

## CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

**Joint Report of the Executive Board of ProSiebenSat.1 Media AG, Unterföhring, and the managing directors of ProSiebenSat.1 Digital & Adjacent GmbH (formerly: ProSieben Digital Media GmbH), Unterföhring, pursuant to sections 295, 293a of the German Stock Corporation Act (*Aktiengesetz*) regarding the Amendment Agreement dated March 31, 2014 to the Domination Agreement dated March 10, 2005**

Pursuant to sections 295, 293a of the German Stock Corporation Act, the Executive Board of ProSiebenSat.1 Media AG and the managing directors of ProSiebenSat.1 Digital & Adjacent GmbH submit the following joint report:

### **1. Conclusion and Effective Date of the Amendment Agreement**

ProSiebenSat.1 Media AG, Unterföhring, (the „**Controlling Entity**“ – *herrschende Gesellschaft*) and ProSiebenSat.1 Digital & Adjacent GmbH, Unterföhring, (the „**Controlled Company**“ – *abhängige Gesellschaft*) concluded an amendment agreement on March 31, 2014 (the „**Amendment Agreement**“) to the Domination Agreement (*Beherrschungsvertrag*) existing between them dated March 10, 2005. This Amendment Agreement is subject to approval of the shareholders' meeting of the Controlling Entity and the shareholders' meeting of the Controlled Company. The Amendment Agreement will only be effective upon registration with the commercial register (*Handelsregister*) of the Controlled Company.

The Amendment Agreement will be presented for approval to the ordinary shareholders' meeting of the Controlling Entity on June 26, 2014. The shareholders' meeting of the Controlled Company already approved the Amendment Agreement on April 22, 2014 by notarized shareholder resolution.

### **2. Contracting Parties**

#### **2.1 ProSiebenSat.1 Media AG**

The Controlling Entity is a stock corporation with its seat in Unterföhring, District of Munich, registered with the commercial register of the local court (*Amtsgericht*) of Munich under HRB 124169. The share capital of the Controlling Entity amounts to EUR 218,797,200.00 and is divided into 218,797,200 registered common shares. The common shares are admitted for trading in the subsegment of the Regulated Market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with further post-admission obligations (*Prime Standard*) and at the Luxembourg Stock Exchange (*Bourse de Luxembourg*).

Pursuant to the Articles of Incorporation of the Controlling Entity, its corporate purpose is, in particular, to organize and broadcast television programs and to procure, manufacture and sell film

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and television productions and to purchase and grant rights of all kinds as well as merchandising and multimedia business.

The group of companies comprising the Controlling Entity and its subsidiaries and affiliated companies is managed by the Controlling Entity as group managing holding company. The core business of the group constitutes the advertisement-financed free TV. Furthermore, a diverse digital and ventures portfolio forms part of the group as well as an international production network. As parent company of the group of companies, the Controlling Entity centrally manages trans-sectoral key functions, such as distribution, license purchasing, accounting, controlling, corporate planning, human resources, finance, investor relations, legal affairs and corporate communications.

### 2.2 ProSiebenSat.1 Digital & Adjacent GmbH

ProSiebenSat.1 Digital & Adjacent GmbH is a limited liability company having its seat in Unterföhring, District of Munich, registered with the commercial register of the local court of Munich under HRB 109376. The registered share capital of the Controlled Company is EUR 52,000.00. The Controlling Entity is the sole shareholder of the Controlled Company. The name of the Controlled Company was changed from “ProSieben Digital Media GmbH” to “ProSiebenSat.1 Digital & Adjacent GmbH” by shareholders’ resolution dated December 6, 2013, registered with the commercial register of the company on December 27, 2013.

Pursuant to the Articles of Incorporation of the Controlled Company, its corporate purpose includes, but is not limited to, developing, marketing, and organizing any and all kinds of media and media services. ProSiebenSat.1 Digital & Adjacent GmbH is, *inter alia*, the sole shareholder of each of the following: (i) ProSiebenSat.1 Digital GmbH, a limited liability company having its seat in Unterföhring, District of Munich, registered with the commercial register of the local court of Munich under HRB 130417; (ii) EPIC Companies GmbH, a limited liability company having its seat in Berlin, registered with the commercial register of the local court of Charlottenburg under HRB 148526; (iii) SevenVentures GmbH, a limited liability company having its seat in Unterföhring, District of Munich, registered with the commercial register of the local court of Munich under HRB 177742; and (iv) ProSieben Travel GmbH, a limited liability company having its seat in Unterföhring, District of Munich, registered with the commercial register of the local court of Munich under HRB 208590. Collectively, the companies described above hold a material portion of the investments of the group in the digital and adjacent segment.

In the fiscal years 2011, 2012, and 2013, the Controlled Company generated (in Euro) the following annual surpluses or deficits before profit transfers and/or loss adjustments, as the case may be, in accordance with the rules and regulations of the German Commercial Code (*Handelsgesetzbuch*):

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fiscal year 2011:	12,312,497.08
fiscal year 2012:	27,009,930.56
fiscal year 2013:	27,914,853.46

### 3. Legal and Economic Considerations for the Conclusion of the Amendment Agreement

The Controlling Entity and the Controlled Company concluded a domination agreement (*Beherrschungsvertrag*) on March 10, 2005, which, after approval of the shareholders' meeting of the Controlling Entity and of the shareholders' meeting of the Controlled Company, became effective upon its registration with the commercial register of the Controlled Company on June 9, 2005 (the „DA“).

