INTERVIEW WITH MAX CONZE

IN THIS INTERVIEW, CEO MAX CONZE TALKS ABOUT PROSIEBENSAT.1'S STRENGTHS, THE PRIORITIES IN THE THREE BUSINESS AREAS AND THE VISION HE HAS FOR DRIVING SUSTAINABLE GROWTH IN THE COMPANY.

●●● MAX, YOU HAVE BEEN CEO OF PROSIEBENSAT.1 SINCE JUNE 2018. WHAT IS YOUR VIEW ON THE COMPANY – WHAT STRENGTHS AND CHALLENGES ARE YOU SEEING?

First and foremost, it excites me that ProSiebenSat.1 combines strong entertainment brands with equally strong e-commerce platforms. That is fairly unique. Almost everyone in the German-speaking countries is familiar with our brands and products – whether in the form of our stations, stars, programs or NuCom companies – associating them with emotions: entertainment that people love, products and services they need. And I am confident that this combination will generate a lot of value for ProSiebenSat.1 in the future. At present, our greatest challenge is the massive change in the media industry, thus the rapid digital transformation that faces us not only with new business models but also with new competitors. Nevertheless, I see this not as a threat but rather as a fantastic opportunity to transform ProSiebenSat.1 into a truly digital, diversified group that continues to grow sustainably.

●●● THIS IS WHY YOU FINE-TUNED THE THREE-PILLAR STRATEGY TOGETHER WITH THE EXECUTIVE TEAM AT THE END OF 2018. WHAT IS YOUR VISION FOR LEADING THE COMPANY INTO THE FUTURE?

We put consumers first in everything we do. It is our credo to consistently take the consumer's perspective into account in every decision. On the one hand, that means for us that we aim to delight our audiences with content on every platform they choose to view our programs on. To do so, we want to make even better use of the creative power of our own Red Arrow Studios production network. On the other hand, we have focused our commerce business on four major consumer needs so that NuCom Group can grow in an even more targeted way. Our mid-term goal is thus to increase revenues from EUR 4 billion to EUR 6 billion and adjusted EBITDA from EUR 1 billion to EUR 1.5 billion, with digital business contributing at least half of the revenues. In this way, we also want to reduce our dependency on advertising.

MAX CONZE

With live shows, news and sports, Max Conze is increasingly opting for local and relevant content on the ProSiebenSat.1 channels.

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PROSIEBENSAT.1 OFFERS A UNIQUE COMBINATION OF STRONG ENTERTAINMENT BRANDS AND EQUALLY STRONG E-COMMERCE PLATFORMS.

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WE PUT CONSUMERS FIRST IN EVERYTHING WE DO.

Thus, we are capitalizing on dynamically growing revenues at Red Arrow Studios, NuCom Group and non-advertising business such as distribution and the ad-tech segment.

●●● WHAT AREAS IS PROSIEBENSAT.1 FOCUSING ON IN ITS ENTERTAINMENT BUSINESS TO COMPETE AGAINST GLOBAL PROVIDERS?

It is important to me that everyone understands what great business entertainment continues to be and what enormous potential there is. The video market – which is the sum of all moving pictures content consumed on both linear and digital platforms – is growing. To make the most of this development, we are investing in a modern entertainment business as well as focusing on local and relevant content, including live shows, news and sports. In this way, we also retain the rights to those kinds of programs, which allows us to exploit the content in the best possible way on linear and digital platforms. We can distribute it on our own websites, apps as well as third-party platforms, and extend it with exclusive, additional digital content. For proof that this is the right strategy, look at our increasing TV audience shares and video views – our content is delighting audiences across all channels. The importance of this topic for our Group is also evident in the concerted effort that we all are currently putting into the market launch of our new streaming platform together with Discovery Communications. We are combining Discovery's and our channels, our SVoD service maxdome as well as the Discovery Eurosport Player into one new product – an aggregation platform where German users can enjoy entertainment from news to top-notch shows and sports from a single source. What's more, we explicitly welcome other content providers and have already won over German TV channel ZDF, among others. I am convinced that this platform will change the German entertainment market. To achieve that, the user experience has to be spot-on in every respect – we will offer usability combined with compelling technology and unique content. This is our top priority in 2019.

●●● LINEAR REACH IS DECLINING AND VISIBILITY IN THE TV ADVERTISING MARKET REMAINS LOW. HOW DO YOU INTEND TO GENERATE GROWTH IN THIS AREA DESPITE THAT?

At the moment, we cannot yet completely measure total reach across all devices, but this should be the case in the first half of 2019. To this end, we are also working closely with the AGF video research institute. Being able to measure total reach – how many people are actually consuming our programs across all channels – will mark a major milestone for our industry, because then we can also market our total reach to advertising clients. After all, in order to spread their message, they continue to demand high-quality content and maximum reach. "Germany's next Topmodel by Heidi Klum" is a very good example of the digital strength of our brands. This format generates in average over 1.5 m video views each day across all digital channels. The next step for us is then to make our reach smart. That means developing advertising products that offer our clients additional addressable reach. This lets them place advertising selectively – for instance according to socio-demographic criteria – and target customers more accurately. We will launch more addressable TV products in 2019 and see great potential to generate additional revenues besides the traditional advertising business. In the mid-term, we expect 25% of our entertainment revenues to come from this "smart-reach" business.

●●● THE COMMERCE BUSINESS WITH NUCOM GROUP IS THE BIGGEST GROWTH DRIVER FOR PROSIEBENSAT.1. HOW DO YOU PLAN TO DEVELOP THIS BUSINESS SUSTAINABLY?

NuCom Group's revenue growth was in the double-digits in 2018 – and this pace is set to continue in 2019. Which is why we and our partner General Atlantic are putting a lot of effort into further developing operationally each commerce company to ensure their long-term organic growth. In this regard, we are also pushing ahead on synergies with the Entertainment segment: NuCom Group benefits from the latter's brand power, marketing expertise and new smart advertising products, while the Entertainment segment learns from NuCom's customer focus and can make use of the generated data for advertising technologies. At the same time, we aim to strengthen and powerfully expand the Commerce portfolio through selective acquisitions. Purchasing US matchmaking provider eharmony – which is the ideal complement to our PARSHIP Elite Group – is a very good example for this approach. On this basis, NuCom Group will already generate revenues of around EUR 1 bn in 2019. This is an incredible achievement, especially considering that this business in this composition has only been a part of the Group for five years.

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I SEE THE RAPID DIGITAL TRANSFORMATION OF THE MEDIA INDUSTRY AS A GREAT OPPORTUNITY.

●●● A NEW EXECUTIVE BOARD AS WELL AS A NEW HOLDING STRUCTURE WILL BE INTRODUCED AT PROSIEBENSAT.1 FROM APRIL 1, 2019. HOW DO YOU BELIEVE THIS WILL SERVE THE GROUP'S DEVELOPMENT?

I am convinced that we can lead this company most successfully into the future with an extended Executive Board. This is why, starting from April, we will have an efficient holding structure and the three pillars of Entertainment, Red Arrow Studios and NuCom Group will be led by two co-CEOs respectively. In this way, we set up the Group significantly more agile, give the operational business greater autonomy and can accelerate our transformation. Moreover, we are implementing the three-pillar structure even more consistently and in a clearer way in this set-up. The new Executive Board will comprise the three holding executives (CEO, CFO and Deputy CEO), the six co-CEOs as well as selected key functional leader (see p. 10/11). I am sure that with this set-up we have created an excellent basis for our future development, in which we will be able to tackle the challenges ahead in 2019 in a more targeted and effective way.

OUR EXECUTIVE BOARD 2018

CONRAD ALBERT
Deputy CEO; Group General Counsel

MAX CONZE
CEO

SABINE ECKHARDT

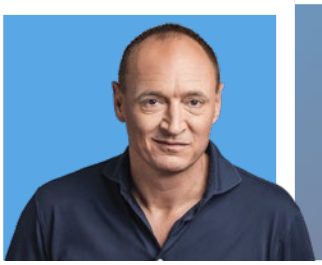
Executive Board Member Sales & Marketing (until April 30, 2019)

DR. JAN KEMPER

CFO; Executive Board Member Commerce (until March 31, 2019)

EXECUTIVE BOARD 2019

EXECUTIVE COMMITTEE



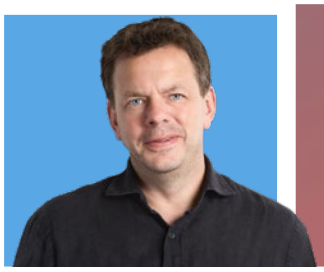
MAX CONZE
CEO

ENTERTAINMENT

MICHAELA TOD[2]
Co-CEO Entertainment

WOLFGANG LINK
Co-CEO Entertainment

RED ARROW STUDIOS



JAMES BAKER
Co-CEO Red Arrow Studios

MARKUS BREITENECKER
CEO
ProSiebenSat.1 PULS 4

RALF PETER GIERIG
Deputy CFO

[1] from July 2019
[2] from April 2019
[3] from June 2019

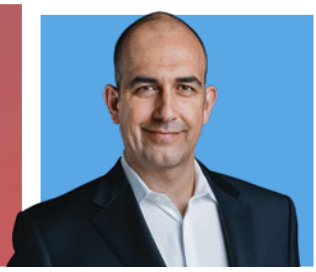
RAINER BEAUJEAN[1]

CFO

CONRAD ALBERT

Deputy CEO;
Group General Counsel

NUCOM GROUP



REZA IZAD

Co-CEO Red Arrow Studios

CLAAS VAN DELDEN

Co-CEO NuCom Group

FLORIAN TAPPEINER

Co-CEO NuCom Group

CHRISTINE SCHEFFLER

Chief Human Resources Officer

NICK THEXTON[3]

Chief Technology Officer

STEFANIE RUPP-MENEDETTER

Head of Communications

TO OUR SHARE HOLDERS

[1] This section is part of the audited Combined Management Report.

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

The media industry is changing increasingly swiftly, the year 2018 was thus characterized by change at ProSiebenSat.1 as well. The Executive Board and Supervisory Board dealt in depth with the Group structure, the business units and, in association, with their future direction. In doing so, the Executive Board came to the conclusion that a strategic realignment of the Company is required in order to meet the current challenges.

The Supervisory Board expressly supports the Group's new strategy. We are convinced that it forms the basis for further sustainable growth in the Company's value and the total shareholder return. ProSiebenSat.1's most important strategic goal is to continue actively shaping the digital transformation and promoting it throughout the Group.

COOPERATION BETWEEN THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

We, the Supervisory Board of ProSiebenSat.1 Media SE, provide the Executive Board with comprehensive advice and ongoing support. In financial year 2018, the Supervisory Board again performed the tasks required of it by law, the Company's Articles of Incorporation, and the rules of procedure, taking into account the recommendations of the German Corporate Governance Code (GCGC) (Deutscher Corporate Governance Kodex – DCGK).

In financial year 2018, the Supervisory Board regularly advised the Executive Board on its management of the Company in a spirit of close and trusting cooperation, and diligently and continuously oversaw the Board in conducting the Company's business. Our work included a detailed examination of the Group's operating and strategic performance. The Supervisory Board received regular, prompt, and comprehensive information from the Executive Board regarding all issues relevant to the Company's strategy, planning, business performance, risk situation, risk management, and compliance, both at the Supervisory Board meetings and outside of meetings. The Executive Board explained to the Supervisory Board all deviations from the projected figures in detail and consulted with the Supervisory Board in that regard. We were therefore directly involved in all decisions of fundamental importance to the Company at an early stage.

The Supervisory Board meetings were characterized by an open, in-depth exchange between the Supervisory and Executive Boards. Closed sessions, in which the members of the Supervisory Board meet without the Executive Board being present, are also an integral part of the meetings. Wherever specific actions required the consent of the Supervisory Board or one of its committees pursuant to the law, the Articles of Incorporation, or the rules of procedure, we consulted on the matter and adopted the requisite resolution. We were kept consistently and comprehensively informed of all matters requiring our approval, and the associated draft resolutions were promptly submitted for review by the Executive Board. The Supervisory Board was supported in this process by the competent Board committees, and it also discussed the proposals with the Executive Board.

In addition to the Supervisory Board meetings, the Executive Board kept us updated on the Company's key financial indicators in written monthly reports and also provided us with both financial information set up during the financial year and annual financial information and reports. Information on events of significance was provided without delay also outside of meetings and the regular reporting process and, where necessary, we were asked to adopt resolutions by circular vote in consultation with me as the Chairman of the Supervisory Board. In addition, I maintained an ongoing and close one-on-one dialog with the Company's CEO and, where necessary, also with the other Executive Board members.

Based on the reports submitted by the Executive Board, the Supervisory Board stayed up to date on the Company's situation at all times, was directly involved in upcoming decisions at an early stage, and was therefore able to perform its tasks in their entirety. There was hence no need for the Supervisory Board to examine the Company's books and other records beyond the documentation provided to us in the course of the Executive Board's reporting activities.

FOCAL POINTS OF THE SUPERVISORY BOARD'S ADVISORY AND MONITORING ACTIVITIES

In financial year 2018, the Supervisory Board dealt with the Company's business and financial situation, fundamental questions of corporate policy and strategy, the general personnel situation, and specific investment projects.

ProSiebenSat.1 set the course for the further digital transformation of the entire Group in 2018. An important step was the realignment of the Group on the basis of a three-pillar strategy, including the fusion of the linear TV business with the Digital Entertainment segment. At the same time, the Group reinforced its digital production expertise by integrating Studio71 into the Content Production & Global Sales segment. The third segment comprises the Commerce portfolio with the core brands of NuCom Group, namely Verivox, Parship Elite Group, Jochen Schweizer mydays, and Flaconi. The Group will continue to expand its portfolio through M&A measures here. However, ProSiebenSat.1 is also now focusing more sharply on business areas with organic growth potential such as local content, digital platforms, improved monetization of reach and the establishment of in-house technologies, especially with regard to data and marketing. The Group is thus laying the foundation for further growth and creating added value for employees and shareholders. In addition, the strategic realignment also includes the adjustment of the dividend policy and the share buyback program adopted in this context.

The ProSiebenSat.1 management team orchestrated all areas of the strategic realignment with the Supervisory Board, especially at the strategy meeting on September 11, 2018. In addition, the Supervisory Board dealt intensively in 2018 with succession planning for the longstanding Chairman of the Executive Board Thomas Ebeling. In Max Conze, we have found a CEO for ProSiebenSat.1 with effect from June 1, 2018, who has extensive international management experience in different sectors. Conrad Albert temporarily assumed the position of CEO until Max Conze took office and thus ensured continuity for the company.

All in all, the Supervisory Board of ProSiebenSat.1 Media SE held five regular, in-person meetings, eight extraordinary teleconferences, and one full-day session in 2018. For a few exceptions, all members of the Supervisory Board attended all meetings. An individual breakdown of meeting attendance is presented in the Corporate Governance Report, which can be found online at → www.prosiebensat1.de/en/investor-relations/corporate-governance/corporate-governance-report and in the Annual Report starting on → page 41.

— At an extraordinary meeting held by teleconference on February 11, 2018, the Executive Board informed us of General Atlantic's planned investment in NuCom Group of 25.1%. We were given a comprehensive insight into the strategic significance of the transaction, the further steps planned and the intended timetable. The Supervisory Board approved the transaction at a second extraordinary meeting on February 21, 2018.

