the fourth fiscal year following the commencement of their term, not counting the year in which their term of office commences; however, in each case, the election ends after six years at the latest. Except for the additional maximum period of six years, this provision regarding the term of office corresponds to the provision in Sec. 8 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media AG which, regarding the term of office of Supervisory Board members, refers to the statutory maximum period applicable to a stock corporation under German law. The additional limitation of the Supervisory Board's term of office to not more than six years considers the statutory maximum period of six years for the term of office of an SE's Supervisory Board stipulated in Art. 46 para. 1 of the SE Regulation. According to Sec. 10 para. 3 sentence 4 of the Articles of Incorporation of ProSiebenSat.1 Media SE, reappointments are expressly permissible.

Concerning the term of office of the members of the first Supervisory Board of ProSiebenSat.1 Media SE, Sec. 10 para. 3 sentence 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE includes a specific provision: it ends with the close of the General Meeting of Shareholders which resolves on the formal approval of their acts for the fiscal year 2018. The purpose of this provision is to ensure that the term of office of the members of the first Supervisory Board of ProSiebenSat.1 Media SE corresponds to the remaining term of office of the current members of the Supervisory Board of ProSiebenSat.1 Media AG. Also in this case, the maximum period of six years regarding the term of office applies additionally; however, it would only become relevant, if, theoretically, the General Meeting of Shareholders should not resolve on the formal approval of the acts of the Supervisory Board members for the fiscal year 2018 before.

In accordance with the provision in the Articles of Incorporation of ProSiebenSat.1 Media AG, substitute elections are held for the remaining period of office of any member withdrawing from the Supervisory Board prematurely. The provisions in Sec. 8 para. 3 sentence 2 of the Articles of Incorporation of ProSiebenSat.1 Media AG have been adopted without substantive changes in Sec. 10 para. 4 of the Articles of Incorporation of ProSiebenSat.1 Media SE.

Sec. 10 para. 5 of the Articles of Incorporation of ProSiebenSat.1 Media SE includes a new provision on the possibility to appoint substitute members for the Supervisory Board members. First, it is stipulated that substitute members may be elected for members of the Supervisory Board together with their election. The substitute member's office ends, if a successor for the dropped out Supervisory Board member is elected; if no successor is elected, it ends with the end of the remaining term of office of the dropped out Supervisory Board member. If the term of office of the substitute member ends by by-election for the dropped out Supervisory Board member, the substitute member regains its previous office as substitute member for other members of the Supervisory Board.

bb. Resignation

The provisions on the resignation by Supervisory Board members in Sec. 10 para. 6 of the Articles of Incorporation of ProSiebenSat.1 Media SE is more flexible than the current provisions in ProSiebenSat.1 Media AG. According to Sec. 8 para. 4 of the Articles of Incorporation of ProSiebenSat.1 Media AG, each member of the Supervisory Board may resign from office by giving one month's notice if there is no good cause for the resignation. Also Sec. 10 para. 6 of the Articles of Incorporation of ProSiebenSat.1 Media SE stipulate this one month's period, but includes, however, also the possibility that the

Chairman of the Supervisory Board or his/her Vice-chairman may approve a shorter notice period or waive the notice period.

As before, the notice must be directed to the Executive Board in writing according to Sec. 10 para. 6 sentence 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE. However, Sec. 10 para. 7 of the Articles of Incorporation of ProSiebenSat.1 Media SE expressly stipulates that the Executive Board must inform the Chairman of the Supervisory Board or his/her Vice-chairman of the resignation of a member of the Supervisory Board without undue delay.

As before, Sec. 10 para. 6 sentence 3 of the Articles of Incorporation of ProSiebenSat.1 Media SE clarifies that the right to resign from office for good cause remains unaffected.

cc. Meetings of the Supervisory Board

In Sec. 11 of the Articles of Incorporation of ProSiebenSat.1 Media SE (Meetings of the Supervisory Board), the provisions of Sec. 9 of the Articles of Incorporation of ProSiebenSat.1 Media AG have been adopted without significant amendments.

