

## CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

### Joint Report of the Executive Board of ProSiebenSat.1 Media AG, Unterföhring, and the Management of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH, Unterföhring, pursuant to Sec. 293a of the German Stock Corporation Act (*Aktiengesetz, AktG*)

Pursuant to Sec. 293a of the German Stock Corporation Act, the Executive Board of ProSiebenSat.1 Media AG and the management of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH submit the following joint report regarding the domination and profit and loss transfer agreement (*Beherrschungs- und Gewinnabführungsvertrag*) between ProSiebenSat.1 Media AG and ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH:

#### 1. Conclusion and Effectiveness of the Domination and Profit and Loss Transfer Agreement

The domination and profit and loss transfer agreement between ProSiebenSat.1 Media AG as dominating company and ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH as dependent entity was concluded on April 1, 2015 by the Executive Board of ProSiebenSat.1 Media AG and the management of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH.

The effectiveness of the domination and profit and loss transfer agreement requires on the one hand the approval of the shareholders' meeting of ProSiebenSat.1 Media AG which shall be granted on the shareholders' meeting dated May 21, 2015. On the other hand, the approval of ProSiebenSat.1 Media AG as the sole shareholder of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH in a shareholders' meeting of this company is required, which already approved the domination and profit and loss transfer agreement by notarized shareholder resolution on April 1, 2015. The domination and profit and loss transfer agreement will only become effective upon registration with the commercial register (*Handelsregister*) of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH.

#### 2. Contracting Parties

##### 2.1 ProSiebenSat.1 Media AG

###### 2.1.1 Corporate Purpose of ProSiebenSat.1 Media AG

ProSiebenSat.1 Media AG is a stock corporation with its seat in Unterföhring, registered with the commercial register of the local court (*Amtsgericht*) of Munich under HRB 124169. Pursuant to the Articles of Incorporation of ProSiebenSat.1 Media AG, its corporate purpose is to organize and

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broadcast television programs and to procure, manufacture and sell films and television productions and to purchase and grant rights of all kinds as well as merchandising and multimedia business.

### 2.1.2 Holding Structure

The group of companies comprising ProSiebenSat.1 Media AG and its direct and indirect subsidiaries and affiliated companies (the „**ProSiebenSat.1 Group**“) is managed by ProSiebenSat.1 Media AG as group managing holding company. As parent company of the group of companies, ProSiebenSat.1 Media AG manages trans-sectoral key functions, such as licence purchasing, accounting, controlling, corporate planning, human resources, finance, investor relations, legal affairs and corporate communications.

### 2.1.3 Business Activities

ProSiebenSat.1 Group is one of the largest independent media enterprises in Europe which core business constitutes the advertisement-financed free-TV. Furthermore, a diverse digital and ventures portfolio forms part of the group of companies as well as an international production network.

The operational activities of ProSiebenSat.1 Group are divided into three segments which depend strategically, economically and technically from each other and are managed by ProSiebenSat.1 Media AG: "Broadcasting German-speaking", "Digital & Adjacent" und "Content Production & Global Sales". In particular the TV activities in Germany, Austria and Switzerland are allocated to the segment "Broadcasting German-speaking". The segment "Digital & Adjacent" comprises the columns Digital Entertainment, Digital Commerce as well as Adjacent; it also includes the diverse digital and ventures portfolios as well as the music and live entertainment activities of the ProSiebenSat.1 Group. The segment "Content Production & Global Sales" comprises the international program production and distribution business of the ProSiebenSat.1 Group.

### 2.1.4 Corporate Bodies and Employees

Since April 1, 2015, the Executive Board comprises five members:

- Thomas Ebeling, Chairman of the Executive Board  
Responsibilities: TV 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;

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- Conrad Albert  
Responsibilities: Legal, Distribution & Regulatory Affairs, Shareholder & Boards Management, Pay TV and Content Acquisition;
- Dr. Christian Wegner  
Responsibilities: Digital & Adjacent, Digital Entertainment, Digital Commerce & Ventures, Adjacent;
- Dr. Ralf Schremper (since April 1, 2015)  
Responsibilities: Corporate Strategy and Investments;
- Dr. Gunnar Wiedenfels (since April 1, 2015)  
Responsibilities: Group Operations & IT, Group Controlling, Group Finance & Investor Relations, Accounting & Taxes, Internal Audit, Administration.