  With General Atlantic as a partner, ProSiebenSat.1 is laying the foundation for further growth of NuCom Group and the expansion of the enterprise into a leading commerce provider in Europe. In a first joint transaction, NuCom Group acquired shares in Verivox and Parship Elite Group held by Oakley Capital and other investors, which increased its shareholdings to nearly 100% and around 94% respectively. In addition, NuCom Group acquired the remaining minority shares in SilverTours GmbH (billiger-mietwagen.de) and now owns 100% of the company. With these joint acquisitions, ProSiebenSat.1 and General Atlantic are showing the strategic direction for the years to come: Ownership and control structures are to be simplified and the earnings base consolidated.

— At the financial statements meeting held on March 12, 2018, the Supervisory Board approved the Annual and Consolidated Financial Statements, the Combined Management and Group Management Report, and the Corporate Governance Report for financial year 2017 as well as the 2017 Declaration of Compliance. The Board reviewed and concurred with the proposal of the Executive Board for the allocation of profits. This also applies to the Audit and Finance Committee's proposal for the appointment of the auditor for financial year 2018. We also approved the agenda for the Annual General Meeting on May 16, 2018, with the corresponding proposed resolutions. The Supervisory Board followed the recommendations of the Compensation Committee and approved topics relating to Executive Board remuneration, i.e. payment of a performance bonus for financial year 2017 as well as settlement of the 2014 Group Share Plan and the amounts of the related cash disbursements. The implementation of a new compensation system for members of the Executive Board was unanimously approved. We also extensively discussed and approved the individual targets for the Executive Board members for the financial year. In addition, it was announced that the Presiding and Nominating Committee dealt with potential succession planning for the Supervisory Board member Antoinette P. Aris at its meeting on March 9, 2018. At the financial statements meeting, we were moreover supplied with a detailed overview of the Company's current performance and were informed about possible M&A transactions.

— At an extraordinary meeting on March 23, 2018, the Supervisory Board resolved to nominate Ms. Marjorie Kaplan as successor to the departing Supervisory Board member Antoinette P. Aris for election at the Annual General Meeting in May 2018. The meeting was held by teleconference.

- Max Conze introduced himself to the shareholders as the new Chairman of the Executive Board at the Annual General Meeting on May 16, 2018. Another regular Supervisory Board meeting was held after the Annual General Meeting. This was also the first meeting attended by the new Supervisory Board member Marjorie Kaplan, who took over Antoinette P. Aris' seat on the Supervisory Board effective May 16, 2018. Antoinette P. Aris was replaced in the respective committees by Angelika Gifford (Audit and Finance Committee) and Prof. Dr. Rolf Nonnenmacher (Compensation Committee). At this meeting, we were thoroughly informed about the development in the individual business areas and possible M&A transactions. These included the potential partnership with Discovery Communications with the aim of establishing a shared local streaming platform for Germany. Another topic at this Supervisory Board meeting was the planned implementation of the new EU General Data Protection Regulation, which came into force on May 25, 2018. Furthermore, we were given an insight into the processes for budget planning in 2019 and the long-term strategy plan for 2019 – 2023. In this meeting I also informed the Board that I had spoken with Mr. Christof Wahl about the need to discontinue the responsibilities of his Executive Board position arising from the pending reorganization of the Entertainment segment in connection with the three-pillar strategy and about an early termination of his employment contract. The Supervisory Board then authorized me to conduct further talks with Christof Wahl.

- The Company's annual strategy meeting was held on June 20, 2018. Here, Max Conze told us about his first impressions since taking office as CEO of ProSiebenSat.1 Media SE and the Group's planned strategic development. The objective is to continue the growth in a sustainable manner while increasingly focusing on important investment areas such as the maximization of reach and attractive programming. In this context, the status and the further development of the joint venture with Discovery Communications regarding the online-streaming and catch-up platform "7TV" were also discussed again. Together with Discovery, ProSiebenSat.1 is expanding 7TV into a central and cross-provider streaming platform in the German market. The Group is thus responding to altered media usage interests.

- On July 21, 2018, an extraordinary meeting was held by teleconference. At this meeting, we were informed about the Group's financial performance in the third quarter of 2018 and the associated capital market communication.

- At a regular Supervisory Board meeting on September 11 and 12, 2018, the Executive Board informed us about the planned update to the allocation of responsibilities in the rules of procedure. This update ensures that the three-pillar strategy is rigorously reflected in the rules of procedure and in the operating and managerial responsibilities within the Company. We were also informed about potential upcoming M&A transactions, such as a potential acquisition of the online matchmaking site eharmony. At this meeting, the Supervisory Board, having regard to the recommendation of the Audit and Finance Committee, decided to propose the audit firm Ernst & Young to the next Annual General Meeting on June 12, 2019, for election as the statutory auditor for financial year 2019; the Audit and Finance Committee's recommendation and the Supervisory Board's decision constituted an appropriate selection procedure in accordance with Art. 16 of Regulation (EU) No. 537/2014 on specific requirements regarding statutory audit of public-interest entities (statutory auditor regulation). In addition, we approved the appointment of Conrad Albert, Deputy CEO of ProSiebenSat.1 Media SE, as a member of the Supervisory Board at Orange Ocean UG. The non-profit organization Orange Ocean campaigns for the protection of the world's oceans.

- Another teleconference on October 31, 2018, was devoted to preparations for Capital Markets Day on November 14, 2018, and the evaluation of the current business situation. The Executive Board provided us with extensive information on the Company's financial performance.

- At an extraordinary Supervisory Board meeting held by teleconference on November 7, 2018, we were informed about the successful conclusion of the contract negotiations with the American film and television company Warner Bros. Entertainment and granted our approval. We also approved a share buyback program with a total volume of up to EUR 250 million and a total term of 12 to 24 months on the recommendation of the Audit and Finance Committee. At the current valuation level, the Group uses share buybacks as an instrument to improve its capital efficiency. The Supervisory Board also dealt with an adjustment of the dividend policy, which it also approved at the recommendation of the Audit and Finance Committee. Finally, the Supervisory Board agreed that the contract of Jan David Frouman, Chairman & CEO of Red Arrow

Studios and Executive Board member of ProSiebenSat.1 Media SE, which has a term until February 28, 2019, will not be extended. Jan David Frouman has worked for the Company in various roles since 2004. He established Red Arrow Studios from 2010 and was a member of the Executive Board of ProSiebenSat.1 Media SE from March 1, 2016.

Following the meeting on November 7, 2018, the Group informed the capital market of the adjustment of the financial outlook for full-year 2018 and the results of the strategy update. In addition to the announcement of the above-mentioned share buyback program, this included the adjustment of the dividend policy. At the same time, ProSiebenSat.1 will invest additionally in local content, the expansion of digital platforms and an improved monetization of reach from 2019 for a modern and even more relevant entertainment business in the future. An important component is the enhancement of the joint venture 7TV as an alternative to the offers of the global Internet corporations and the many compartmentalized in-house distributors of local competitors.

- At the regular Supervisory Board meeting on December 6, 2018, the provisional budget for 2019 and the provisional long-term strategy plan for 2019–2023 for ProSiebenSat.1 Group were presented to us. We were also informed in full detail about the economic performance of the key business areas. In addition, we were given a comprehensive insight into the business area and the business performance of the investments Studio71, BuzzBird and Amorelie. The other agenda items at this meeting were planned M&A transactions and a review of Capital Markets Day on November 14, 2018.

- Another extraordinary Supervisory Board meeting was held by teleconference at the beginning of the new financial year on February 18, 2019. The meeting dealt with the enhancement of the Executive Board and holding structure with the aim of speeding up the transformation process. The Group's Executive Board is to be streamlined to three core tasks – the CEO role, the Finance department (CFO) and the function of Group General Counsel & Deputy CEO (Executive Committee). In parallel, the Company will establish a new Executive Board on holding level from April 2019, on which the CEO, CFO and Deputy CEO/Group General Counsel will sit as well as the respective Co-CEOs, who lead the subordinate pillars – Entertainment, Red Arrow Studios and NuCom Group. The transfer of operational decision-making processes to the individual pillars will make the Group much more agile and effective in the future. Sabine Eckhardt and Dr. Jan Kemper are leaving the ProSiebenSat.1 Executive Board by mutual consent. The Supervisory Board consented to this in this meeting.

In addition, the Supervisory Board – after extensive discussion at the regular Supervisory Board meetings – adopted seven resolutions by way of written circular vote in 2018, including on the following topics: In May, the Supervisory Board approved the appointment of Conrad Albert as a member of the Supervisory Board of Bavaria Studios & Production Services GmbH. In June, the Supervisory Board approved the termination of Christof Wahl's employment contract as a member on the Executive Board of ProSiebenSat.1 Media SE. In August, the Supervisory Board followed the recommendation of the Compensation Committee and approved the terms and conditions of the new Performance Share Plan and the performance targets for the members of the Executive Board for financial year 2018. In October, the Board granted its approval for the 100% acquisition of the online matchmaking service eharmony by Parship Elite Group.

REPORT ON THE WORK OF THE COMMITTEES

The Supervisory Board of the Company has formed various committees to support it in its work. In 2018, the Board had four committees to ensure efficient execution of its duties: The Presiding and Nominating Committee, the Compensation Committee, the Audit and Finance Committee, and the Capital Markets Committee. The committees reported to the Supervisory Board regularly and comprehensively on their activities in its plenary sessions. The main emphases of the committees' work are described below. An individual breakdown of attendance at meetings of the Supervisory Board's committees is provided in the Corporate Governance Report, which can be found on our website at → www.prosiebensat1.de/en/investor-relations/corporate-governance/corporate-governance-report as well as starting on → page 41 of the Annual Report.

The **Presiding and Nominating Committee** met five times by teleconference in 2018. It passed a total of two resolutions by way of circular vote. This committee coordinates the work of the Supervisory Board and prepares its meetings. In addition, it is responsible for the tasks of a nominating committee in accordance with the German Corporate Governance Code and adopts resolutions that have been delegated to it under the Supervisory Board's rules of procedure. This includes examining license agreements, distribution agreements, and marketing agreements.

In 2018, one of the priorities of the discussions in the Presiding and Nominating Committee was the succession of the Supervisory Board member Antoinette P. Aris. Antoinette P. Aris had been a member of the Supervisory Board of ProSiebenSat.1 Media SE since June 26, 2014, and left the Board at her own request with effect as of the end of the Annual General Meeting on May 16, 2018. The succession was first discussed at an extraordinary meeting by teleconference on March 9, 2018; the topic was also the subject of an extraordinary meeting on March 14, 2018, and another extraordinary meeting on March 16, 2018. At an extraordinary meeting on March 20, 2018, all members of the committee voted for the candidate Marjorie Kaplan to succeed the member of the Supervisory Board Antoinette P. Aris.

The **Compensation Committee** prepares resolutions on personnel-related Executive Board matters for plenary sessions of the Supervisory Board. This committee held one meeting in person and six meetings by teleconference in 2018. At an initial meeting on January 11, 2018, the committee addressed the implementation of a new compensation system for the members of the Executive Board; another meeting on January 16, 2018, dealt with the Executive Board members' target achievement under the 2014 Group Share Plan. At the meeting on January 23, 2018, the Executive Board members' individual degrees of target achievement for the 2017 performance bonus were presented and approved. The new compensation system for the members of the Executive Board was discussed again at another meeting, which was held by teleconference on February 2, 2018. At an extraordinary meeting on February 28, 2018, the committee also dealt in detail with the performance bonus targets for the individual Board members for financial year 2018 and agreed on a corresponding recommendation to the full Supervisory Board. The meeting on June 8, 2018, addressed the adjustment of the Executive Board contracts in connection with the new compensation system and the definition of the degree of target achievement in the Mid-Term Incentive Plan.

Another resolution was also adopted by circular vote: In July 2018, the committee approved the final terms and conditions of the new Performance Share Plan and the 2018 performance bonus targets for each Executive Board member.

The **Audit and Finance Committee** held five meetings in the period under review, which were also attended by the CFO and the auditor. It reviewed the Annual Financial Statements and the Consolidated Financial Statements, the Combined Management Report, and the proposal for the allocation of profits in preparation for the Supervisory Board, discussing the audit report and the auditor's verbal report on the main findings of the audit in particular depth. The Audit and Finance Committee did not find any grounds for objections in its reviews. In addition, the Audit and Finance Committee discussed the quarterly statements and the Half-Yearly Financial Report with the Executive Board prior to their publication, taking account of the auditor's report on the audit review. It is also the Audit and Finance Committee's task to prepare the Supervisory Board's review of the Company's non-financial reporting.

In the period under review, monitoring of the financial reporting focused on the potential impairment of goodwill and other intangible assets, the measurement of programming assets, accounting for acquisitions of companies and shareholdings, revenue recognition, hedge accounting, accounting for financial liabilities, and income taxes.

The Audit and Finance Committee monitored the accounting process and the effectiveness of the internal control system and the risk management system, also referring to the corresponding reports by the head of Internal Audit and the auditor. No significant weaknesses in the internal control system for the accounting process or in the early risk detection system were identified by the auditor.

In addition, the Audit and Finance Committee handled the preparation of the Supervisory Board's proposal for the appointment of the auditor for financial year 2018 by the Annual General Meeting, the engagement of the auditor, and the fee agreement with the auditor. It monitored the effectiveness of the audit of the financial statements and the independence of the auditor, as well as the services performed by the auditor in addition to auditing services. The Audit and Finance Committee was involved in the selection procedure in accordance with Art. 16 of Regulation (EU) No. 537/2014 (statutory auditor regulation) with regard to the appointment of the auditor for financial year 2019 and, as a result of the selection procedure, submitted an appropriate recommendation of candidates, including a preference for the audit firm Ernst & Young, to the Supervisory Board.

The Audit and Finance Committee continuously engaged in dialog with the auditor regarding the main audit risks and the required focus of the audit of the financial statements. It established an internal regulation on services by the auditor that are not related to the audit of the financial statements ("non-audit services") and ensured that the auditor and the Executive Board informed it at each meeting about corresponding contracts and the fees incurred in this context, which it approved.

In addition, the Audit and Finance Committee was regularly informed about the further development of the compliance management system, the handling of suspected compliance incidents, legal and regulatory risks, and the risk situation, risk identification, and risk monitoring at the Company. There were also regular reports on the risk assessment by the Internal Audit department, its resources, and audit planning.

The Executive Board regularly informed the Audit and Finance Committee of the status of various activities to finance and secure liquidity for the Company. This was partly done at another meeting in person in December.

The heads of the responsible departments also attended the Audit and Finance Committee's meetings for selected items of the agenda, providing reports and answering questions. In addition, the chairman of the Audit and Finance Committee held discussions on important individual topics between the meetings, particularly with the chairman of the Supervisory Board, the Chief Financial Officer, and the auditor. The main results of these discussions were regularly reported to the Audit and Finance Committee, as well as to the Supervisory Board where necessary.

The **Capital Markets Committee** is authorized to decide in lieu of the full Supervisory Board on whether to approve the use of the Company's Authorized Capital as well as on the associated measures. In financial year 2018, a Capital Markets Committee meeting was held on July 15, 2018. Besides capital market communication, this meeting dealt with ideas regarding a possible share buyback program and a potential adjustment of dividend policy. The agenda also included possible M&A transactions in the second quarter of the financial year.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2018

The Annual and Consolidated Financial Statements of ProSiebenSat.1 Media SE and the Combined Management Report for financial year 2018 were audited by the Munich office of KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG) in accordance with generally accepted accounting principles and were issued an unqualified audit report on February 25, 2019.