According to Sec. 11 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE, as before, Supervisory Board meetings may be convoked in text form. Furthermore, such convocation shall occur no later than on the 10th day before the Supervisory Board meeting of ProSiebenSat.1 Media SE. Corresponding to ProSiebenSat.1 Media AG, the notice period may be shortened in the event of urgency; in addition, Sec. 11 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE permits that also the rules of procedure of the Supervisory Board may shorten the notice period generally or for specific situations. As before, the Chairman of the Supervisory Board is responsible for the convocation.

According to Sec. 11 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE, it is still permissible to hold voting on agenda items which were not duly notified if no member of the Supervisory Board raises an objection. The notice period regarding amendments to the agenda may be shortened by the Chairman of the Supervisory Board or by the rules of procedure; Sec. 11 para. 1 sentences 3 to 5 of the Articles of Incorporation of ProSiebenSat.1 Media SE apply accordingly. As before, absent members of the Supervisory Board must be given the opportunity to object to the resolution within a certain period to be stipulated by the Chairman or to cast his or her vote subsequently; the requirement of written form regarding the subsequent vote as currently set out in Sec. 9 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media AG has not been adopted in Sec. 11 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE.

The possibility of the participation of persons who are not members of the Supervisory Board at meetings of the Supervisory Board as substitutes for members who are prevented from attending as set out in Sec. 9 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media AG has not been adopted in the Articles of Incorporation of ProSiebenSat.1 Media SE; therefore, third parties are no longer allowed to attend meetings of ProSiebenSat.1 Media SE's Supervisory Board as substitutes for members who are prevented from attending. This is to consider to the maximum extent possible the principle of fulfilling personally the responsibilities of a Supervisory Board member (*Grundsatz der höchstpersönlichen Amtswahrnehmung*).

Without substantive changes, Sec. 11 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media SE includes a provision on the constitutive meeting of the Supervisory Board subsequent to the election of a new Supervisory Board; at this meeting, the Supervisory Board shall elect one Chairman and one or more Vice-chairmen.

Sec. 11 para. 4 of the Articles of Incorporation of ProSiebenSat.1 Media SE has been newly inserted and clarifies that the Vice-chairman/Vice-chairmen has the same special powers conferred to the Chairman if he/she is unable to fulfill his/her tasks. In case the Chairman and Vice-chairmen are not able to fulfill their tasks or are not appointed, the oldest in age of the remaining members of the Supervisory Board fulfills these tasks for the duration of the hindrance.

dd. Adopting resolutions of the Supervisory Board

In Sec. 12 of the Articles of Incorporation of ProSiebenSat.1 Media SE (Adopting Resolutions), the provisions of Sec. 10 of the Articles of Incorporation of ProSiebenSat.1 Media AG have been adopted without substantive changes.

Amongst others, Sec. 12 stipulates that, as a rule, resolutions of the Supervisory Board are adopted by simple majority of the votes cast. Further, in the event of a parity of votes, it is provided that the Chairman of the Supervisory Board shall have a casting vote corresponding to the provision in Sec. 10 of the Articles of Incorporation of ProSiebenSat.1 Media AG. This provision on the casting vote of the Chairman corresponds to the statutory provision in Art. 50 para. 2 of the SE Regulation regarding resolutions of an SE's Supervisory Board.

As before, the Articles of Incorporation do not include a provision on the quorum. Therefore, corresponding to the current legal situation regarding the quorum, at least half of the total number of the Supervisory Board members must be present (see Art. 50 para. 1 lit. a) of the SE Regulation).

ee. Remuneration of the Supervisory Board

In Sec. 14 of the Articles of Incorporation of ProSiebenSat.1 Media SE (Remuneration), the provisions of Sec. 12 of the Articles of Incorporation of ProSiebenSat.1 Media AG on the remuneration of the Supervisory Board have been adopted without substantive changes.

According to Sec. 14 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE, the members of the Supervisory Board receive a fixed remuneration in the amount of EUR 100,000.00 for each full fiscal year of Supervisory Board membership corresponding to the current members of the Supervisory Board of ProSiebenSat.1 Media AG. For the Chairman of the Supervisory Board, this remuneration amounts to EUR 250,000.00 and for the Vice-chairman to EUR 150,000.00.