In accordance with the Articles of Incorporation, the Supervisory Board of ProSiebenSat.1 Media AG comprises nine members which are all elected by the shareholders' meeting as ProSiebenSat.1 Media AG as a company that primarily serves the purpose of reporting or expressing opinions (*Tendenzenunternehmen*) is not subject to co-determination on company level. Chairman of the Supervisory Board is Dr. Werner Brandt.

In 2014, the ProSiebenSat.1 Group had an average number of employees of 4,118 employees worldwide.<sup>1</sup>

### 2.1.5 Share Capital and Shareholders

The share capital of ProSiebenSat.1 Media AG amounts to EUR 218,797,200.00 and is subdivided into 218,797,200 registered common shares as no-par value shares with a proportionate amount of EUR 1.00 of the share capital per share.

The shares of the company 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 in the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*).

The Executive Board is authorized, subject to the consent of the Supervisory Board, to increase the share capital of the Company on and until July 22, 2018 against contributions in cash and/or in kind

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<sup>1</sup> Rounded numbers of fulltime equivalent positions.

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on or more occasions by up to EUR 109,398,600.00 by issuance of new no-par value shares (Authorized Capital 2013). The authorization to issue new preference shares taking into account Sec. 139 para. 2 of the German Stock Corporation Act which have the same priority as previously issued preference shares in the distribution of profits or company's assets, has become obsolete by the conversion of all preference shares into common shares in 2013. The contingent capital contained in Sec. 4 para. 5 of the Articles of Incorporation of the company has also become obsolete as the corresponding authorization by the shareholders' meeting of June 4, 2009 for the issuance of conversion and/or option bonds of which the company has not made use of, had a term until June 3, 2014 and has, therefore, expired in the meantime.

The shares of the company with exception of the treasury stock held by the company are completely in free float.

### 2.1.6 Financial Results

In the fiscal year 2014 ProSiebenSat.1 Media AG generated group revenues in the amount of EUR 2,875.6 million and group earnings before taxes in the amount of EUR 560.1 million.

For further details of the development of the business and the financial results of ProSiebenSat.1 Media AG reference is made to the financial statements and consolidated financial statements as well as the management report and the consolidated management report of ProSiebenSat.1 Media AG for the fiscal year 2014.

## 2.2. **ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH**

### 2.2.1 Corporate Purpose of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH

ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH is a limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*) with its seat in Unterföhring, registered with the commercial register of the local court of Munich under HRB 217551. According to the Articles of Incorporation of the company, its corporate purpose is the management of its own assets; the company has the right to effect any and all measures in promotion of the purpose of the company and to establish branch offices (*Zweigniederlassungen*) and to incorporate, to assume or to invest in other ventures of the same or similar nature. Modality and timing of starting and conducting an operational business of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH are currently not certain. At present, the activity of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH is limited to the management of its own assets.

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### 2.2.2 Legal History of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH

ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH was established on March 17, 2015 as shelf company under the same corporate name. The registration with the commercial register was effected on March 24, 2015.

### 2.2.3 Share Capital and Shareholders

The share capital of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH amounts to EUR 25,000.00. ProSiebenSat.1 Media AG is the sole shareholder of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH.

### 2.2.4 Corporate Bodies and Employees

The sole managing director of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH is Joachim Scheuenpflug. ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH does not have any employees at the time of the submission of this report.

### 2.2.5 Financial Results

Due to the establishment of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH during the current fiscal year, the fiscal year 2015 constitutes a short fiscal year (*Rumpfgeschäftsjahr*). Reference is made to the opening balance sheet dated March 17, 2015.