All documents relating to the financial statements, the Risk Report, and the KPMG audit reports were made available to the members of the Supervisory Board in due time and were subjected to a thorough review by us. Another subject of the discussions was the Non-Financial Group Statement in accordance with Sections 289c and 315c(1) HGB. The documents were discussed in detail in the presence of the auditors, first at a meeting of the Audit and Finance Committee and then at a meeting of the Supervisory Board. At those meetings, the auditor reported on its significant audit findings. No accounting-related deficiencies were identified in either the internal control system or the risk management system, nor did any circumstances arise that could give cause for concern about the independence of the auditors.

In addition to auditing services, the auditors performed other attestation services amounting to EUR 0.4 million (previous year: EUR 0.5 million), tax advisory services amounting to EUR 0.0 million (previous year: EUR 0.1 million), and other services amounting to EUR 0.1 million (previous year: EUR 0.3 million). Details of the services provided by the auditors and the amounts remunerated are presented in Note 35 of the Notes to the Consolidated Financial Statements.

The Supervisory Board acknowledged and approved the auditor's findings and, after completing its own examination, found no cause for objection on its part either. The Supervisory Board also approved the Annual and Consolidated Financial Statements prepared by the Executive Board and audited by the auditor as well as the Combined Management Report. The Annual Financial Statements are thus adopted. Finally, the Supervisory Board reviewed and concurred with the Executive Board's proposal for the allocation of profits.

In accordance with Section 111(2) Sentence 4 of the German Stock Corporation Act (Aktiengesetz – AktG), the Supervisory Board commissioned an external review of the content of the Combined Non-Financial Statement from KPMG. KPMG issued an unqualified audit opinion in this regard. This means that, according to the assessment by KPMG, the Combined Non-Financial Statement of ProSiebenSat.1 Media SE was prepared in compliance with Sections 315b and 315c in conjunction with Sections 289b to 289e HGB in all material respects. In its review, which was also based on the Audit and Finance Committee's report on its preparatory review and its recommendation, and the review of KPMG's report and its audit opinion, the Supervisory Board likewise did not identify any reasons to doubt the correctness and appropriateness of the Non-Financial Group Statement.

CONFLICTS OF INTEREST

The members of the Supervisory Board are required to disclose to the Presiding and Nominating Committee possible conflicts of interest without delay. In financial year 2018, the following indications of conflicts of interest were determined due to certain members of the Supervisory Board simultaneously having seats on corporate bodies of competitors or business partners of ProSiebenSat.1 Media SE:

- Antoinette (Annet) P. Aris is on the Supervisory Board of Thomas Cook PLC. As a precautionary measure, she therefore absented herself from the Company's Supervisory Board meetings before any discussion of the travel portfolio took place. She rejoined the meetings only after the discussions had been completed or the relevant resolutions adopted.

- Angelika Gifford has been on the Supervisory Board of TUI AG since February 2016. She likewise absented herself from the meetings of the ProSiebenSat.1 Media SE Supervisory Board as a precautionary measure before any discussion of the travel portfolio took place and rejoined the meetings only after the discussions had been completed or the relevant resolutions adopted.

Otherwise, there were no indications of any conflicts of interest.

CORPORATE GOVERNANCE

The Executive Board and the Supervisory Board have compiled a separate report on corporate governance. The Corporate Governance Report and the Management Declaration pursuant to Sections 289f and 315d of the German Commercial Code can be found on our website at → www.prosiebensat1.com and in the Annual Report from → page 41.

CHANGES IN THE COMPOSITION OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

On February 21, 2018, we appointed Max Conze as the new Chairman of the Executive Board of ProSiebenSat.1 Media SE. He took over from Thomas Ebeling as of June 1, 2018. Max Conze was most recently Chief Executive Officer at Dyson. With his innovativeness and marketing expertise, he expanded the company into a dynamically growing global technology group.

The longstanding Chairman of the Executive Board of ProSiebenSat.1 Media SE, Thomas Ebeling, left the Company with effect from the end of February 22, 2018. Thomas Ebeling had a contract lasting until mid-2019. When his contract was last extended, however, he already stated that he would no longer be available for another extension afterwards. Conrad Albert, who has been at the Company since 2005 and is Deputy CEO of ProSiebenSat.1 Media SE and the Company's General Counsel, was appointed as Deputy chairman of the Executive Board with immediate effect as of November 19, 2017, and assumed the position of CEO until Max Conze took office.

Christof Wahl, Chief Operating Officer Entertainment of ProSiebenSat.1 Media SE, left the Group by mutual agreement on July 31, 2018. Following the pooling of the Entertainment portfolio activities in a single segment, Christof Wahl's areas of responsibility relating to digital entertainment were bundled in this segment in order to achieve closer cooperation between traditional and digital offerings.

In addition, Jan David Frouman, Chairman & CEO Red Arrow Studios and member of the Executive Board of ProSiebenSat.1 Media SE, left the Company at the end of his contract on February 28, 2019. He established Red Arrow Studios from 2010 and was a member of the Executive Board of ProSiebenSat.1 Media SE from March 1, 2016.

In February 2019, the Group announced further changes to the Executive Board and established a new management structure: After 15 years, Sabine Eckhardt, Executive Board Member Sales & Marketing, has decided to leave ProSiebenSat.1 Group by mutual consent as of April 30, 2019. Michaela Tod will take over Sabine Eckhardt's responsibilities from April 2019. She will manage the new Entertainment pillar as Co-CEO Entertainment together with Wolfgang Link.

After nearly two years as CFO, Dr. Jan Kemper is also leaving the Executive Board by mutual consent as of March 31, 2019. His successor Rainer Beaujean, currently CFO of the listed packaging manufacturer Gerresheimer AG, will take office as ProSiebenSat.1 CFO on July 1, 2019. During the transition period, Ralf Peter Gierig, the long-standing Deputy CFO of ProSiebenSat.1 Group, will take over as interim CFO reporting to Max Conze.

In the future, the Group will be managed by an Executive Committee comprising the CEO, CFO and Deputy CEO/Group General Counsel. At the same time, the Company will introduce a new Executive Board at holding level as of April 1, 2019, on which the two co-CEOs of the respective segments will also be represented. This new holding structure is the logical continuation of the three-pillar strategy: More independence and autonomy in operational business will help ProSiebenSat.1 to transform its business model.

The composition of the Company's Supervisory Board changed as follows in financial year 2018:

Antoinette P. Aris, member of the Supervisory Board and of the Compensation and Audit and Finance Committees, left the Supervisory Board of ProSiebenSat.1 Media SE with effect from the end of the Annual General Meeting on May 16, 2018. She was succeeded at the end of the Annual General Meeting on May 16, 2018, by Marjorie Kaplan. Ms. Kaplan, who lives in London, is a self-employed entrepreneur and member of the Supervisory Board of The Grierson Trust.

THANK YOU FROM THE SUPERVISORY BOARD

On behalf of the Supervisory Board, I would like to wholeheartedly thank the members of the Executive Board. I would expressly like to thank Conrad Albert on behalf of the entire Supervisory Board; he managed the Company as CEO until the summer of 2018 and massively advanced the implementation of the three-pillar strategy during that time. He proved himself as a very distinctive and experienced businessman in the German media industry.

I also sincerely thank Antoinette P. Aris. She was a member of the Supervisory Board from June 2014 to May 2018 and crucially supported our committee work with her expertise and engagement.

I would also like to take this opportunity to especially thank all employees for their great commitment in financial year 2018. Their work forms the cornerstone for the success of ProSiebenSat.1 Group.

In conclusion, I would like to convey my thanks to you, our esteemed shareholders, for your confidence in the Company and in the company stock of ProSiebenSat.1. 2018 was a challenging year, but the course has been set for growth.

Unterföhring, March 2019
On behalf of the Supervisory Board

DR. WERNER BRANDT
CHAIRMAN

001 / MEMBERS OF THE SUPERVISORY BOARD OF PROSIEBENSAT.1 MEDIA SE AND THEIR MANDATES IN OTHER SUPERVISORY BOARDS

Dr. Werner Brandt Chairman	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 Consultant	Mandates: RWE AG (non-executive), Siemens AG (non-executive)
Dr. Marion Helmes Vice Chairwoman	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 Consultant	Mandates: Uniper SE (non-executive), British American Tobacco LTD (non-executive), Heineken N.V. (non-executive), Siemens Healthineers (non-executive)
Lawrence A. Aidem	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 Reverb Advisors (Managing Partner)	Mandates: none
Antoinette (Annet) P. Aris	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE from May 21, 2015 until May 16, 2018 INSEAD (Adjunct Professor of Strategy)	Mandates: Thomas Cook PLC (non-executive), Jungheinrich AG (non-executive), ASR Netherlands N.V. (non-executive), ASML N.V. (non-executive), Randstad N.V. (non-executive), Rabobank (non-executive)
Adam Cahan	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 Independent Entrepreneur	Mandates: none
Angelika Gifford	Member of the Supervisory Board of ProSiebenSat.1 Media AG and ProSiebenSat.1 Media SE since May 21, 2015 Several non-executive roles in other companies	Mandates: Rothschild & Co. S.C.A, Paris (non-executive), TUI AG, Berlin/Hannover (non-executive)
Erik Adrianus Hubertus Huggers	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 Consultant	Mandates: none
Marjorie Kaplan	Member of the Supervisory Board of ProSiebenSat.1 Media SE since May 16, 2018 Independent Entrepreneur	Mandates: The Grierson Trust, Petersborough/UK (non-executive)
Ketan Mehta	Member of the Supervisory Board of ProSiebenSat.1 Media SE since November 24, 2015 Allen & Company LLC (Managing Director)	Mandates: none
Prof. Dr. Rolf Nonnenmacher	Member of the Supervisory Board of ProSiebenSat.1 Media SE since May 21, 2015 Auditor	Mandates: Continental AG (non-executive), Covestro AG (non-executive), Covestro Deutschland AG (non-executive)

CORPORATE GOVERNANCE REPORT

In the following, the Executive Board and Supervisory Board present their annual report on corporate governance at the Company in accordance with the recommendation given in Item 3.10 of the German Corporate Governance Code (GCGC) (Deutscher Corporate Governance Kodex – DCGK) and give their view on the Code's proposals.

The Executive Board and Supervisory Board regard good corporate governance as an essential component of responsible, transparent management and control geared toward long-term value creation. The German Corporate Governance Code establishes a standard for transparent control and management of companies that is particularly aligned to the interests of shareholders. Many of the principles contained in the German Corporate Governance Code have already been standard practice at ProSiebenSat.1 for a long time.

Specific issues relating to corporate governance at ProSiebenSat.1 Media SE and ProSiebenSat.1 Group are presented in more detail in the Management Declaration in accordance with Sections 289f and 315d of the German Commercial Code (Handelsgesetzbuch – HGB); this includes in particular the annual Declaration of Compliance with the German Corporate Governance Code and stipulations on the equal participation of women in management positions at the two management levels below the Executive Board. Supplementary statements such as information on relevant corporate governance practices and the compliance management system (CMS), a description of the working procedures of the Executive Board and Supervisory Board, stipulations on the equal participation of women in management positions on the Executive Board and the Supervisory Board, a presentation of the composition and working procedures of the committees, and supplementary information regarding capital market communications and accounting principles can be found in this Corporate Governance Report.

In the Non-Financial Statement in accordance with section 289c and section 315c(1) of the German Commercial Code (HGB), ProSiebenSat.1 also reports on the main non-financial aspects for the financial year 2018 with the corresponding information needed in order to understand the Company's business development, results and position as well as the effects of its business activities on the non-financial aspects.

FUNDAMENTALS OF CORPORATE GOVERNANCE

ProSiebenSat.1 Media SE is a listed European stock corporation (Societas Europaea – SE), with its registered office located in Germany. Thus, in addition to the German Corporate Governance Code, the formal structure for corporate governance is derived from German and European law, notably the law governing European Companies (SEs), stock corporation and capital markets law, and the Articles of Incorporation of ProSiebenSat.1 Media SE.

INFORMATION ON CORPORATE GOVERNANCE PRACTICES

The Executive Board is convinced that sustainable economic success in a competitive environment can only be achieved by ensuring that all action taken is in compliance with the applicable laws. Therefore, preventing corruption and other breaches of law are key success factors with regard to strengthening our market position and achieving our corporate targets. In addition to preventing corruption, the Company particularly focuses on antitrust legislation and media law as well as data protection due to increasing digitalization of the Group's activities.

ProSiebenSat.1 Group has implemented a compliance management system (CMS) to monitor compliance with the law. The main objective of the CMS is to ensure that all employees always think and act with integrity and in accordance with the law and thus to prevent law- and rule-breaking from the start. In view of its Group structure, ProSiebenSat.1 has established both a central and a decentralized compliance organization. The central organization is made up of the Compliance Board and the Group's Chief Compliance Officer (CCO), who are assisted in the performance of their duties by experts from other areas, such as the Legal Department. The Compliance Board and the CCO support and advise the Executive Board in implementing, monitoring, and updating the CMS. The CCO is entrusted with implementing the CMS in the Group, carries out risk analyses and training, and advises the Executive Board on the development and implementation of appropriate measures to minimize risk. In addition, he or she monitors legal developments and makes proposals for updating the CMS. The decentralized compliance organization is represented by Unit Compliance Officers (UCOs), who are appointed in Group entities. Overall responsibility for the CMS lies with the Executive Board of ProSiebenSat.1 Media SE as the parent company of ProSiebenSat.1 Group. → Sustainability, page 88

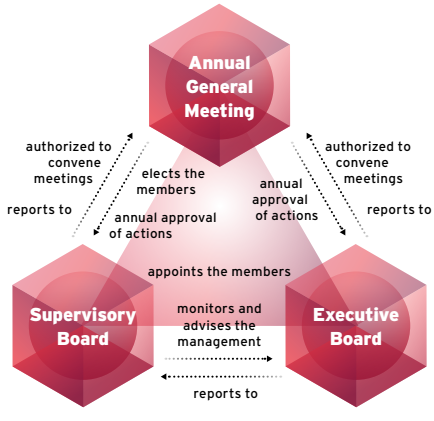
ProSiebenSat.1 Group has laid down basic guidelines and policies in its Code of Conduct. The guidelines define the general standards for conduct in business, legal and ethical matters and also govern how employees can report misconduct in the Company. They serve all members of the Executive Board, the management, and the employees of ProSiebenSat.1 Group as a binding reference and regulatory

framework for dealing with each other and with business partners, customers, suppliers, and other third parties. The Code of Conduct can be viewed online at → www.prosiebensat1.com/en/investor-relations/corporate-governance/code-of-conduct.

THE COMPANY'S GOVERNING BODIES

As a European Company (Societas Europaea – SE), ProSiebenSat.1 Media SE operates under a dual system via its three governing bodies: the Annual General Meeting, the Supervisory Board (supervisory body) and the Executive Board (managing body). Those bodies' duties and powers are governed by Council Regulation (EC) No 2157/2001 of October 8, 2001 on the Statute for a European Company (SE Regulation), the SE Regulation Implementation Act (Gesetz zur Ausführung der SE-VO – SEAG), the German Stock Corporation Act (Aktiengesetz – AktG) and the Articles of Incorporation of ProSiebenSat.1 Media SE.

002 / CORPORATE GOVERNANCE STRUCTURE OF PROSIEBENSAT.1 MEDIA SE



A clear separation of powers is maintained between the management function and the supervisory function. The managing body is the Executive Board, which is overseen and advised by the Supervisory Board on management of the Company. All transactions and decisions of fundamental significance for the Company are undertaken by the Executive Board in close consultation with the Supervisory Board. → Fig. 002 To this end, open communication and close cooperation between the two bodies is of particular importance. This Corporate Governance Report describes the working procedures of the Executive Board and Supervisory Board and the cooperation between them. The remuneration paid to the members of the Executive Board and the Supervisory Board is described in the Compensation Report.