According to Sec. 14 para. 2 und para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media SE, for the membership in a committee of the Supervisory Board, the members of the Supervisory Board further receive a fixed annual remuneration in the amount of EUR 7,500.00 corresponding to the current members of the Supervisory Board of ProSiebenSat.1 Media AG; however, as before, for the Chairman of a committee this additional remuneration amounts to EUR 30,000.00, for the Chairman of the Audit und Finance Committee EUR 50,000.00.

Supervisory Board members who served on the Supervisory Board and/or a committee of the Supervisory Board or chaired a committee for only part of the fiscal year receive pro rata remuneration in accordance with the duration of their service (Sec. 14 para. 4 sentence 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE). The remuneration pursuant to the foregoing explanations is payable in four equal installments due and payable at the end of each quarter (Sec. 14 para. 4 sentence 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE).

According to Sec. 14 para. 5 of the Articles of Incorporation of ProSiebenSat.1 Media SE, members of the Supervisory Board receive an additional attendance fee of EUR 2,000.00 for each personal attendance in a meeting of the Supervisory Board; with regard to the Chairman of the Supervisory Board, the attendance fee amounts to EUR 3,000.00.

According to Sec. 14 para. 6 of the Articles of Incorporation of ProSiebenSat.1 Media SE, furthermore, members of the Supervisory Board are reimbursed for all outlays and for the sales tax payable on their outlays and remuneration corresponding to the current provision in the Articles of Incorporation of ProSiebenSat.1 Media AG.

Finally, Sec. 14 para. 7 of the Articles of Incorporation of ProSiebenSat.1 Media SE provides unchanged that the Company may take out financial loss liability insurance (D&O insurance) for members of the Supervisory Board, to cover legal liability arising from their activities on the Supervisory Board.

Sec. 113 para. 2 AktG stipulates that the remuneration of the first Supervisory Board is determined by the first shareholders' meeting which resolves on the formal approval of the acts of its members. For reasons of legal precaution, it is the view of the Executive Board of ProSiebenSat.1 Media AG that this statutory provision also applies to the conversion of a stock corporation into an SE (Art. 15 para. 1 of the SE Regulation and Art. 9 para. 1 lit. c) (ii) of the SE Regulation, respectively) and, therefore, also applies to the remuneration of ProSiebenSat.1 Media SE's first Supervisory Board. Consequently, the provisions in Sec. 14 para. 1 to para. 5 of the Articles of Incorporation of ProSiebenSat.1 Media SE on the remuneration of the Supervisory Board do not apply to the first Supervisory Board. Instead, the remuneration of ProSiebenSat.1 Media SE's first Supervisory Board will be determined by the first shareholders' meeting which resolves on the formal approval of the acts of the members of ProSiebenSat.1 Media SE's first Supervisory Board; presumably, this will be the shareholders' meeting in 2016.

ff. Authorization to alterations to the wording of the Articles of Incorporation

In Sec. 13 of the Articles of Incorporation of ProSiebenSat.1 Media SE, the provision of Sec. 11 of the Articles of Incorporation of ProSiebenSat.1 Media AG has been adopted without substantive changes; according to this, the Supervisory Board is empowered to adopt resolutions on amending the Articles of Incorporation which affect the wording only but not the sense or meaning thereof. This is based on the statutory provision of Sec. 179 para. 1 sentence 2 AktG; this provision also applies to an SE due to the reference in Art. 9 para. 1 lit. c) of the SE Regulation.

g. General Meeting of Shareholders (Secs. 15 to 19 of the Articles of Incorporation)

aa. Venue and convocation of the General Meeting of Shareholders

In Sec. 15 of the Articles of Incorporation of ProSiebenSat.1 Media SE (Venue and Convocation), the provisions of Sec. 13 of the Articles of Incorporation of ProSiebenSat.1 Media AG have been adopted with just one substantive amendment:

For the purpose of clarification, Sec. 15 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE includes, in addition to the Executive and the Supervisory Board, further persons authorized by law to convene the General Meeting of Shareholders. Accord-

ing to Art. 55 para. 1 of the SE Regulation in conjunction with Sec. 50 para. 1 SEAG, amongst others, minority shareholders who together hold at least 5 % of the share capital are entitled by law to convene the General Meeting of Shareholders.