Furthermore, the Controlling Entity and the Controlled Company concluded a profit and loss transfer agreement (*Gewinnabführungsvertrag*) on April 15, 2008, which, after approval of the shareholders' meeting of the Controlling Entity and of the shareholders' meeting of the Controlled Company, became effective upon its registration with the commercial register of the Controlled Company on July 31, 2008 (the „PLTA“).

By amendment agreement dated March 31, 2014, the PLTA was amended with respect to the provisions regarding the loss assumption (*Verlustübernahme*) adapting them to the new statutory requirements of the German Act on the Amendment and Simplification of the Taxation of Enterprises and the Tax Treatment of Travel-Expenses Law (*Gesetz zur Änderung und Vereinfachung der Unternehmensbesteuerung und des steuerlichen Reisekostenrechts*) dated February 20, 2013. The reasons for the amendment of the PLTA can be found in detail in the joint report regarding the amendment agreement dated March 31, 2014 to the PLTA.

In order to prevent discrepancies between the amended provisions regarding the loss assumption of the PLTA and the provisions regarding the loss assumption of the DA, the amendment with respect to the loss assumption of the PLTA shall be implemented accordingly in the DA and the provisions regarding the loss assumption shall be amended accordingly.

### 4. Explanation of the Provisions of the Amendment Agreement

In its current version, the DA with respect to the loss assumption does not contain a so-called dynamic reference (*dynamischer Verweis*) which refers to the "respective currently effective version" of section 302 of the German Stock Corporation Act, the statutory provision regarding the loss assumption. Rather, section 3 of the DA stipulates the following regarding the loss assumption:

*„The Controlling Entity is obliged to make up any loss for the year otherwise accrued during the term of the agreement to the extent it is not made up by withdrawing amounts from the other revenue reserves*

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*which have been deposited during the term of the agreement. Section 302 AktG applies accordingly."*

Pursuant to section 1 of the Amendment Agreement, the provisions regarding the loss assumption in section 3 of the DA is amended in such a way as to now refer to the provisions of section 302 of the German Stock Corporation Act "in its respective currently effective version". Therefore, section 3 of the DA shall be revised as follows:

*"With regard to the loss assumption, the provisions of section 302 of the German Stock Corporation Act apply accordingly in its respective currently effective version."*

As already described above, the purpose of the corresponding amendment regarding the loss assumption of the DA is the alignment with the amended provisions regarding the loss assumption of the PLTA.

Pursuant to section 2 of the Amendment Agreement, the remaining parts of the DA remain unmodified. Therefore, the Amendment Agreement is limited to the formal adaptation of the provisions regarding the loss assumption and essentially leaves all other rights and obligations of the DA unchanged. With regard to sections 291 para. 1 and 2, 294 para. 2 in connection with section 295 para 1 sentence 2 of the German Stock Corporation Act, which apply accordingly to controlled companies in the legal form of limited liability companies (*GmbH*), section 3 of the Amendment Agreement provides that the Amendment Agreement is concluded subject to approval of the shareholders' meeting of the Controlling Entity and the shareholders' meeting of the Controlled Company and becomes effective only after registration with the commercial register of the Controlled Company.

### **5. No Audit, no Annual Compensation and no Cash Consideration**

An audit of the Amendment Agreement as well as of the amended Domination Agreement by one or several expert auditors according to sections 295, 293b of the German Stock Corporation Act has not been conducted and will not be conducted as the Controlling Entity is the sole shareholder of the Controlled Company.

In the absence of outside shareholders of the Controlled Company, the DA as well as the Amendment Agreement do not provide for stipulations on an annual compensation according to section 304 of the German Stock Corporation Act and on a cash consideration according to section 305 of the German Stock Corporation Act.

### **6. Display of Documents**

Starting at the time of convocation of the shareholders' meeting, pursuant to sections 295, 293f of the German Stock Corporation Act, further documents will be displayed for inspection and will be available on the website of ProSiebenSat.1 Media AG. The documents will also be displayed for inspection in the shareholders' meeting of the Controlling Entity itself.

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Unterföhring, this May 12, 2014

**ProSiebenSat.1 Media AG**

by:

(signed)  
Thomas Ebeling  
Chairman of the Executive Board

(signed)  
Axel Salzmann  
Member of the Executive Board

(signed)  
Conrad Albert  
Member of the Executive Board

(signed)  
Heidi Stopper  
Member of the Executive Board

(signed)  
Dr. Christian Wegner  
Member of the Executive Board

**ProSiebenSat.1 Digital & Adjacent GmbH**

by:

(signed)  
Dr. Christian Wegner  
Managing Director

(signed)  
Dr. Markus Frerker  
Managing Director

(signed)  
Sylvia Neubauer  
Managing Director

(signed)  
Dr. Ralf Schremper  
Managing Director