The Company's shareholders exercise their rights of co-administration and oversight at the Annual General Meeting, which is handled rapidly by the chair of the meeting and should be finished after four to six hours at the latest. Parts of the Annual General Meeting are also broadcast online. Each common share confers one vote at the Annual General Meeting. The shareholders are notified of the items on the agenda of the Annual General Meeting and the resolutions proposed by the Executive Board and the Supervisory Board in a timely manner in the meeting invitation. The Executive Board ensures that a proxy is appointed to exercise shareholders' voting rights as per their instructions and thus make it easier for shareholders to exercise their rights. The proxy is present and available at the Annual General Meeting, and shareholders or their representatives are able to authorize and issue instructions to the proxy up until the day before the respective Annual General Meeting. In the event of a takeover offer, the Executive Board may convene an Extraordinary General Meeting at which the shareholders will discuss the takeover offer and possibly adopt corporate law measures.

COMPOSITION OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

According to the Company's Articles of Incorporation, the Executive Board must be composed of one or more members. The number of Executive Board members is determined by the Supervisory Board. As of December 31, 2018, the Executive Board of ProSiebenSat.1 Media SE had five members (previous year: six members). Members of the Executive Board are appointed and removed by the Supervisory Board in accordance with Article 39(2) SE Regulation. In accordance with Section 7(2) Sentence 1 of the Articles of Incorporation in conjunction with Article 46 SE Regulation Executive Board members are appointed for a maximum period of five years. Reappointments are permitted for a maximum of five years respectively. → Members of the Executive Board, page 254, → Compensation Report, page 50, → Takeover-Related Disclosures, page 71

The Articles of Incorporation stipulate that the Supervisory Board must have nine members, all of whom are to be elected by the Annual General Meeting. As in the previous year, the Supervisory Board of ProSiebenSat.1 Media SE had nine members as of December 31, 2018. New Supervisory Board members take part in a structured onboarding process, in which they are familiarized with the Company and their tasks. → Members of the Supervisory Board, page 255

TARGETS FOR EXECUTIVE BOARD COMPOSITION

On May 12, 2017, the Supervisory Board resolved to set a target for the equal participation of women on the Executive Board of at least one woman. The deadline for implementing this target is December 31, 2019. With Sabine Eckhardt as a member of the Executive Board of ProSiebenSat.1 Media SE, this target was met for the equal participation of women in the Executive Board during the reporting period.

ProSiebenSat.1 values the diversity of individual characteristics, experience, and expertise that its employees and managers contribute to the Company, and regards diversity as an important success factor for the Group's development. In particular, the proportion of men and women at the Company and in management positions is a key diversity aspect for ProSiebenSat.1. Besides the proportion of women, no other aspects have been defined as targets for the Executive Board yet.

TARGETS FOR SUPERVISORY BOARD COMPOSITION

Having thoroughly reviewed the recommendations of Items 5.4.1(2) and (3) of the German Corporate Governance Code regarding the specific targets for its composition, the Supervisory Board has set targets for its composition that take account of the specifics of the Company pursuant to Section 111(5) of the Stock Corporation Act in conjunction with Article 9(1) lit. c) ii) of the SE Regulation, most recently on March 12, 2018. The Supervisory Board has accordingly set the following targets:

- the share of independent Supervisory Board members within the meaning of Item 5.4.2 of the German Corporate Governance Code should be at least 30%;
- the share of women should be at least 1/3 (one third), to be attained by no later than March 31, 2019;
- the members of the Supervisory Board should have specific international expertise and experience in the areas of broadcasting, media, and communication;
- the international activities of the Company should be taken into account. The Supervisory Board should be filled with members who, based on their origin or professional activities, represent regions or cultures in which the Company has significant business operations. In this context, diversity should also be taken into account when appointing members to the Supervisory Board, and the current level of diversity should be maintained. The Supervisory Board should be filled with members who, based on their origin, their personal background, their education, or professional activities, are able to contribute a wide range of experience and specific expertise;
- the Supervisory Board will continue to assess how it intends to handle potential or actual conflicts of interest in order to continue to guarantee unbiased supervision of and provision of advice to the Executive Board of the Company in the Company's best interests in each individual case within the legal framework and taking into account the GCGC;
- the age limit of 70 at the time of appointment to the Supervisory Board, as stipulated in the rules of procedure adopted by the Supervisory Board, should continue to apply;
- individuals who have been members of the Company's Supervisory Board for three full consecutive terms, and thus generally for fifteen years, should as a rule no longer be nominated for reelection to the Supervisory Board.

The Supervisory Board already meets the aforementioned targets it has set for its composition pursuant to the German Corporate Governance Code and the Stock Corporation Act. The Supervisory Board considers all Supervisory Board members independent for financial year 2018. Supervisory Board members Antoinette P. Aris and Angelika Gifford had evidence of conflicts of interest mentioned in the Report of the Supervisory Board. → Report of the Supervisory Board, page 31

The described targets for the Supervisory Board's composition and stipulations concerning the equal participation of women on the Supervisory Board in accordance with section 111(5) AktG in conjunction with Art. 9(1) lit. c) ii) of the SE Regulation form part of the diversity concept for the Supervisory Board in accordance with sections 289f(2) No. 6 and 315d HGB.

SKILLS PROFILE FOR THE SUPERVISORY BOARD

In light of the adjusted recommendation of the GCGC in the currently applicable version dated February 7, 2017, with regard to Item 5.4.1 (Composition of the Supervisory Board), the Supervisory Board of ProSiebenSat.1 Media SE also developed the skills profile described below for the committee as a whole and adopted this on March 12, 2018, so as to ensure qualified advice and monitoring of the Company by the Supervisory Board. The committee as a whole already satisfies the requirements in its current composition.

Each member of the Supervisory Board should contribute essential general expertise, with the effect that the corresponding candidates are able to perform the tasks of the Supervisory Board in an international media/digital group based on their personality, independence, motivation, and integrity. In addition, it should be ensured that the topic of diversity is taken into account in the nomination of candidates by the Supervisory Board's Presiding and Nominating Committee to the Supervisory Board as a whole and subsequently to the Annual General Meeting.

The expertise and experience required for qualified and successful work by the Supervisory Board should – in keeping with the Supervisory Board's nature as a collegial body – be ensured by all members of the Supervisory Board together.

Overall, the Supervisory Board of ProSiebenSat.1 Media SE should have the skills and expertise considered to be material in view of ProSiebenSat.1 Group's activities. This particularly includes in-depth knowledge with regard to:

- Experience in the management of a listed, internationally operating company;
- in-depth understanding of ProSiebenSat.1 Group's different business areas – particularly content and broadcasting, distribution, digital entertainment, e-commerce, and production – and of the Group's market environment and media regulation/policy;
- in-depth knowledge in the field of digital business development, digital diversification and platform strategies (such as addressable TV or digital out-of-home), data and advertising technology, and M&A;

- in-depth knowledge in the field of accounting, financial reporting, and auditing;
- in-depth knowledge in the fields of controlling and risk management;
- in-depth knowledge in the fields of human resources development and management;
- in-depth knowledge in the fields of governance and compliance.

In addition, at least one independent member of the Supervisory Board, who is the Chairman of the Audit and Finance Committee, must have specific expertise and experience in the areas of accounting principles and internal controlling methods.

When putting forward nominations to the Annual General Meeting, particular attention should be paid to the personality, integrity, motivation, and independence of the candidates. In addition, existing and prospective Supervisory Board members should comply with the limit recommended in Item 5.4.5 of the GCGC with regard to mandates at listed companies outside the Group or on supervisory bodies of companies outside the Group that make comparable demands.

With regard to nominations by the Supervisory Board to the Annual General Meeting, all requirements (in relation to the Articles of Incorporation, the rules of procedure for the Supervisory Board, and the GCGC) should be met and the above targets should be taken into account so as to ensure overall fulfillment of the skills profile for the Supervisory Board as a whole.

If a position is possibly to be restaffed, it should first be checked which of the corresponding areas of expertise are lacking or need to be strengthened on the Supervisory Board. Based on this requirements profile, candidates with the corresponding expertise or skills who can commit the time expected to be required should then be identified. With a view to continuous Supervisory Board work and sustainable, efficient succession planning, the specified age limit for members of the Supervisory Board should also be taken into account here.

WORKING PROCEDURES OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

Each member of the Executive Board is assigned an area of responsibility regarding which that member keeps his or her colleagues on the Executive Board continuously updated. Rules of procedure enacted by the Supervisory Board for the Executive Board and updated as necessary govern the cooperation between the Executive Board members and the Executive Board members' areas of responsibility. As a rule, the full Executive Board meets on a weekly basis; the meetings are chaired by the CEO. One of the functions of the meetings is to adopt resolutions on measures and transactions that require the consent of the full Executive Board under the Executive Board's rules of procedure. When voting on resolutions, at least half of the Executive Board members must participate in the vote. Resolutions of the full Executive Board are adopted by simple majority. In the event of a tie, the CEO casts the deciding vote. When significant events occur, any Board member may call an extraordinary meeting of the full Executive Board; the Supervisory Board may likewise call such meetings. The Executive Board may also adopt resolutions outside of the meetings by casting votes verbally, by phone, in writing, or by text message. Written minutes of every meeting of the full Executive Board and of every resolution adopted outside of the meetings are prepared and signed by the CEO or the chairman of the meeting. The minutes are then promptly forwarded to each member of the Executive Board in writing or by text message; if none of the individuals who attended the meeting or took part in the resolution object to the content or the wording of the minutes within one week of dispatch, the minutes shall be deemed approved. In addition to the regular Executive Board meetings, a strategy workshop is held at least once a year. The workshops serve to prioritize strategic targets across the Group and to define the strategy for the current financial year in cooperation with senior executives from the various business units.

Further details on the working procedures of the Executive Board are included in the rules of procedure defined by the Supervisory Board for the Executive Board, which notably also govern the allocation of responsibilities and matters reserved for the full Executive Board.

The Executive Board provides the Supervisory Board with prompt and complete information — both in writing and at the Supervisory Board's quarterly meetings — on planning, business performance, and the situation of the Company, including risk management and compliance matters. Where indicated, an extraordinary meeting of the Supervisory Board is called to address important events. The Executive Board includes the Supervisory Board in Company planning and strategy as well as in all matters of fundamental importance to the Company. The Company's Articles of Incorporation and the rules of procedure for the Executive Board stipulate that all significant transactions must be approved by the Supervisory Board. Such significant transactions requiring the consent of the Supervisory Board include adopting the annual budget, making major acquisitions or divestments, and investing in program licenses. More information on cooperation between the Executive Board and the Supervisory Board and on the significant matters on which they consulted in financial year 2018 is available in the Report of the Supervisory Board.

The Supervisory Board holds a minimum of two meetings during the first half of the financial year and two meetings during the second half. To facilitate its work, the Supervisory Board has adopted rules of procedure to supplement the provisions of the Articles of Incorporation. The rules of procedure stipulate that the chairman of the Supervisory Board is to coordinate the work of the Supervisory Board, chair the Supervisory Board meetings, and represent the Supervisory Board's interests externally. The chairman of the Supervisory Board talks to investors about Supervisory Board-specific topics, within reasonable limits, and participated in the Company's Capital Markets Day in November 2018, among other things. As a rule, the Supervisory Board adopts its resolutions at the Supervisory Board meetings. However, on instruction of the Supervisory Board chairman, resolutions may also be adopted on conference calls, in videoconferencing sessions or outside of the meetings. Equally admissible is the adoption

of resolutions via a combination of voting at meetings and voting via other methods.

The Supervisory Board is deemed to constitute a quorum if at least half of its members participate in the vote. Resolutions of the Supervisory Board are generally adopted by simple majority of the votes cast, unless otherwise prescribed by law. In the event of a tie, the deciding vote is cast by the chairman of the Supervisory Board, or in his absence the deputy chairman.

The meetings of the Supervisory Board are recorded in minutes that are signed by the chairman. A written record is also kept of resolutions adopted outside of the meetings. A copy of the minutes, or of resolutions adopted outside of meetings, is sent promptly to all members of the Supervisory Board. The Supervisory Board members participating in the meetings or voting on the resolutions may raise objections to the minutes. Objections must be made in writing to the chairman of the Supervisory Board within one month of the minutes being sent out. Otherwise, the minutes shall be deemed approved.

Prof. Dr. Rolf Nonnenmacher, who is also chairman of the Audit and Finance Committee, meets the requirements of Sections 100(5) and 107(4) of the Stock Corporation Act in conjunction with Article 9(1) lit. c) ii) of the SE Regulation and Item 5.3.2 Sentences 2 and 3 of the German Corporate Governance Code as an independent, expert member. In other respects, the members of the Audit and Finance Committee are, as a whole, familiar with the sector in which the Company operates pursuant to Sections 100(5) and 107(4) of the Stock Corporation Act in conjunction with Article 9(1) lit. c) ii) of the SE Regulation.

The members of the full Supervisory Board are, as a whole, also familiar with the sector in which the Company operates pursuant to Section 100(5) of the Stock Corporation Act in conjunction with Article 9(1) lit. c) ii) of the SE Regulation. All Supervisory Board members must report any conflicts of interest without delay to the Supervisory Board's Presiding and Nominating Committee, particularly those conflicts that may arise from exercising an advisory or executive function vis-à-vis customers, suppliers, creditors, or other business partners.

The recommendation contained in Item 5.6. of the German Corporate Governance Code states that the Supervisory Board should examine the efficiency of its activities on a regular basis. The review extends primarily to the Supervisory Board's view of its mission, the organization of its activities, the independence of its members, the handling of potential conflicts of interest, and the composition of its committees.

COMPOSITION AND WORKING PROCEDURES OF THE COMMITTEES AND MEETING ATTENDANCE

The Executive Board has not formed any committees; the Supervisory Board established four committees in financial year 2018. The Supervisory Board decides on the composition of its committees. In selecting committee members, potential conflicts of interest involving Board members are taken into account, as are their professional qualifications. → Fig. 003

003 / COMPOSITION OF THE SUPERVISORY BOARD COMMITTEES AS OF DECEMBER 31, 2018

PRESIDING AND NOMINATION COMMITTEE
Dr. Werner Brandt (co-chairman), Dr. Marion Helmes (co-chairwoman), Lawrence Aidem, Ketan Mehta

AUDIT AND FINANCE COMMITTEE
Prof. Dr. Rolf Nonnenmacher (chairman and independent financial expert within the meaning of Sections 100(5) and 107(4) of the Stock Corporation Act in conjunction with Article 9(1) lit. c) ii) of the SE Regulation and Item 5.3.2 Sentences 2 and 3 of the GCGC), Angelika Gifford, Dr. Marion Helmes

COMPENSATION COMMITTEE
Dr. Werner Brandt (chairman), Angelika Gifford, Dr. Marion Helmes, Prof. Dr. Rolf Nonnenmacher

CAPITAL MARKETS COMMITTEE
Dr. Werner Brandt (chairman), Dr. Marion Helmes, Ketan Mehta, Prof. Dr. Rolf Nonnenmacher

The committees of the Supervisory Board normally meet once per quarter. The Capital Markets Committee meets only when the consent of the Supervisory Board is required for the Executive Board to utilize the Company's Authorized Capital and for associated measures. To the extent permitted by law, the committees have been entrusted with adopting resolutions concerning various Supervisory Board tasks, especially approving certain management actions. A committee is deemed to constitute a quorum when at least half of its members participate in the vote. Committee resolutions are normally adopted by a simple majority vote. In the event of a tie, the committee chairman casts the deciding vote. Written minutes are prepared of each committee meeting and are signed by the committee chairman. Resolutions adopted outside of the meetings are also recorded in writing. Minutes and the text of resolutions adopted are sent to all members of the committee concerned. These shall be deemed approved if no committee member who was present at the meeting, or who took part in the vote on the resolution, objects to the content within one week of dispatch. The committee chairmen report on the work of the committees at the meetings of the Supervisory Board.