According to Sec. 15 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE, the General Meeting of Shareholders is held at the registered office of the Company or at the location of a German stock exchange; this corresponds to the current provision in Sec. 13 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media AG.

bb. Attending the General Meeting of Shareholders

In Sec. 16 of the Articles of Incorporation of ProSiebenSat.1 Media SE (Attendance and Exercise of Voting Right), the provisions of Sec. 16 of the Articles of Incorporation of ProSiebenSat.1 Media AG on the attendance and exercise of voting rights have been adopted without significant substantive or linguistic amendments.

With respect to registered shares, attending the General Meeting of Shareholders requires in accordance with the current legal situation the registration of the respective shareholder in the company's share register as of the date of the General Meeting of Shareholders; this has been expressly stipulated in Sec. 14 para. 1 of the Articles of Incorporation of ProSiebensat.1 Media AG so far. Against the background of an intended implementation of a statutory record date deviating from the date of the General Meeting of Shareholders for the registration of holders of registered shares of listed companies in the company's share register as requirement for attending the General Meeting of Shareholders, for reasons of legal precaution, the reference to the registration in the Company's share register currently included in Sec. 14 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media AG will not be adopted; therefore, regarding the registration in the Company's share register as requirement for attending the General Meeting of Shareholders, the statutory provisions – as amended from time to time – will apply to ProSiebenSat.1 Media SE.

According to Sec. 16 of the Articles of Incorporation of ProSiebenSat.1 Media SE, the attendance and exercise of the voting right at the General Meeting of Shareholders requires, as before, the registration in due time; this must be in German or in English corresponding to the current provisions in the Articles of Incorporation. The registration period is governed by statutory provisions, whereby the Executive Board is authorized to stipulate a shorter period of time in the convocation.

Further, the Executive Board is authorized to allow that shareholders attend the General Meeting of Shareholders by way of electronic communications (online attendance) and

that shareholders cast their vote in writing or by means of electronic communications (postal vote). As before, the voting right can be exercised through representatives.

cc. Chair in the General Meeting of Shareholders

In Sec. 17 of the Articles of Incorporation of ProSiebenSat.1 Media SE (Chair), the provisions of Sec. 15 of the Articles of Incorporation of ProSiebenSat.1 Media AG have been adopted without substantive or linguistic changes.

According to Sec. 17 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE, the General Meeting of Shareholders is presided over by the Chairman of the Supervisory Board (as before). However, the Chairman of the Supervisory Board may determine another member of the Supervisory Board or any other person in accordance with the provision of the Articles of Incorporation currently applicable; if the Chairman of the Supervisory Board has not made any such ruling, the present members of the Supervisory Board who are in attendance may elect a member of the Supervisory Board to preside over the General Meeting of Shareholders.

In Sec. 17 para. 2 to para. 4 of the Articles of Incorporation of ProSiebenSat.1 Media SE, the provisions of Sec. 15 para. 2 to para. 4 of the Articles of Incorporation of ProSiebenSat.1 Media AG regarding the powers of the person chairing the General Meeting of Shareholders have been adopted without substantive changes including, in particular, the power to determine the order in which the items on the agenda are to be dealt with, to establish reasonable time limits for the shareholders' right to put questions and address the General Meeting of Shareholders and to permit audio and video transmission of the General Meeting of Shareholders.

dd. Voting Rights and Required Majorities

In Sec. 18 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media SE regarding the voting right in the General Meeting of Shareholders, the corresponding provisions of Sec. 16 para. 3 of the Articles of Incorporation of ProSiebenSat.1 Media AG have been adopted without changes. According to this, one vote is afforded to each no-par value share.