## **3. Reasons for the Conclusion of the Domination and Profit and Loss Transfer Agreement**

### **3.1 Corporate Law Reasons**

ProSiebenSat.1 Group has a holding structure on which basis the total operational activities is carried out by legally independent group companies. These are managed by ProSiebenSat.1 Media AG as group managing holding company (see above 2.1.2). From a corporate law perspective, the purpose of the domination and profit and loss transfer agreement of ProSiebenSat.1 Media AG with ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH is to facilitate a coherent management of the group of companies by ProSiebenSat.1 Media AG

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The contract based group of companies (*Vertragskonzern*) guarantees that ProSiebenSat.1 Media AG may successfully fulfill its tasks as group managing holding company. These tasks include the strategic management with guidelines for targets of the group of companies, the further development, the control of financial results, the best possible use of synergy potentials between and within the individual business activities as well as the best use of financial resources in the group of companies. This purpose serves the provision in Sec. 1 of the domination and profit and loss transfer agreement with ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH pursuant to which ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH submits itself to the control and the instructions of ProSiebenSat.1 Media AG. The contract based group of companies creates the possibility to match the interest of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH with the interest of the whole group of companies keeping the responsibility for the financial results with ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH.

Furthermore, the conclusion of the domination and profit and loss transfer agreement shall facilitate the handling within the ProSiebenSat.1 Group of the existing bank account clearing systems. With the existence of a domination and profit and loss transfer agreement, the legal restrictions resulting from the provisions regarding the capital maintenance (*Kapitalerhaltung*) of the subsidiaries do not apply in the context of the establishment of a bank account clearing system for the management of the liquidity within the group of companies; instead, the obligation to loss absorption of the dominating companies serves as protection mechanism. This leads to a significant simplification of the control and implementation of the group-wide bank account clearing system.

### 3.2 Tax Law Reasons

ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH is a legally independent subsidiary of ProSiebenSat.1 Media AG. A corporate result generated by ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH is subject to taxation on company level and may, therefore, generally not be set off with profits and losses of ProSiebenSat.1 Media AG or other group companies for purposes of corporate income tax (*Körperschaftsteuer*) or trade tax (*Gewerbsteuer*), regardless if any profits are retained (*thesauriert*) or distributed or any losses are compensated.

If ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH distributes profits in the form of dividends, such dividends as a result are 95% tax-free; 5% of the dividends are deemed non-deductible operating expenses (*Betriebsausgaben*) and are, therefore, subject to taxation pursuant to general principles. Further, ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH generally has to retain withholding tax (*Kapitalertragsteuer*) in the amount of in total 26.375% in case of distribution of dividends and to pay it to the financial authority (*Finanzamt*) which, however, is to be deducted from the

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corporate income tax obligations of ProSiebenSat.1 Media AG and to be compensated in case of a hangover.

The aforementioned disadvantages may be avoided by the establishment of a fiscal unity (*Organschaft*) with respect to corporate income tax and trade tax between ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH and ProSiebenSat.1 Media AG. Main requirement for the establishment of such fiscal unity is the conclusion of a profit and loss transfer agreement (*Gewinnabführungsvertrag*) between ProSiebenSat.1 Media AG as dominating company (subsequently „**Dominating Company**“) and ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH as dependent entity (subsequently „**Dependent Entity**“ or „**Subsidiary**“).

As a result of the fiscal unity, the profits and losses under tax law determined on the level of the Subsidiary are attributed to the Dominating Company for purposes of corporate income tax and trade tax. Thereby, a consolidation of the profits and losses of the Subsidiary with the profits and losses of the Dominating Company for tax purposes is possible. As a consequence, profits and losses of the Subsidiary may be set off with losses and profits of other dependent entities and/or the Dominating Company for tax purposes.

The fiscal unity with respect to corporate income tax does not lead to the cancellation of the general tax obligations of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH. ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH must continue to determine its profits under tax laws as until now pursuant to the general provisions separately from the Dominating Company. The Dependent Entity must transfer to the Dominating Company its annual profit (*Jahresüberschuss*) as calculated under the requirements of the German Commercial Code (*Handelsgesetzbuch, HGB*). Such transfer obligation must be shown in the financial statement of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH as a debt vis-à-vis group companies. Any annual loss (*Jahresfehlbetrag*) must be compensated by the Dominating Company and must be shown in the financial statement of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH as a claim vis-à-vis group companies.