The CFO, the Chief Legal Officer, and the independent auditor participate regularly in the meetings of the Audit and Finance Committee. In addition, the chairman of the Audit and Finance Committee invites in particular senior executives from the areas of finance and accounting to provide information at meetings if required. The Audit and Finance Committee meets without any Executive Board members being present at least once per financial year. The Supervisory Board has issued rules of procedure to govern the work of the Audit and Finance Committee. In addition, the Audit and Finance Committee and the auditors maintain a regular dialog between meetings.

The Supervisory Board sees it as part of good corporate governance to disclose an individual breakdown of participation in meetings of the plenary Supervisory Board and meetings of the Supervisory Board committees. → Fig. 004

004 / INDIVIDUAL BREAKDOWN OF MEETING PARTICIPATION IN FINANCIAL YEAR 2018

	Meeting participation	Attendance in %
FULL SUPERVISORY BOARD		
Dr. Werner Brandt, Chairman (since June 26, 2014)	14/14	100
Dr. Marion Helmes, Vice Chairwoman (since June 26, 2014, Vice Chairwoman since May 21, 2015)	13/14	93
Lawrence Aidem (since June 26, 2014)	14/14	100
Antoinette (Annet) P. Aris (from June 26, 2014, to May 16, 2018)	6/6	100
Adam Cahan (since June 26, 2014)	13/14	93
Angelika Gifford (since May 21, 2015)	13/14	93
Erik Adrianus Hubertus Huggers (since June 26, 2014)	14/14	100
Marjorie Kaplan (since May 16, 2018)	9/9	100
Ketan Mehta (since November 24, 2015)	14/14	100
Prof. Dr. Rolf Nonnenmacher (since May 21, 2015)	14/14	100
PRESIDING AND NOMINATING COMMITTEE		
Dr. Werner Brandt, Co-Chairman (since June 26, 2014)	5/5	100
Dr. Marion Helmes, Co-Chairwoman (since May 21, 2015)	3/5	60
Lawrence Aidem (since June 26, 2014)	4/5	80
Ketan Mehta (since June 30, 2016)	5/5	100
AUDIT AND FINANCE COMMITTEE		
Prof. Dr. Rolf Nonnenmacher, Chairman (since May 21, 2015)	6/7	86
Antoinette (Annet) P. Aris (from June 26, 2014, to May 16, 2018)	3/3	100
Dr. Marion Helmes (since June 26, 2014)	7/7	100
Angelika Gifford[1] (since May 16, 2018)	6/7	86
COMPENSATION COMMITTEE		
Dr. Werner Brandt, Chairman (since June 26, 2014)	7/7	100
Antoinette (Annet) P. Aris (from June 26, 2014, to May 16, 2018)	5/5	100
Angelika Gifford (since May 21, 2015)	6/7	86
Dr. Marion Helmes (since May 21, 2015)	7/7	100
Prof. Dr. Rolf Nonnenmacher (since May 16, 2018)	6/7	86
CAPITAL MARKETS COMMITTEE		
Dr. Werner Brandt, Chairman (since September 7, 2016)	1/1	100
Dr. Marion Helmes (since September 7, 2016)	1/1	100
Ketan Mehta (since September 7, 2016)	0/1	0
Prof. Dr. Rolf Nonnenmacher (since September 7, 2016)	1/1	100

[1] Angelika Gifford had already attended meetings as a guest before her membership of the Audit and Finance Committee.

COMMUNICATION AND TRANSPARENCY

We aim to strengthen trust among shareholders, capital providers, and other interested parties through openness and transparency. For that reason, ProSiebenSat.1 Media SE reports regularly on key business developments and changes within the Group. In addition, the Company holds a Capital Market Day once a year. The Company generally provides information simultaneously to all shareholders, media representatives, and other interested parties. Given the international nature of our stakeholders, we provide reports in English as well.

The financial calendar presents the release dates of financial reports and statements well in advance, along with other important dates such as the date of the Annual General Meeting. The calendar is available at → www.prosiebensat1.com/en/investor-relations/presentations-events/financial-calendar and is also reproduced in the 2018 Annual Report → page 275.

To ensure fair communication and prompt disclosure both in Germany and elsewhere, the Company makes use of the Internet as one of its main communication channels. All relevant corporate information is published on our website at → www.prosiebensat1.com/en/. Annual reports, half-yearly financial reports, quarterly statements, current stock price charts, and company presentations can be downloaded from the website at any time. The website includes a special section dedicated to the Annual General Meeting, where the Group provides information on organizational and legal matters in connection with the Annual General Meeting. The meeting agenda can be found here, and the CEO's speech and the results of votes are made available after the meeting. In the Corporate Governance section, ProSiebenSat.1 Media SE also publishes the annual Corporate Governance Report, the current Management Declaration pursuant to Sections 289f, 315d and 315e of the German Commercial Code (Handelsgesetzbuch – HGB), and the Declaration of Compliance with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act, which includes an archive of previous declarations of compliance and the Company's Articles of Incorporation.

Regular reporting and ad hoc disclosures

Four times a year, ProSiebenSat.1 Group presents information on the Group's business performance as well as its financial position and earnings as part of the Company's annual and interim financial reporting. As required by law, matters that could significantly influence the price of the Company's stock are announced immediately in ad hoc disclosures outside of the scheduled reports and are made available on the Internet without delay.

Significant voting rights

Notifications of changes in significant voting rights pursuant to Sections 33 et seq. of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) are published immediately upon receipt. Current information is available at → www.prosiebensat1.com/en/investor-relations/publications/voting-rights-notifications.

Directors' dealings notifications

Directors' dealings notifications in accordance with Article 19 of Regulation (EU) No. 596/2014 (Market Abuse Regulation – MAR) are likewise published at → www.prosiebensat1.com/en/investor-relations/publications/directors-dealings immediately upon receipt. In financial year 2018, 23 transactions in company stock or in financial instruments relating to company stock were reported to ProSiebenSat.1 Media SE by management personnel or related parties in compliance with Article 19 of the Market Abuse Regulation.

As of December 31, 2018, members of the Executive Board held a total of 187,783 shares (previous year: 64,450) and members of the Supervisory Board a total of 63,543 shares (previous year: 26,180) in ProSiebenSat.1 Media SE. Max Conze has invested EUR 3,508,442 in the purchase of ProSiebenSat.1 shares, Conrad Albert EUR 438,081 at the year-end 2018. → Fig. 005

005 / INDIVIDUALIZED SHAREHOLDINGS OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD AS OF DECEMBER 31, 2018

	Number of shares
EXECUTIVE BOARD	
Max Conze	164,283
Conrad Albert	16,500
Sabine Eckhardt	4,000
Jan David Frouman	3,000
Dr. Jan Kemper	0
SUPERVISORY BOARD	
Dr. Werner Brandt	23,750
Dr. Marion Helmes	5,655
Lawrence Aidem	3,494
Adam Cahan	2,105
Angelika Gifford	3,449
Erik Adrianus Hubertus Huggers	3,369
Marjorie Kaplan	757
Ketan Mehta	15,000
Prof. Dr. Rolf Nonnenmacher	5,964

Last year's Annual General Meeting on May 16, 2018, approved the revised Executive Board compensation system. As part of the new Executive Board compensation, the Executive Board members receive share-based payment in the form of the Performance Share Plan, under which the first allocation was made in financial year 2018; the Performance Share Plan replaces the previous Group Share Plan, under which allocations were last made for financial year 2017. The Performance Share Plan is designed as multi-year variable compensation in the form of virtual shares (performance share units or PSUs). Tranches are granted annually, each with a four-year performance period. Payout occurs in cash in year five, the year following the end of the respective performance period. Instead of a payout in cash, the Company reserves the right to alternatively choose a settlement with own shares and to deliver a corresponding number of shares in the Company.

The payout depends on the development of ProSiebenSat.1 Media SE's share price as well as on the Company's internal and external performance. The latter is measured based on adjusted net income at Group level as well as the relative total shareholder return (TSR – shareholder return for ProSiebenSat.1 Media SE shares compared to shareholder return for companies in STOXX Europe 600 Media), each with a weighting of 50%. In financial year 2018, Executive Board members held a total of 417,311 PSUs; this includes the PSUs granted under the new Performance Share Plan for financial year 2018 and the PSUs granted previously under the Group Share Plan. → Notes, Note 33 "Share-based payments", page 220

Share-based plans and similar securities-based incentive systems

Further information on ProSiebenSat.1 Media SE's share-based payment plans (Performance Share Plan and Group Share Plan), the Mid Term Incentive Plan (MTI) to be paid out in cash, and the employee stock option plan (MyShares) can be found in the Notes to the Consolidated Financial Statements and in the Management Report. → Compensation Report, page 50, → Notes, Note 25 "Shareholders' equity", page 195

Accounting and audit of financial statements

ProSiebenSat.1 Group's financial reporting conforms to the IFRSs (International Financial Reporting Standards) as adopted by the European Union. The Annual Financial Statements of ProSiebenSat.1 Media SE, the Group parent, are prepared under the accounting principles of the German Commercial Code (HGB). Both the single-entity financial statements of ProSiebenSat.1 Media SE and the Consolidated Financial Statements are available on the Company's website at → www.prosiebensat1.com/en/. Both sets of financial statements are audited and issued an audit opinion by an independent accounting and auditing firm. The financial statements for financial year 2018 were duly audited by KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG), Munich office, with Haiko Schmidt acting as the lead auditor. They were issued an unqualified audit opinion on February 25, 2019. Haiko Schmidt has worked with the Company since financial year 2012 as lead auditor at KPMG. The ProSiebenSat.1 Media SE Supervisory Board will propose the audit firm Ernst & Young to the next Annual General Meeting on June 12, 2019, for election as the statutory auditor for financial year 2019. → Report of the Supervisory Board, page 31

MANAGEMENT DECLARATION

In this Management Declaration, the Executive Board and Supervisory Board report on corporate governance pursuant to Sections 289f and 315d of the German Commercial Code (Handelsgesetzbuch – HGB). The Management Declaration includes information on relevant corporate governance practices and other aspects of corporate governance in addition to the annual Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz – AktG). Supplementary information such as a description of the working procedures of the Executive Board and the Supervisory Board, an overview of the composition and working procedures of the committees, a description of the diversity concept, and information on capital market communications and accounting principles can be found in the Corporate Governance Report. → Annual Report 2018, from page 41

006 / DECLARATION OF COMPLIANCE OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD OF PROSIEBENSAT.1 MEDIA SE WITH THE GERMAN CORPORATE GOVERNANCE CODE PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT

The Executive Board and the Supervisory Board of ProSiebenSat.1 Media SE hereby declare that ProSiebenSat.1 Media SE complies and has complied in principle with the recommendations of the "Government Commission on the German Corporate Governance Code" (GCGC) as amended on February 7, 2017, and published in the official section of the Federal Gazette (Bundesanzeiger) on April 24 and May 19, 2017, since their publication. Only the following Code recommendations have not been or are currently not being applied:

- **The D&O insurance contracts concluded for the Executive Board and the Supervisory Board provide for payment of a deductible by the insured members of the Executive Board in the scope stipulated by law (Section 93(2) Sentence 3 of the Stock Corporation Act in conjunction with Article 51 of the SE Regulation) and in their contracts of employment. However, neither the Executive Board nor the Supervisory Board regards a deductible as an effective way of enhancing board members' motivation or sense of responsibility. Therefore, no deductible is currently agreed for Supervisory Board members, contrary to the recommendations of Item 3.8 of the German Corporate Governance Code.**

- **The Executive Board has established a compliance management system (CMS) at the Company that maps suitable measures based on the Company's risk situation and has disclosed the main features of the CMS in the Company's Corporate Governance Report and in the Group´s Non-Financial Statement. In this context, employees are given appropriate opportunities to report legal violations within the Company. In accordance with the recommendation under Item 4.1.3 Sentence 2 of the GCGC, employees are protected by the regulation in section XIX (Violations of the Code of Conduct) of the Company's Code of Conduct, which is established in a works agreement, stipulating that well-intentioned whistle-blowers must not be discriminated against for reporting a violation. Furthermore, on the basis of a works agreement concluded in December 2018, employees and third parties also have the opportunity to anonymously report legal violations via an external ombudsperson.**

ProSiebenSat.1 Media SE intends to continue complying with the recommendations of the "Government Commission on the German Corporate Governance Code" (GCGC) as amended on February 7, 2017, and published in the official section of the Federal Gazette (Bundesanzeiger) on April 24 and May 19, 2017, also in the future, with the first exception mentioned above.

March 2019
The Executive Board and Supervisory Board of ProSiebenSat.1 Media SE

INFORMATION ON RELEVANT CORPORATE GOVERNANCE PRACTICES

The Executive Board is convinced that sustainable economic success in a competitive environment can only be achieved by ensuring that all action taken is in compliance with the applicable laws. Therefore, preventing corruption and breaches of law are key success factors with regard to our market position and attainment of our corporate targets. This applies in particular to antitrust legislation and media law as well as to data protection and the associated preservation of privacy rights due to increasing digitalization of the Group's activities. For more information on the compliance management system (CMS) in effect at ProSiebenSat.1 Group for this purpose, as well as on the Code of Conduct applicable to ProSiebenSat.1, please refer to the → Corporate Governance Report, page 41.

DESCRIPTION OF THE COMPOSITION AND WORKING PROCEDURES OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD, THE COMMITTEES, AND THE DIVERSITY CONCEPT

A general description of the working procedures of the Executive Board and the Supervisory Board and their committees can be found in the Corporate Governance Report. The composition of the Executive Board is presented on → page 254 et seq. of the Annual Report 2018; the composition of the Supervisory Board and its committees is shown on → page 40 and → page 255 of the Annual Report 2018 and in

the Corporate Governance Report. The Corporate Governance Report also includes a description of the diversity concept and its goals, the way in which it is implemented, and the results achieved in the financial year in accordance with Sections 289f(2) No. 6 and 315d HGB.

STIPULATIONS ON THE EQUAL PARTICIPATION OF WOMEN IN MANAGEMENT POSITIONS

Executive Board and Supervisory Board. The Supervisory Board of ProSiebenSat.1 Media SE has established targets for the composition of the Executive Board and the Supervisory Board with regard to the equal participation of women on both Boards in accordance with Section 111(5) of the German Stock Corporation Act (AktG) in conjunction with Article 9(1) lit. c) ii) of the SE Regulation as well as deadlines for the respective target achievement. For more information on those targets and deadlines, please refer to the Corporate Governance Report.

Management levels below the Executive Board. In a resolution dated June 30, 2017, with reference to Section 76(4) of the German Stock Corporation Act in conjunction with Article 9(1) lit. c) ii) of the SE Regulation, the Executive Board of ProSiebenSat.1 Media SE established the following targets – to be reached by June 30, 2022 – for the proportion of women at the two management levels below Executive Board level:

- Management Level 1: 15%
- Management Level 2: 30%

At the end of the past financial year, the proportion of women at the first management level of ProSiebenSat.1 Media SE was 42.9% (previous year: 13.8%). At the second management level, the percentage of women was 38.6% (previous year: 25.7%).