In Sec. 18 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE on the majorities required for resolutions of the General Meeting of Shareholders, the provisions of Sec. 16 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media AG have been adopted only with editorial amendments, but without substantive changes; however,

amendments have been made with respect to resolutions amending the Articles of Incorporation to comply with the statutory provisions applicable to an SE.

Save as otherwise provided by mandatory provisions of statute or of the Articles of Incorporation, resolutions of the General Meeting of Shareholders of ProSiebenSat.1 Media SE are adopted by simple majority of the votes cast (Sec. 18 para. 2 sentence 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE); this corresponds to the statutory principle of Art. 57 of the SE Regulation. If statutory law stipulates a capital majority besides the majority of votes, a simple majority of the share capital represented at the resolution is sufficient also with respect to ProSiebenSat.1 Media SE unless otherwise provided by mandatory provisions of statute (Sec. 18 para. 2 sentence 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE); this corresponds to the provision of Sec. 16 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media AG.

The provision of Sec. 16 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media AG stipulating that save as otherwise provided by mandatory provisions of statute or of the Articles of Incorporation, resolutions of the General Meeting of Shareholders are adopted by simple majority of the votes cast or of the share capital represented at the resolution, also applies to resolutions on the amendment of the Articles of Incorporation. With regards to an SE, special requirements for a resolution on the amendment of the Articles of Incorporation apply (see Sec. IV.8.d.ff above of this Conversion Report). Pursuant to Art. 59 para. 1 of the SE Regulation, amendments of the Articles of Incorporation require a majority which may not be less than two thirds of the votes cast, unless the law applicable to stock corporations under German law requires or permits a larger majority. The Articles of Incorporation of an SE may only provide that where at least half of the voting share capital is represented at the resolution, a simple majority of the votes suffices regarding resolutions on the amendment of the Articles of Incorporation (Art. 59 para. 2 of the SE Regulation in conjunction with Sec. 51 SEAG). Sec. 18 para. 2 sentence 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE has made use of this possibility.

h. Annual financial statements and appropriation of profits (Secs. 20 and 21 of the Articles of Incorporation)

aa. Annual financial statements

In Sec. 20 of the Articles of Incorporation of ProSiebenSat.1 Media SE (Annual Financial Statements), the provisions of Sec. 17 of the Articles of Incorporation of ProSiebenSat.1 Media AG have been adopted without substantive changes according to which the Executive Board and the Supervisory Board may appropriate a larger amount than half of the annual profit (*Jahresüberschuss*) for the year to other revenue reserves (*andere*

Gewinnrücklagen). This corresponds to Sec. 58 para. 2 AktG in conjunction with Art. 9 para. 1 lit. c) (ii) of the SE Regulation.

bb. Appropriation of profits

In Sec. 21 of the Articles of Incorporation of ProSiebenSat.1 Media SE (Disposal of Corporate Profits), the provisions of Sec. 18 of the Articles of Incorporation of ProSiebenSat.1 Media AG on the disposal of corporate profits have been adopted without substantive changes.

In particular, Sec. 21 para. 1 of the Articles of Incorporation of ProSiebenSat.1 Media SE provides that the General Meeting of Shareholders may resolve, as before, to make distributions in kind, instead of or in addition to cash distributions as part of the resolution on the disposal of corporate profits.

Also, in Sec. 21 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media SE the provision of Sec. 18 para. 2 of the Articles of Incorporation of ProSiebenSat.1 Media AG has been adopted without changes according to which in the event of an issuance of participation certificates (*Genussscheine*), if the respective conditions of the participation certificates stipulate that the bearers of the participation certificates are entitled to distribution of dividends from the net income, the shareholders' entitlement to this part of the net income is excluded. However, the issuance of participation certificates would require a specific authorization by the General Meeting of Shareholders pursuant to Sec. 221 para. 1 and 3 AktG in conjunction with Art. 9 para. 1 lit. c) of the SE Regulation; such an authorization is currently not in place.

i. Final provisions (Secs. 22 to 24 of the Articles of Incorporation)

Sec. 22 of the Articles of Incorporation of ProSiebenSat.1 Media SE (Conversion Costs) stipulates that the Company bears the costs incurred by the conversion of ProSiebenSat.1 Media AG into an SE up to a total amount of EUR 1,500,000.00. The determination of the conversion costs to be borne by ProSiebenSat.1 Media SE is a necessary part of the Articles of Incorporation pursuant to Art. 15 para. 1 of the SE Regulation in conjunction with Sec. 26 para. 2 AktG.