The allocation of profits and losses pursuant to the provisions of the German Commercial Code must be distinguished from the one under tax law. Neither the annual profit nor the annual loss is attributed to the Dominating Company but rather the result of the profits and losses of the Dependent Entity determined in accordance with tax law. For example, non-deductible expenses, tax-free revenues and permitted allocation of reserves lead to differences between the attributable result under tax laws and the result to be transferred or compensated, respectively, pursuant to the trade balance.

The dominating part of the company agreement with ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH shall enable the organizational integration required for purposes of the establish-

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ment of a fiscal unity with respect to value added tax (VAT) (*Umsatzsteuer*). As a consequence of the fiscal unity with respect to VAT only ProSiebenSat.1 Media AG is considered an entrepreneur within the meaning of the Value Added Tax Act (*Umsatzsteuergesetz, UStG*); all services rendered by ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH vis-à-vis third parties are, therefore, attributed to ProSiebenSat.1 Media AG for VAT purposes, whereas services between ProSiebenSat.1 Media AG and ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH are considered internal services not subject to VAT.

Thus, by the establishment of a fiscal unity between ProSiebenSat.1 Media AG and ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH an ideal structure is created for purposes of corporate income tax but also for trade tax and VAT. This does not only apply to the relation between ProSiebenSat.1 Media AG and ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH but also, for example, to the relation to further companies with which ProSiebenSat.1 Media AG as Dominating Company maintains or will establish a fiscal unity.

An economically reasonable alternative to the conclusion of a domination and profit and loss transfer agreement between ProSiebenSat.1 Media AG and ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH did not exist from the point of view of the Executive Board of ProSiebenSat.1 Media AG and the management of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH. In particular, by the conclusion of any other company agreement within the meaning of Secs. 292 et seq. of the German Stock Corporation Act (business lease agreement (*Betriebspachtvertrag*), business surrender agreement (*Betriebsüberlassungsvertrag*), profit pool (*Gewinngemeinschaft*) or agreement to transfer a share of profits (*Teilgewinnabführungsvertrag*) or a business management contract (*Betriebsführungsvertrags*) a consolidated taxation of ProSiebenSat.1 Media AG and ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH may not be reached.

#### **4. Explanation of the Domination and Profit and Loss Transfer Agreement**

The domination and profit and loss transfer agreement (the “**Agreement**”) between ProSiebenSat.1 Media AG as Dominating Company and ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH as Subsidiary constitutes a company agreement within the meaning Secs. 291 et seq. of the German Stock Corporation Act.

The Agreement as well as its individual provisions are to be explained as follows:

##### **4.1 Management and Directives (Sec. 1 of the Agreement)**

Pursuant to the provision in Sec. 1 para. 1 of the Agreement the Subsidiary submits itself irrespec-



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tive of its legal independence to the control of the Dominating Company and undertakes to act according to the instructions of the Dominating Company in conducting its business activities.

In Sec. 1 para. 2 of the Agreement the Dominating Company is granted the right, in exercising its authority to control the business activities of the Subsidiary, to take decisions on the business policy, to issue general guidelines and to give instructions on individual cases.

In Sec. 1 para. 3 of the Agreement the Subsidiary undertakes to follow the decisions, guidelines and other instructions of the Dominating Company and to execute them. The personal responsibility of the Subsidiary's managing directors for complying with the requirements of law is not affected by this obligation.

### **4.2 Information Rights (Sec. 2 of the Agreement)**

Pursuant to Sec. 2 para. 1 of the Agreement the Dominating Company is authorized at any time to examine books and other business documentation of the Subsidiary. The Subsidiary's management is required to provide the Dominating Company at any time all information requested the Dominating Company on all legal, business and organizational matters of the company.

Irrespective of the rights of the Dominating Company agreed upon in Sec. 2 para. 1 of the Agreement, the Subsidiary has to report pursuant to Sec. 2 para. 2 of the Agreement, at the intervals determined by the Dominating Company, on the business performance, in particular, material business transactions.