COMPENSATION REPORT[1]

The Compensation Report describes the main features of the compensation system for the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE for the financial year 2018. It explains the structure and level of compensation of the individual members of the Executive Board and Supervisory Board. The Executive Board compensation system for the financial years from 2018 was fundamentally revised by the Supervisory Board of ProSiebenSat.1 Media SE and presented for approval to the Annual General Meeting in May 2018, which granted its approval by a broad majority of 93%. All Executive Board employment contracts were converted to the new Executive Board compensation system, which has therefore applied retroactively since January 1, 2018.

This Compensation Report is part of the audited Combined Management Report and complies with the applicable statutory requirements. It also takes into account the recommendations of the German Corporate Governance Code (GCGC) in the version of February 7, 2017.

COMPENSATION PAID TO THE EXECUTIVE BOARD

Responsibility and Procedure for Determining Executive Board Compensation

In addition to their functions as directors and officers of the Company, the members of the Executive Board of ProSiebenSat.1 Media SE have contractual relationships with the Company. The ProSiebenSat.1 Media SE Supervisory Board is responsible for making the employment agreements with the members of the Executive Board. The employment contracts of Executive Board members have a maximum term of five years and also regulate compensation. After a proposal by the Compensation Committee, the structure and amount of the Executive Board's compensation are defined by the Supervisory Board as a whole and are regularly reviewed. → Fig. 007 The Supervisory Board hereby ensures that there is an appropriate relationship between the personal performance and areas of work and responsibility of the individual members of the Executive Board on the one hand and the Company's business situation on the other. → Report of the Supervisory Board, page 31

In addition, the compensation structure within ProSiebenSat.1 Media SE is taken into account, whereby the Supervisory Board above all considers the relationship of Executive Board compensation to the compensation of senior management and the workforce as a whole and looks at the amount and structure of Executive Board compensation in comparable companies. The Supervisory Board currently considers comparable companies to be companies listed in the DAX, MDAX and STOXX Europe 600 Media, a sub-index of the STOXX Europe 600 index comprising companies from the European media industry, and direct competitors. The comparable companies therefore include, for example, Axel Springer SE, ITV plc and RTL Group SA. If the Supervisory Board deems it necessary or expedient, it consults experts to determine and review the Executive Board compensation. To date, the Supervisory Board has also had the Executive Board compensation reviewed at regular intervals by independent external consultants with regard to common market practice. The last such review was performed by an international and independent compensation consulting firm when the compensation system for the financial years from 2018 was adjusted.

Principles of the Compensation System

The ProSiebenSat.1 Media SE compensation system has clear and transparent structures and is in line with our Group strategy. In order to continuously improve, we review our compensation system regularly. For this reason, we have also increasingly entered into dialog with relevant capital market participants, especially last year. The aim of the compensation system for the Executive Board is to create an incentive for successful and sustainable company performance. The system is therefore geared toward a compensation that is transparent, performance-based and closely linked to the Company's success. This depends in particular on long-term and challenging individual targets and the performance of the ProSiebenSat.1 Media SE share. The compensation system is intended to motivate the members of the Executive Board to achieve the targets enshrined in ProSiebenSat.1 Media SE's business strategy and to avoid disproportionate risks.

Structure and Components of Executive Board Compensation from Financial Year 2018

The elements of the new Executive Board compensation system and changes compared to the previous system are described in detail below.

The new Executive Board compensation system now comprises just three instead of four components: a fixed base salary, an annual and a multi-year variable compensation component. In order to reduce the complexity of the compensation system, the expiring Mid-Term Incentive Plan will not be reinstituted. While the amount of the target compensation is largely unchanged, the compensation structure in the revised system is 35 : 30 : 35 (fixed base salary to annual variable

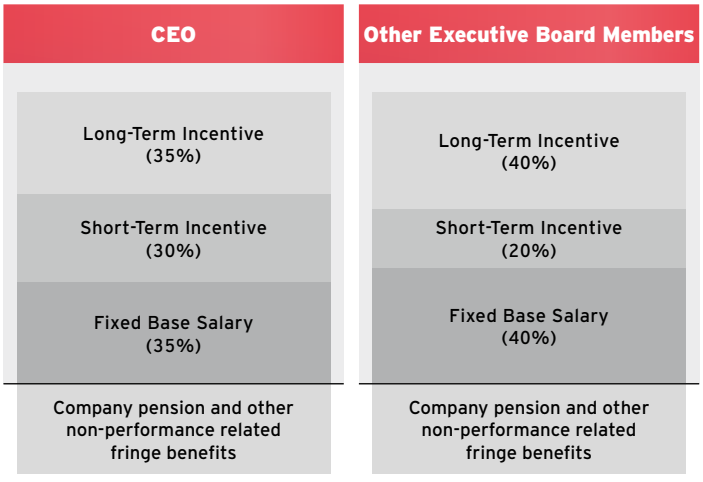
[1] This section is part of the audited Combined Management Report.

007 / PROCEDURE FOR DETERMINING EXECUTIVE BOARD COMPENSATION

Compensation Committee	Supervisory Board	Annual General Meeting
Prepares resolutions on the compensation system and the amount of compensation and presents these to the Supervisory Board.	Adopts resolution on the compensation system and the amount of compensation. The resolved compensation system is presented to the Annual General Meeting for approval.	Adopts resolution on the approval of the compensation system.

compensation to multi-year variable compensation) for the chairman of the Executive Board and 40 : 20 : 40 for the other Executive Board members. → Fig. 008 The weighting for Jan David Frouman is slightly different at 41 : 20 : 39, as he receives a higher fixed base salary to compensate trips home. This higher compensation was already part of his previous Executive Board compensation.

008 / STRUCTURE OF THE NEW COMPENSATION SYSTEM



Regardless of this, the Company pension for Executive Board members remains unchanged. The Company's annual contribution to the Company pension still amounts to 20% of the fixed base salary. In addition, Executive Board members continue to receive fringe benefits.

FIXED BASE SALARY

The structure of the fixed base salary remains unchanged. The base salary is paid in twelve equal installments at the end of each month. If the employment contract begins or ends during a financial year, the base salary for this financial year is granted pro rata temporis.

VARIABLE COMPENSATION

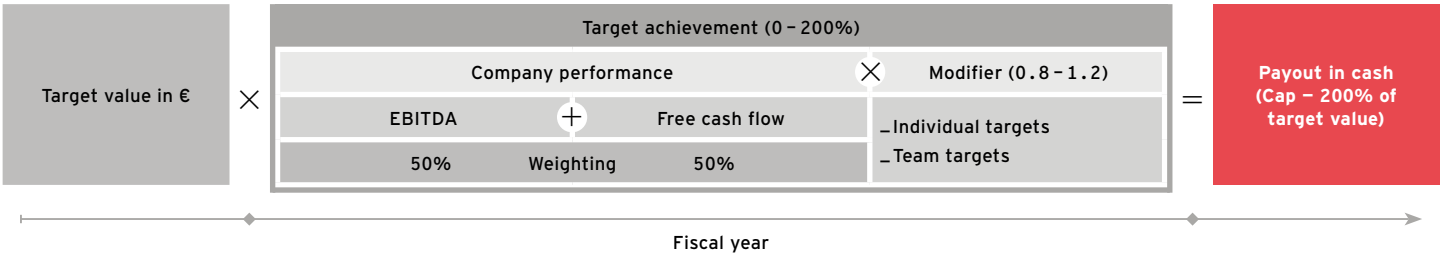
In the future, variable compensation will comprise only two elements: annual variable compensation (Short Term Incentive) in the form of an annual bonus payment (performance bonus) and multi-year variable compensation (Long Term Incentive) in the form of virtual shares in ProSiebenSat.1 Media SE (Performance Share Plan).

SHORT TERM INCENTIVE (PERFORMANCE BONUS)

The Short Term Incentive continues to depend on ProSiebenSat.1 Group's business performance in the past financial year. It is calculated on the basis of the target achievement (0% – 200%) identified for the financial year for EBITDA (earnings before interest, taxes, depreciation and amortization) and FCF (free cash flow), both at Group level, and a modifier (0.8 to 1.2) for the assessment of the individual and collective performance of the Executive Board members. The final payment is capped at a maximum of 200% of the individual target amount agreed in each employment contract. → Fig. 009

The Supervisory Board has identified the two key financial figures EBITDA and FCF as relevant target parameters. EBITDA is an industry-standard and frequently used measure of operating earnings, which allows a high degree of comparability with other businesses in the media industry and is also regularly used on the capital market for enterprise valuations on a multiplier basis. For shareholders, FCF is also an important measure of the cash and cash equivalents generated with operating business and after the deduction of investments, which are available for debt service or distributions to shareholders. Equally, FCF is an important indicator for measuring the cash return on investments and a common basis for the calculation of cash-flow-based enterprise valuations. ProSiebenSat.1 Media SE reports both key financial figures, EBITDA and FCF, in the regular financial reporting for ProSiebenSat.1 Group.

009 / HOW THE SHORT TERM INCENTIVE WORKS



EBITDA AT GROUP LEVEL

EBITDA at Group level is included in the Short Term Incentive with a weighting of 50% for the purposes of determining target achievement.

The EBITDA target value is set annually by the Supervisory Board in EUR and is derived from budget planning for ProSiebenSat.1 Group.

Where necessary, to determine the target achievement, the actual Group EBITDA reported by ProSiebenSat.1 Media SE will be adjusted for effects arising from significant changes in IFRS accounting standards, from unplanned effects from M&A transactions conducted within the reporting period, and from measurements of Group-wide, multi-year variable compensation plans. This allows the Supervisory Board to correct potential distortions in target achievement. No further adjustment is provided for.

To measure the target achievement, the actual EBITDA as reported in the relevant audited and approved consolidated financial statements of ProSiebenSat.1 Media SE, subject to the above adjustments, is compared with the target value for the respective financial year.

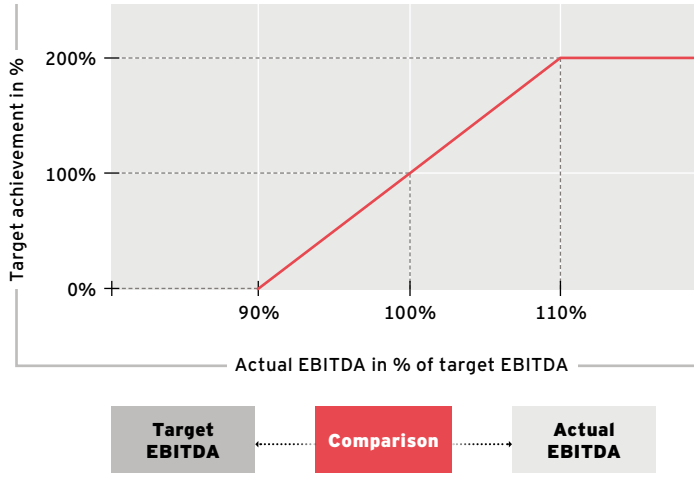
If the actual EBITDA corresponds to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if there is a negative deviation from the target EBITDA of 10% or more. To reach the maximum target achievement of 200%, the actual EBITDA must exceed target EBITDA by 10% or more. Intermediate values will be linearly interpolated. The EBITDA target achievement curve is symmetrically designed, meaning that an over- or underachievement of the target will be reflected evenly. → Fig. 010

FREE CASH FLOW (FCF) AT GROUP LEVEL

FCF at Group level is likewise included in the Short Term Incentive with a weighting of 50% for the purposes of determining target achievement.

The FCF target value is set annually by the Supervisory Board in EUR and is derived from budget planning for ProSiebenSat.1 Group.

010 / REPORTED EBITDA TARGET ACHIEVEMENT CURVE

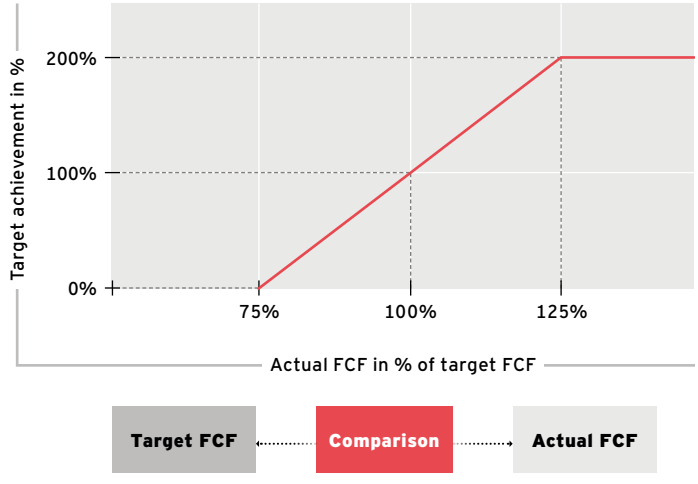


Where necessary, to determine the target achievement, the actual Group FCF reported by ProSiebenSat.1 Media SE will be adjusted for effects arising from significant changes in IFRS accounting standards and from M&A transactions. This allows the Supervisory Board to correct potential distortions in target achievement. No further adjustment is provided for.

To measure the target achievement, the actual FCF as reported in the relevant audited and approved consolidated financial statements of ProSiebenSat.1 Media SE, subject to the above adjustments, is compared with the target FCF for the respective financial year.

If the actual FCF corresponds to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if there is a negative deviation from the target FCF of 25% or more. To reach the maximum target achievement of 200%, the actual FCF must exceed target FCF by 25% or more. Intermediate values will be linearly interpolated. The FCF target achievement curve is symmetrically designed, meaning that an over- or underachievement of the target will be reflected evenly. → Fig. 011

011 / REPORTED FREE CASH FLOW (FCF) TARGET ACHIEVEMENT CURVE



MODIFIER

To determine the individual and collective performance of the Executive Board members, the Supervisory Board assessed both the achievement of individual targets and the Executive Board members' contribution to the fulfillment of collective targets on the basis of criteria defined in advanced. Examples of relevant criteria include customer satisfaction, corporate social responsibility, corporate governance and strategic projects, but also other key financial figures of the Group or segments. If targets relate to key financial figures of ProSiebenSat.1 Group, target achievement is determined on the basis of the audited and approved Consolidated Financial Statements for the financial year in question. The resulting modifier for adjusting the size of the Short Term Incentive can range between 0.8 and 1.2. The modifier therefore has a bonus/penalty effect. The individual and collective targets are agreed annually in advance in a target agreement between the Supervisory Board and Executive Board, with a maximum of five targets being defined each year.

PAYMENT DATE

The Short Term Incentive is payable in the following year within a month of the audited and approved Consolidated Financial Statements for the financial year in question becoming available and is paid out with the next monthly salary.