In Sec. 23 of Articles of Incorporation of ProSiebenSat.1 Media SE (Assumption of Determinations of the Articles of Incorporation of ProSiebenSat.1 Media AG pursuant to Secs. 26, 27 AktG (Formation Expenses, Contribution and Acquisition Provisions)), the provisions of Sec. 19 of the Articles of Incorporation of ProSiebenSat.1 Media AG have been adopted including determinations regarding formation expenses of ProSiebenSat.1 Media AG as well as further contribution and acquisition provisions in the context of the

merger of ProSieben Media Aktiengesellschaft and SAT.1 Holding GmbH into ProSiebenSat.1 Media AG in 2000. As it has not yet been 30 years since the registration of ProSiebenSat.1 Media AG with the commercial register, it is required by law (Sec. 243 para. 1 sentence 2 and 3 UmwG) to include these provisions of the Articles of Incorporation in the Articles of Incorporation of the new legal entity in the case of a legal form changing conversion.

In addition to the provisions of the Articles of Incorporation of ProSiebenSat.1 Media AG, for reasons of legal precaution, Sec. 24 of the Articles of Incorporation of ProSiebenSat.1 Media SE (Severability Clause) includes a so-called severability clause in the Articles of Incorporation of ProSiebenSat.1 Media SE; it stipulates that, if one or several provisions of the Articles of Incorporation are or will become invalid in whole or in part, the validity of the remaining parts of the Articles of Incorporation remains unaffected. The purpose of this severability clause is to rebut the general statutory presumption of Sec. 139 BGB according to which, in cases of doubt, the partial invalidity (*Teilnichtigkeit*) of a legal transaction results in the overall invalidity (*Gesamtnichtigkeit*) of this legal transaction.

VII. Implications of the conversion for the shareholders

1. Overview

Ultimately, the conversion of ProSiebenSat.1 Media AG into an SE has only few direct implications for the shareholders of the Company; such implications are described in further details below.

Regarding the indirect implications resulting from the fact that, upon the effective date of the conversion, the shareholders will not any longer hold shares in a stock corporation under German law, but in an SE which, on the one hand, is governed by specific provisions partially deviating from the provisions applicable to a stock corporation under German law, and, on the other hand, will be provided with new Articles of Incorporation due to the conversion, reference is made to the explanations of the implications of the conversion on the Company in Sec. IV. and the explanations of the Articles of Incorporation of ProSiebenSat.1 Media SE in Sec. VI.2. of this Conversion Report.

2. Continuity of the shareholding

Upon the effective date of the conversion, the shareholders of ProSiebenSat.1 Media AG will become shareholders of ProSiebenSat.1 Media SE by virtue of law. Due to the identity of the legal entity, their shareholdings in the Company will continue to exist without change. Therefore, the shareholders of ProSiebenSat.1 Media AG will hold shares in the

share capital of ProSiebenSat.1 Media SE in the same amount and with the same number of registered no-par value shares as in the share capital of ProSiebenSat.1 Media AG immediately prior to the Conversion Date. Also, the proportionate amount of each no-par value share in the share capital in the amount of EUR 1.00 remains unchanged.

Also the rights attached to the shares including, in particular, the dividend entitlement and the right to information at the shareholders' meeting will not be affected by the conversion of ProSiebenSat.1 Media AG into an SE.