### **4.3 Profit Transfer (Sec. 3 of the Agreement)**

By the provision in Sec. 3 para. 1 of the Agreement the Subsidiary undertakes to transfer to the Dominating Company in corresponding application of Sec. 301 of the German Stock Corporation Act its entire profit as calculated under the pertinent requirements of the German Commercial Code and in consideration of Sec. 3 para. 2 of this Agreement providing for deposits and release of other revenue reserves (*andere Gewinnrücklagen*). As a consequence, as a rule the annual profit not taking into account the transfer of profits, must be transferred reduced by any loss carried forward (*Verlustvortrag*) and an amount not subject to transfer pursuant to Sec. 268 para. 8 of the German Commercial Code.

Sec. 3 para. 2 of the Agreement, however, stipulates that to the extent permissible under the German Commercial Code and justified according to the judgment of a reasonable business person in business terms, the Subsidiary may deposit amounts from its annual profit for a given year to other

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revenue reserves (Sec. 272 para. 3 of the German Commercial Code). In this case, the profit to be transferred is reduced accordingly. The Dominating Company may request that other revenue reserves formed during the term of this Agreement are to be released or to be used to make up losses or to be transferred as profits.

Pursuant to Sec. 3 para. 3 the income from the release of other reserves, even to the extent they have been formed during the term of the Agreement, may not be transferred or used to make up annual losses; the same applies to any earnings brought forward from other periods as of the inception of this Agreement.

The annual statements of the Subsidiary will not show neither an annual profit nor a net profit (*Bilanzgewinn*) for the duration of the domination and profit and loss transfer agreement due to the existing profit transfer obligation.

### **4.4 Loss Absorption (Sec. 4 of the Agreement)**

The Agreement provides for the obligation of the Dominating Company to loss absorption (*Verlustübernahme*) in accordance with the provisions of Sec. 302 para. 1 of the German Stock Corporation Act as amended from time to time. The Dominating Company is, therefore, obliged to compensate any annual loss occurring during the term of the Agreement not taking into account the loss absorption obligation to the extent that such loss is not compensated by withdrawing amounts from the revenue reserves that were transferred to such reserves during the term of the Agreement.

Also the further provisions of Sec. 302 of the German Stock Corporation Act as amended from time to time apply accordingly to the claim of the Subsidiary for loss absorption. Therefore, the claim for loss absorption becomes time-barred ten years after the publication of the registration of the termination of this Agreement with the commercial register. Further, as a rule the Subsidiary may only waive or settle any claim for loss absorption three years after the date of such publication.

### **4.5 Entry into Effect and Duration of Agreement (Sec. 5 of the Agreement)**

Sec. 5 of the Agreement provides for the entry into effect of the domination and profit and loss transfer agreement, its duration and the termination options.

In accordance with statutory provisions, Sec. 5 para. 1 of the Agreement stipulates that the domination and profit and loss transfer agreement requires the consent of the Subsidiary's ers' meeting as well as the consent of the shareholders' meeting of the Dominating Company and

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that it becomes effective upon the subsequent registration with the commercial register of the Subsidiary.

According to Sec. 5 para. 2 of this Agreement, the duty to transfer profits pursuant to Sec. 3 and the duty to absorb losses pursuant to Sec. 4 of the Agreement shall apply for the first time – and therefore retroactively – as from the beginning of the fiscal year of the Subsidiary in which the Agreement becomes effective pursuant to Sec. 5 para. 1 of this Agreement. In all other respects, the Agreement shall apply as from its registration with the commercial register. This concerns, in particular, the rights to manage and to give directives pursuant to Sec. 1 and the information rights pursuant to Sec. 2 of this Agreement as such rights may not be granted retroactively.