LONG TERM INCENTIVE (PERFORMANCE SHARE PLAN)

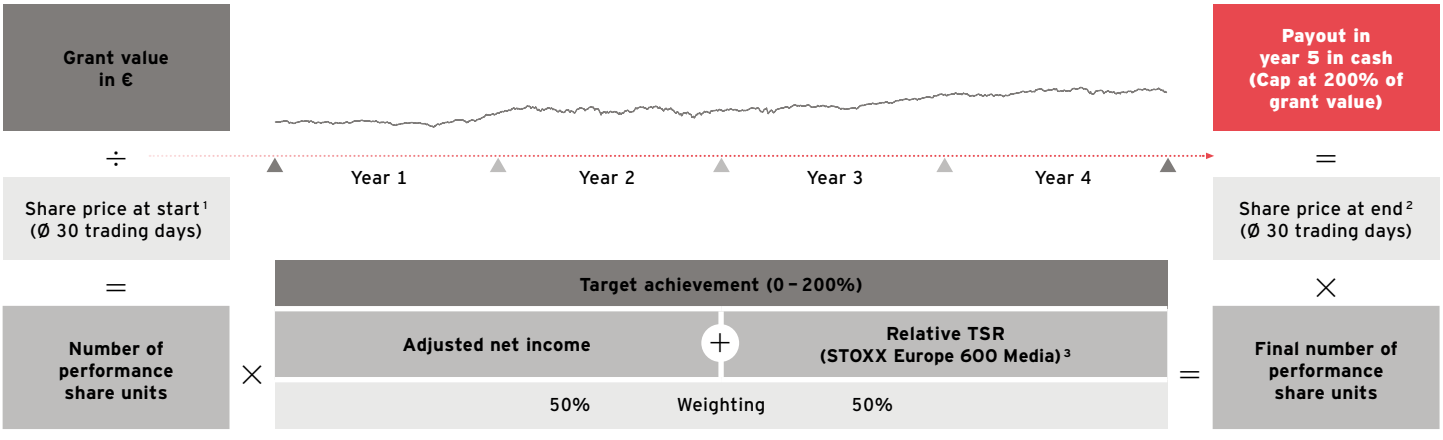
The Long-Term Incentive is designed as multi-year variable compensation in the form of virtual shares (performance share units). Tranches are granted annually, each with a four-year performance period. Payout occurs in cash in year five, the year following the end of the performance period. Instead of a payout in cash, the Company reserves the right to alternatively choose a settlement with own shares and to deliver a corresponding number of shares in the Company. However, in the interests of its shareholders, the Company will likely only make use of this option if the currently unfavorable tax treatment at the Company level for equity settlement is repealed.

The payout depends on the development of ProSiebenSat.1 Media SE's share price as well as on the Company's internal and external performance. The Company's performance is measured based on adjusted net income at Group level as well as the relative total shareholder return (TSR – shareholder return for ProSiebenSat.1 Media SE shares compared to shareholder return for companies in the selected comparison index), each with a weighting of 50%. The Performance Share Plan is issued in annual tranches, each with a performance period of four years.

The company performance is on the one hand based on the metric adjusted net income. This is an important performance indicator for the Group and serves, among other functions, as the metric that underlies the dividend policy and the resulting amounts that are distributed to shareholders. ProSiebenSat.1 Media SE publishes the adjusted net income as part of the regular financial reporting for the ProSiebenSat.1 Group. On the other hand, the company performance is determined using relative TSR, as this performance metric compares shareholder return for ProSiebenSat.1 Media SE shares with the shareholder return for a relevant peer group. The relative TSR takes account of the share price development and dividends paid to shareholders over the four-year performance period.

An individual assignment value is defined in the employment contract for each member of the Executive Board. A number of performance share units (PSUs) corresponding to the assignment value is granted on the first day of a financial year, usually on the basis of the volume-weighted average XETRA closing price of the ProSiebenSat.1 Media SE share over the preceding thirty trading days (in deviation from this general rule and in light of the fact that the Performance Share Plan was first instituted during 2018, the assignment date for the 2018 Performance Share Plan is June 29, 2018). Following the end of the four-year performance period, the granted performance share units are converted into a final number of performance share units according to a conversion factor, which is determined according to the weighted target achievement for adjusted net income and the relative TSR. The payout amount for each performance share unit is equal to the volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days preceding the end of the performance period, plus cumulative dividend payments over the performance period on the ProSiebenSat.1 Media SE share. This amount is limited per tranche to a maximum of 200% of the individual grant value (Cap). In case of a settlement in own shares, the payout amount will be converted, based on the average share price noted above, into a corresponding number of shares in the Company and delivered to the beneficiary.→ Fig. 012

012 / HOW THE PERFORMANCE SHARE PLAN WORKS



[1] Volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days preceding the start of the performance period, rounded down to two decimal places.
[2] Volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days preceding the end of the performance period, rounded down to two decimal places, plus cumulative dividend payments on each share in ProSiebenSat.1 Media SE.
[3] Relative TSR of ProSiebenSat.1 Media SE's shares over the four-year performance period in comparison to STOXX Europe 600 Media companies.

ADJUSTED NET INCOME AT GROUP LEVEL

With a weighting of 50%, the Group adjusted net income determines the target achievement in the Performance Share Plan. That is, 50% of the final number of performance share units are dependent on the average target achievement for the Group adjusted net income over the four-year performance period.

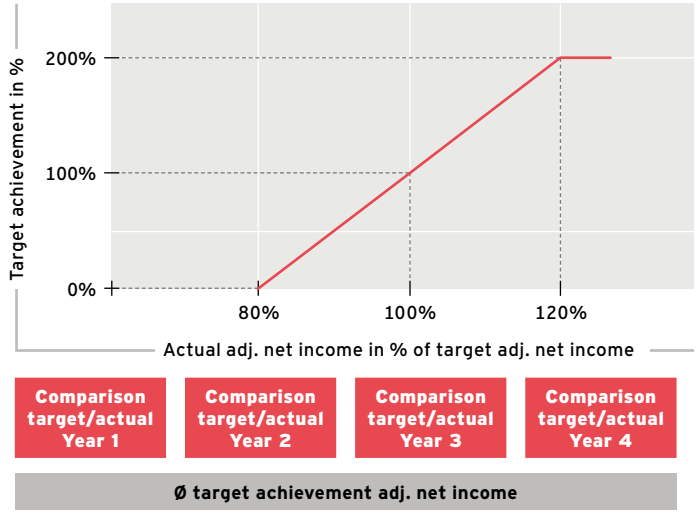
The average annual adjusted net income target achievement over the four-year performance period is used to determine the target achievement for the Group adjusted net income at the end of a tranche. The adjusted net income target value for each of the financial years within the performance period is set annually by the Supervisory Board in EUR and is derived from budget planning for ProSiebenSat.1 Group.

Where necessary, to determine the target achievement, the actual Group adjusted net income reported by ProSiebenSat.1 Media SE will be adjusted for effects arising from significant changes in IFRS accounting standards and unplanned effects from M&A transactions conducted within the reporting period (alongside related financing effects).

To measure the target achievement, the actual adjusted net income as reported in the relevant audited and approved Consolidated Financial Statements of ProSiebenSat.1 Media SE, subject to the above adjustments, is compared with the target adjusted net income for the respective financial year.

If the actual adjusted net income corresponds to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if there is a negative deviation from the target adjusted net income of 20% or more. To reach the maximum target achievement of 200%, the actual adjusted net income must exceed target adjusted net income by 20% or more. Intermediate values will be linearly interpolated. The adjusted net income target achievement curve is symmetrically designed, meaning that an over- or under-achievement of the target will be reflected evenly. → Fig. 013

013 / ADJUSTED NET INCOME TARGET ACHIEVEMENT CURVE



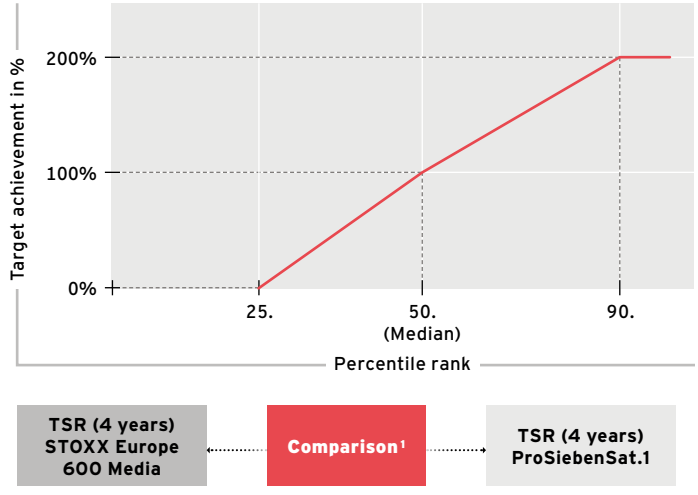
RELATIVE TOTAL SHAREHOLDER RETURN (TSR)

In addition, 50% of the final number of performance share units are dependent on the relative TSR of ProSiebenSat.1 Media SE's shares over the four-year performance period, compared with STOXX Europe 600 Media companies. In terms of the TSR performance metric, this index represents the relevant benchmark for ranking the shareholder

return of ProSiebenSat.1 Media SE's shares relative to the shareholder return of companies in the selected index. To determine this, the TSR of ProSiebenSat.1 Media SE's shares and those of the peer companies' shares are placed in rank order, whereby ProSiebenSat.1 Media SE's relative positioning is expressed in terms of the achieved percentile rank.

If the relative TSR achieved by ProSiebenSat.1 Media SE corresponds to the median (50th percentile) of the peer group, the target achievement is equal to 100%. If the positioning is at or lower than the 25th percentile, the target achievement is equal to 0%. To reach the maximum target achievement of 200%, at least the 90th percentile needs to be achieved. Intermediate values will be linearly interpolated for both positive and negative deviations. → Fig. 014

014 / **RELATIVE TSR TARGET ACHIEVEMENT CURVE**



¹ Relative TSR of ProSiebenSat.1 Media SE's shares over the four-year performance period in comparison with STOXX Europe 600 Media companies.

PAYMENT DATE

Each respective tranche of the Long Term Incentive is paid out or settled, as the case may be, in the following year, after the audited and approved Consolidated Financial Statements for the final financial year of the four-year performance period become available.

Further information on the Performance Share Plan can be found in the → Notes, Note 33 "Share-based payments", page 220.

OBLIGATIONS TO ACQUIRE AND HOLD SHARES IN THE COMPANY (SHARE OWNERSHIP GUIDELINES)

In order to strengthen the equity culture and bring the interests of the Executive Board and shareholders into even greater alignment, obligations to acquire and hold shares in the Company are being introduced for the members of the Executive Board. Each Executive Board member is obliged to acquire shares in ProSiebenSat.1 Media SE with a value totaling 200% (chairman of the Executive Board) or 100% (other Executive Board members) of the annual fixed gross basic salary and to hold these shares at least until the end of their appointment as a member of the Executive Board. Until the required levels are reached, the Executive Board members are obliged to invest at least 25% of the annual payout from the Short Term Incentive (performance bonus) and the Long Term Incentive (Performance Share Plan) in ProSiebenSat.1 Media SE shares; payments from the variable compensation elements of the previous compensation system (former performance bonus, Mid-Term Incentive and Group Share Plan) are not subject to the investment obligation. This will therefore apply for the first time when the 2018 performance bonus is paid out in financial year 2019. Further information on shares in the Company held by the Executive Board can be found in the → Corporate Governance Report on page 41.

COMPANY PENSION

The configuration of the Company pension remains unchanged. Pension agreements were signed for all members of the Executive Board: For the period of the employment relationship, the Company pays an annual total contribution into the personal pension account managed by the Company. The total contribution made by the Company is equivalent to 20% of the respective fixed annual gross salary. Each member of the Executive Board has the right to pay any additional amount into the pension account in the context of deferred compensation. There are no further payments after the end of the employment relationship. The Company guarantees the paid-in capital and an annual interest of 2%. The amounts paid-in are invested on the money and capital markets. A monthly retirement pension or alternatively a one-off retirement payment is paid if the Executive Board member reaches the age of 60, or 62 in the case of Max Conze, Dr. Jan Kemper, Sabine Eckhardt, Jan David Frouman and Christof Wahl, and has been a member of the Executive Board for at least three full years. This entitlement also arises in the case of permanent disability. The monthly retirement pension is derived from the actuarially calculated life-long pension as of the time of the entitlement to benefits. If no monthly retirement pension is paid, then a retirement payment is made in the amount of the guaranteed capital as a one-off payment (or in up to ten equal annual installments).

CLAWBACK

In the new compensation system, all variable compensation components for Executive Board members are still forward-looking and are not paid out until after the end of the plan term. Until then, they also reflect negative value risks at the expense of the variable compensation.

Moreover, the respective employment contracts clearly state that potential claims on the part of the Company against Executive Board members from Section 93 (2) of the Stock Corporation Act are unaffected. According to this provision, Executive Board members who neglect their duties are obliged to compensate the resulting damage as joint and several debtors.

NON-PERFORMANCE-BASED FRINGE BENEFITS

In addition, Executive Board members receive other non-performance-based fringe benefits (particularly, the provision of company cars, group accident insurance and occasionally chauffeur services, flights home and benefits for the maintenance of two households).

COMMITMENTS IN THE EVENT OF TERMINATION OF EXECUTIVE BOARD EMPLOYMENT

Premature termination without good cause
If the employment contracts of Executive Board members are terminated prematurely by the Company without good cause, these contracts provide for a severance payment amounting to two years' worth of total compensation as defined by section 4.2.3 of the GCGC; however, this may not exceed the amount of compensation that would have been paid until the end of the contract period.

Premature termination in the event of a change of control
The contracts of Executive Board members contain change of control clauses in the event of a change of control at the Company. A change of control as defined in the agreements of the Executive Board members takes place (i) if control is acquired within the meaning of takeover law, i.e. at least 30% of the voting rights in the Company are acquired by the acquirer, (ii) if the merger of the Company is implemented with the Company as the transferring legal entity, or (iii) if a control agreement comes into force with the Company as the dependent entity. In the event of a change of control, Executive Board members have the right to terminate their employment contract with three months' notice at the end of the month and resign from the Executive Board if the change of control significantly affects the position of these Executive Board members. If this right of termination is exercised, the Executive Board members shall receive a payment in cash that is to be added in full to any waiting allowances. Compensation in cash corresponds to three years' remuneration, but shall not exceed remuneration for the remainder of the employment contract discounted to the termination date. When determining this cash settlement, fixed remuneration for the last financial year that Executive Board members are contractually entitled to, the performance bonus, multi-annual compensation components and pension contributions are to be regarded as annual compensation.

ONGOING COMPENSATION ELEMENTS FROM THE REPLACED COMPENSATION SYSTEM UP TO 2017

The compensation system for the Executive Board members of ProSiebenSat.1 Media SE in place until the end of 2017 contained two multi-year variable compensation components, which have effects beyond the 2017 performance period.

GROUP SHARE PLAN

The Group Share Plan was granted to the Executive Board members for the last time in financial year 2017. It was a multi-year variable compensation instrument similar to the Performance Share Plan issued since 2018, in which virtual shares were issued to the Executive Board members in annual tranches each with a four-year performance period. Please refer to the 2017 Compensation Report for more details.

As of the end of 2018, the Group Share Plans from 2015 (with the performance period 2015 – 2018), from 2016 (with the performance period 2016 – 2019) and from 2017 (with the performance period 2017 – 2020) are still outstanding. The required minimum values for the Group's consolidated net income and EBITDA have so far been achieved for each year of the respective four-year performance period of the outstanding Group Share Plans. The respective annual conversion factors are 105% for financial year 2015 (Group Share Plan 2015), likewise 105% for financial year 2016 (Group Share Plans 2015 – 2016), and 78% for financial year 2017 (Group Share Plans 2015 – 2017). For financial year 2018, the annual conversion factor is 56% (Group Share Plans 2015 – 2017). The PSU conversion factor (calculated as the average annual conversion factor from all four years) for the completed four-year performance period of the Group Share Plan 2015 thus comes to 86% now. The PSU conversion factors for the respective four-year performance periods of the Group Share Plans 2016 and 2017 accordingly cannot be calculated and reported until the end of the respective financial years. In the previous year, the PSU conversion factor of the Group Share Plan 2014 for the completed four-year performance period was 100%.

Further information on the Group Share Plan can be found in the → Notes, Note 33 "Share-based payments", page 220.