3. Continuity of notification obligations according to the German Securities Trading Act (WpHG)

Regarding notification obligations on shares of voting rights, Secs. 21 et seq. WpHG apply to the future ProSiebenSat.1 Media SE as a listed SE as to ProSiebenSat.1 Media AG as a listed stock corporation (Art. 9 para. 1 lit. c) (ii) of the SE Regulation). Therefore, if certain notification obligations are breached, rights of the shareholders may not be exercised pursuant to Sec. 28 WpHG subject to the conditions as set out therein. Notifications regarding shares of voting rights issued prior to the effective date of the conversion will remain unaffected by the conversion. The conversion itself does not lead to any notification obligations pursuant to Secs. 21 et seq. WpHG.

4. New certification of the shares

The registered shares of ProSiebenSat.1 Media AG are represented by a global share certificate (*Globalurkunde*) which is deposited in a collective deposit of securities (*Giroammelverwahrung*).

After the effective date of the conversion, the global certificate will be replaced by a global certificate representing all registered no-par value shares of ProSiebenSat.1 Media SE. This global certificate will be deposited then again in a collective deposit of securities.

Subsequently, the custodian banks (*Depotbanken*) will change all custody accounts from registered no-par value shares in ProSiebenSat.1 Media AG into registered no-par value shares in ProSiebenSat.1 Media SE. In this context, no action has to be taken by the shareholders.

5. Continuity of the listing

The shares of ProSiebenSat.1 Media AG are admitted, respectively, for trading to the regulated market of the Frankfurt Stock Exchange with concurrent admission to the sub-section (*Teilbereich*) of the regulated market of the Frankfurt Stock Exchange involving

further post-admission obligations (*Prime Standard*) as well as to the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). Furthermore, the shares are listed at the stock exchanges of Berlin, Düsseldorf, Hamburg, Hannover, Munich, Stuttgart and Zurich and tradable via the electronic trading platform XETRA of Deutsche Börse AG.

The listing of the Company and the stock exchange trading in the Company's shares will not be affected by the conversion. Therefore, also after the conversion of ProSiebenSat.1 Media AG into ProSiebenSat.1 Media SE, the shareholders of the Company will continue to be able to trade their shares in ProSiebenSat.1 Media SE on each of the stock exchanges on which the shares are currently listed. As the conversion does neither lead to a winding-up nor to a new formation of the Company (see Art. 37 para. 2 of the SE Regulation), a separate admission to a stock exchange of the shares in ProSiebenSat.1 Media SE is not required.

The conversion will not affect the inclusion of the Company's shares in any stock exchange indices either.

Following the effective date of the conversion, the listing of the shares of ProSiebenSat.1 Media AG will be changed from "ProSiebenSat.1 Media AG" into "ProSiebenSat.1 Media SE".

6. Tax implications for the shareholders

Due to the principle of the identity of the legal entity, the conversion of ProSiebenSat.1 Media AG into an SE does not trigger any income or transfer taxes (*Ertrags- oder Verkehrssteuern*) in Germany for shareholders. In particular, the conversion is not subject to a capital transfer tax (*Kapitalverkehrssteuer*) or a sales tax (*Umsatzsteuer*).

Future distributions of dividends by ProSiebenSat.1 Media SE as well as the disposal of shares in the Company will have, as a rule, the same tax implications for the shareholders of ProSiebenSat.1 Media SE in terms of German income tax as a distribution of dividends and the disposal of shares with respect to a stock corporation under German law.

The shareholders of ProSiebenSat.1 Media AG are advised to consult their own tax advisors with respect to possible personal particularities which might be relevant in terms of taxes. This applies, in particular, to shareholders who are subject to foreign tax regulations.

VIII. Implications of the conversion for the employees

The implications of the conversion into the legal form of an SE for the employees are described in detail in Secs. VI.1.j. and VI.1.k. of this Conversion Report where the Conversion Plan is explained; reference is made in this regard.

Unterföhring, this April 2, 2015

Executive Board of ProSiebenSat.1 Media AG:

(signed)

Thomas Ebeling

Chairman of the Executive Board

(signed)

Conrad Albert

Member of the Executive Board

(signed)

Dr. Ralf Schremper

Member of the Executive Board

(signed)

Dr. Christian Wegner

Member of the Executive Board

(signed)

Dr. Gunnar Wiedenfels

Member of the Executive Board