Sec. 5 para. 3 of the Agreement stipulates that the Agreement may be terminated by notice of ordinary cancellation with a notice period of four (4) weeks to the end of the fiscal year of the Subsidiary, however, not earlier as of the end of the fiscal year that ends at least five (5) full years after the beginning of the fiscal year of the Subsidiary during which the Agreement takes effect pursuant to Sec. 5 para. 1. It is envisaged that the Agreement becomes effective during the ongoing short fiscal year of the Subsidiary by registration with the commercial register of the Subsidiary; an ordinary cancellation would be possible at the earliest as of the end of December 31, 2020 under continuation of the calendar based fiscal year. Such corresponding minimum term is stipulated with respect to the statutory requirements for the envisaged fiscal unity with respect to corporate income tax and trade tax (Sec. 14 Corporation Tax Act (*Körperschaftsteuergesetz, KStG*), Sec. 2 para. 2 sentence Trade Tax Act (*Gewerbesteuer-gesetz, GewStG*)) whereby the disadvantageous tax consequences of an ordinary cancellation during the ongoing fiscal year of the Subsidiary are avoided. It is further shown that with the conclusion of the domination and profit and loss transfer agreement a long term approach is taken. If the Agreement is not terminated by notice of cancellation, it is extended until the end of the respective subsequent fiscal year of the Subsidiary.

Sec. 5 para. 4 of the Agreement clarifies that the right to terminate the Agreement without notice period for good cause remains unaffected. Good cause shall be deemed to have occurred, inter alia, in case of the cancellation of the financial integration within the meaning of Sec. 14 para. 1 sentence 1 no. 1 of the German Corporation Tax Act, e.g. due to a transfer of the shares or a corresponding portion of the shares in the Subsidiary by the Dominating Company, a merger, demerger or liquidation of the Subsidiary or the Dominating Company as well as a transformation of the Subsidiary into a legal form which may not be a subordinated company (*Organgesellschaft*) in the meaning of Secs. 14, 17 of the German Corporation Tax Act.

In accordance with statutory provisions of Sec. 297 para. 3 of the German Stock Corporation Act, Sec. 5 para. 5 of the Agreements provides for the written form for the notice of cancellation.

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### **4.6 Final Provisions (Sec. 6 of the Agreement)**

Sec. 6 para. 1 of the Agreement stipulates that changes and amendments to the Agreement must be made in writing.

Sec. 6 para. 2 stipulates that references to statutory provisions relate to the statutory provisions referred to as amended from time to time and that this applies, in particular, to the references to Sec. 301 of the German Stock Corporation Act (maximum amount of the profit transfer) and Sec. 302 of the German Stock Corporation Act (loss absorption). This ensures that any potential legislative amendments will not affect the further fulfillment of the requirements for a fiscal unity with respect to corporation income tax and trade tax purposes which relate to the provisions in Secs. 301, 302 of the German Stock Corporation Act.

Sec. 6 para. 3 contains a salvatory clause. According to this clause, in the event that any provision of the Agreement is or becomes, in full or in part, invalid and/or unenforceable, the validity and enforceability, respectively, of the remaining provisions shall remain unaffected. Any invalid and unenforceable, respectively, provision is deemed to be replaced by such valid and enforceable provision that most closely corresponds to the economic substance of the invalid and unenforceable, respectively, provision. The same applies if there is a gap in the Agreement. This provision corresponds to the common provisions in the contractual practice and is included for reasons of legal precaution. There are no indications that one of the contractual provisions could be invalid.

Finally, Sec. 6 para. 4 of the Agreement stipulates that the costs of the Agreement shall be borne by the Dominating Company.

### **4.7 Compensation and Consideration**

As all shares in the share capital of ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH are held by ProSiebenSat.1 Media AG, the domination and profit and loss transfer agreement does not have to provide provisions regarding compensation and consideration (Secs. 304, 305 of the German Stock Corporation Act). Explanations regarding the valuation may, therefore, be omitted. For the same reason the examination of the Agreement by a qualified auditor is not required (Sec. 293b para. 1 of the German Stock Corporation Act).

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Unterföhring, this April 2, 2015

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

**Management of  
ProSiebenSat.1 Achtzehnte Verwaltung-  
sgesellschaft mbH:**

(signed)

Thomas Ebeling

Chairman of the Executive Board

(signed)

Joachim Scheuenpflug

Sole Managing Director

(signed)

Conrad Albert

Member of the Executive Board

(signed)

Dr. Christian Wegner

Member of the Executive Board

(signed)

Dr. Gunnar Wiefenfels

Member of the Executive Board

(signed)

Dr. Ralf Schremper

Member of the Executive Board