MID-TERM INCENTIVE PLAN

The Mid-Term Incentive Plan (MTI) had a three-year plan term from financial year 2016 to the end of financial year 2018 (MTI 2016 – 2018). It was a medium-term compensation instrument, payable in cash to members of the Executive Board as well as selected other executives. The Mid-Term Incentive Plan had a three-year plan term starting in the financial year 2016. Please refer to the 2017 Compensation Report for more details.

The MTI was the second multi-year compensation component and was canceled without replacement as part of the redesign of Executive Board compensation, so it will not be reinstituted. For this reason, the MTI 2016 – 2018 is to be settled in cash. To this end, it was agreed that each Executive Board member would receive a payment of 104% of the respective MTI 2016 – 2018 target bonus. The payment will be made in May 2019 in accordance with the terms and conditions of the plan.

In the summary below, the new compensation system in place since the revision in financial year 2018 is compared to the system valid until the end of 2017: → Fig. 015

015 / CHANGES IN COMPENSATION SYSTEM

	Previous compensation system	Redesigned compensation system
BASE SALARY		
	Fixed Base Salary	**Fixed Base Salary**
Scope	Oriented toward the respective area of competence and responsibility of the Executive Board member.	Oriented toward the respective area of competence and responsibility of the Executive Board member.
Payment date	In monthly installments.	In monthly installments.
VARIABLE COMPENSATION		
Annual variable compensation		
	Short-Term Incentive (Performance Bonus)	**Short-Term Incentive (Performance Bonus)**
Target compensation	Target amount contractually fixed.	Target amount contractually fixed.
Cap	Cap: 200% of the target amount.	Cap: 200% of the target amount.
Missing of targets	Complete forfeiture possible if targets not met.	Complete forfeiture possible if targets not met.
Target parameters	Determination of target parameters and performance target levels at the discretion of the Supervisory Board. Target parameters are typically Group EBITDA and Group Net Debt as well as further financial and non-financial targets.	Financial target parameters (equally weighted): _ Group EBITDA _ Group Free cash flow
		Modifier (+/- 20%) serving as a bonus/malus, based on: _ Individual targets _ Team targets
Payment date	Within one month after the audited and approved consolidated financial statements for the relevant fiscal year are available.	Within one month after the audited and approved consolidated financial statements for the relevant fiscal year are available.
Multi-year variable compensation		
	Long-Term Incentive (Group Share Plan) (share-based compensation component)	**Long-Term Incentive (Performance Share Plan)** (share-based compensation component)
Term	Term of each tranche: 4 years (Performance period).	Term of each tranche: 4 years (Performance period).
Grant value	Contractually agreed annual grant value.	Contractually agreed annual grant value.
Cap	Cap: _ 150% target achievement _ +/- 25% adjustment range (In the event of extraordinary developments) _ Max. 200% increase in share price _ = 525% overall cap	Cap: 200% of the target value.
Missing targets	Complete forfeiture possible if targets not met.	Complete forfeiture possible if targets not met.
Target parameters	Annual group EBITDA targets during the term of each respective tranche.	_ Annual adjusted Group net income targets during the term of the respective tranche (50% weighting) _ Relative positioning of Total Shareholder Return compared with STOXX Europe 600 Media companies during the term of the respective tranche (50% weighting).
Grant	Grant of so-called Performance Share Units (PSUs) in annual tranches.	Grant of so-called Performance Share Units (PSUs) in annual tranches.
	Determination of the number of PSUs according to the grant value, based on the volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days before the day on which the respective tranche was granted.	Determination of the number of PSUs according to the grant value, based on the volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days before the beginning of the term (January 1) of the respective tranche. In deviation from this general rule and in light of the fact that the Performance Share Plan was first instituted during 2018, the assignment date for the 2018 Performance Share Plan is June 29, 2018.
Determination of payout amount	Determination of the final number of Performance Share Units at the end of the term of a tranche by multiplying PSUs by a performance-based conversion factor.	Determination of the final number of Performance Share Units at the end of the term of a tranche by multiplying PSUs by a performance-based conversion factor. In deviation from this general rule and in light of the fact that the Performance Share Plan was first instituted during 2018, the assignment date for the 2018 Performance Share Plan is June 29, 2018.

	Previous compensation system	Redesigned compensation system
Determination of payout amount (continuation)	The conversion factor depends on the achievement of annual EBITDA targets during the term of the respective tranche.	The conversion factor depends _ To 50% on the achievement of annual adjusted net income targets during the term of the respective tranche and _ To 50% on the relative Total Shareholder Return (TSR) positioning against the STOXX Europe 600 Media companies during the term of the respective tranche.
	Option to retroactively adjust the conversion factor by up to 25 percentage points in the event of extraordinary developments, taking individual performance of the respective members of the Executive Board into account. Further, the annual target achievement can be adjusted discretionarily within certain limits.	No option to retroactively adjust the conversion factor or undertake discretionary adjustments to target achievement.
	The payout amount per Performance Share Unit corresponds to the volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days preceding the date on which the conversion rate is ultimately determined.	The payout amount per Performance Share Unit corresponds to the volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days preceding the end of the term of the respective tranche, plus cumulative dividend payments on each share during the term of the tranche.
	In the event of settlement in shares, the participant receives one share for each Performance Share Unit.	In the event of settlement in shares, the payout amount will be converted into treasury shares using the share price cited above.
Dividend payments	Dividend payments accounted for through a corresponding increase in the number of PSUs, only to the extent that dividend distributions per share for a fiscal year exceed 100% of the group adjusted net income per share for the relevant fiscal year.	All dividend payments during the term of the tranche are accounted for through inclusion of cumulative dividend payments per share in the payout amount.
Vesting	1/4 of the PSUs granted vest at the end of each year of the term of the respective tranche, if certain Group Net Income thresholds for the relevant year are achieved.	1/12 of the PSUs granted vest at the end of each month of the first year of the term of a respective tranche. If the employment commences during the first fiscal year of the plan term the grant value will be on a pro rata temporis basis, but with full vesting of such pro rata temporis portion until the end of the first fiscal year of the plan term.
Payout	Payout in cash or through delivery of a corresponding number of own shares.	Payout generally in cash or, if decided by the Company, through delivery of a corresponding number of own shares.
Payment date	The respective long-term incentive tranche is paid out or settled, as the case may be, after the audited and approved consolidated financial statements for the final fiscal year of the four-year performance period are available.	The respective long-term incentive tranche is paid out or settled, as the case may be, after the audited and approved consolidated financial statements for the final fiscal year of the four-year performance period are available.
	Mid-Term Incentive Plan	**(repealed)**
	Term: 3 years Contractually agreed target value Cap: 250% of the target value	
	Complete forfeiture possible if targets not met.	
	Payout dependent on the achieved Recurring EBITDA 2018 (henceforth Adjusted EBITDA) of the ProSiebenSat.1 Group as well as the achievement of certain threshold values for revenue and Recurring EBITDA (henceforth Adjusted EBITDA) during the term.	
	Payout in cash.	

PURCHASE AND HOLDING OBLIGATIONS

	No regulations.	Until the prescribed levels are reached, obligation to invest at least 25% of the annual payouts from annual and multi-year variable compensation in ProSiebenSat.1 Media SE shares.
		Shares must be held at least until the end of an Executive Board member's appointment.
		Volume:
		_ CEO: 200% of fixed gross base salary
		_ Other members of the Executive Board: 100% of fixed gross base salary

EXECUTIVE BOARD COMPENSATION FOR THE FINANCIAL YEAR 2018

Variable compensation – degree of target achievement

The Supervisory Board has taken the desire for transparency regarding compensation decisions on board and has decided to report an overview of the degree of target achievement.

Performance bonus

The performance bonus is calculated on the basis of the target achievement (0% - 200%) identified for the financial year for EBITDA and FCF, both at Group level, and a modifier (0.8 to 1.2) for the assessment of the individual and collective performance of the Executive Board members. The final payment is capped at a maximum of 200% of the individual target amount agreed in each employment contract.

The Supervisory Board has determined the following target achievement for financial year 2018 with regard to EBITDA and FCF, each with a weighting of 50%: → Fig. 016

016 / **TARGET PARAMETERS** in EUR m

	Weighting	100% target value	Actual value in FY 2018 (before adjustment)	Actual value in FY 2018 (adjusted)	Target achievement
EBITDA at Group level	50%	983.5	570.2	550.4	0%
Free cash flow (FCF) at Group level	50%	269.4	243.5	288.2	128%
Weighted target achievement	**100%**				**64%**

To calculate target attainment for financial year 2018 in the target parameters of EBITDA at Group level and FCF at Group level, the Supervisory Board primarily adjusted for material reconciling items from M&A activities.

For the modifier in financial year 2018, the Supervisory Board agreed collective targets with the Executive Board members, namely the development of a corporate social responsibility strategy and the redefinition of the corporate culture as part of the reorganization in 2018. The Executive Board members' individual targets for the modifier include amongst others the definition and implementation of saving measures as part of the reorganization and the achievement of revenue and EBITDA targets of the respective Executive Board areas.

Based on the overall assessment of the individual and collective performance of the Executive Board members, the Supervisory Board assessed the modifier for adjusting the performance bonus as follows: Conrad Albert 1.2 and Jan David Frouman 0.8.

Taking the target achievement for EBITDA and FCF and the respective modifiers into account results in the following overall target achievement for the performance bonus in financial year 2018: Conrad Albert 76.8% and Jan David Frouman 53.9%.

Max Conze is receiving a pro rata, non-performance-based performance bonus as annual variable compensation for financial year 2018. To satisfy the entitlement to the performance bonus for financial year 2018, Dr. Jan Kemper and Sabine Eckhardt, departing as of March 31, 2019 respectively April 30, 2019, receive a payment which is fixed in their individual termination agreements (for further information please refer to → "Notes on the Compensation of Departed or Departing Executive Board Members", page 61).

PERFORMANCE SHARE PLAN

The Performance Share Plan was granted to the Executive Board members for the first time in financial year 2018 and replaced the Group Share Plan, which previously acted as the Long Term Incentive. Target achievement is measured based on adjusted net income at Group level as well as the relative total shareholder return (TSR), each with a weighting of 50%. The target achievement for adjusted net income equals the average annual target achievement for the four financial years of the respective plan term. For the Performance Share Plan 2018 the target achievement average is relevant for 2018 to 2021. For financial year 2018, target achievement in relation to adjusted net income was 88%.

The relative TSR takes account of the share price development over the four-year performance period and is measured only at the end of the four-year performance period. If target achievement had been measured at the end of the first twelve months, it would have been 0%.

The final target achievement with regard to adjusted net income at Group level and TSR for the four-year performance period of the 2018 Performance Share Plan can therefore not be calculated until after the end of the final financial year of the four-year performance period.

COMPENSATION OF EXECUTIVE BOARD MEMBERS FOR FINANCIAL YEAR 2018 UNDER GAS 17

The following total compensation for Executive Board members in office in the financial year 2018 was determined under GAS 17: → Fig. 017

017 / COMPENSATION OF EXECUTIVE BOARD MEMBERS FOR THE FINANCIAL YEAR 2018 IN ACCORDANCE WITH GAS 17 in EUR thousand

	Max Conze[5] Chairman of the Executive Board since 06/01/2018		Conrad Albert Deputy Chairman of the Executive Board and Group General Counsel since 10/01/2011		Dr. Jan Kemper[6] Group CFO and Executive Board Member Commerce until 03/31/2019		Sabine Eckhardt[7] Member of the Executive Board for Sales & Marketing until 04/30/2019		Jan David Frouman Executive Board Member Content Production & Global Sales until 02/28/2019	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Fixed compensation	857.5	–	1,100.0	725.0	980.0	379.2	810.0	510.0	855.0	555.0
Fringe benefits[1]	47.6	–	9.7	9.8	53.0	29.7	8.2	8.7	9.7	9.7
Total fixed compensation	**905.1**	**–**	**1,109.7**	**734.8**	**1,033.0**	**408.9**	**818.2**	**518.7**	**864.7**	**564.7**
Annual variable compensation	735.0	–	422.4	396.8	423.0	341.3	321.0	331.9	215.6	162.5
Multi-year variable compensation										
Mid-Term Incentive Plan (2016–2018)[2]	–	–	1,040.0	–	692.6	–	693.3	–	1,040.0	–
Group Share Plan (2017–2020)	–	–	–	800.0	–	800.0	–	800.0	–	800.0
Performance Share Plan (2018–2021)	857.5	–	1,100.0	–	980.0	–	810.0	–	810.0	–
Other[3]	3,000.0	–	73.0	–	–	2,000.0	–	–	–	–
Total variable compensation	**4,592.5**	**–**	**2,635.4**	**1,196.8**	**2,095.6**	**3,141.3**	**1,824.3**	**1,131.9**	**2,065.6**	**962.5**
Total compensation	**5,497.6**	**–**	**3,745.1**	**1,931.6**	**3,128.6**	**3,550.2**	**2,642.5**	**1,650.6**	**2,930.3**	**1,527.2**
Increase of pension obligation (DBO)	142.9	–	777.4	493.5	172.6	59.1	175.2	85.0	211.4	291.7
thereof entitlements from deferred compensation	–	–	358.2	352.3	–	–	–	–	–2.9	194.0
Amount of pension obligation (DBO)[4]	142.9	–	2,387.2	1,609.8	231.7	59.1	260.2	85.0	622.1	410.7
thereof entitlements from deferred compensation	–	–	1,172.6	814.4	–	–	–	–	235.3	238.2

	Thomas Ebeling[8] Group CEO until 02/22/2018		Christof Wahl[9] COO Entertainment until 07/31/2018		Dr. Gunnar Wiedenfels[10] Group CFO until 03/31/2017		Dr. Ralf Schremper[11] Chief Investment Officer – CIO until 07/31/2017		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Fixed compensation	166.7	1,000.0	297.5	510.0	–	127.5	–	297.5	5,066.7	4,104.2
Fringe benefits[1]	11.0	120.2	5.5	8.0	–	4.2	–	7.1	144.7	197.4
Total fixed compensation	**177.7**	**1,120.2**	**303.0**	**518.0**	**–**	**131.7**	**–**	**304.6**	**5,211.4**	**4,301.6**
Annual variable compensation	–	832.0	–	322.4	–	81.3	–	0.0	2,117.0	2,468.2
Multi-year variable compensation										
Mid-Term Incentive Plan (2016–2018)[2]	1,500.0	–	1,000.0	–	–	–	–	–	5,966.0	–
Group Share Plan (2017–2020)	–	–	–	800.0	–	–	–	–		4,000.0
Performance Share Plan (2018–2021)	–	–	–	–	–	–	–	–	4,557.5	–
Other[3]	–	–	–	–	–	–	–	–	3,073.0	2,000.0
Total variable compensation	**1,500.0**	**832.0**	**1,000.0**	**1,122.4**	**–**	**81.3**	**–**	**0.0**	**15,713.5**	**8,468.2**
Total compensation	**1,677.7**	**1,952.2**	**1,303.0**	**1,640.4**	**–**	**213.0**	**–**	**304.6**	**20,924.8**	**12,769.7**
Increase of pension obligation (DBO)	1,404.1	503.3	141.7	94.2	–	–139.2	–	187.2	3,025.3	1,574.8
thereof entitlements from deferred compensation	1,024.1	253.7	–	–	–	5.3	–	–	1,379.4	805.3
Amount of pension obligation (DBO)[4]	11,279.3	9,875.2	293.4	151.7	–	328.1	–	340.6	15,216.9	12,860.3
thereof entitlements from deferred compensation	9,009.0	7,984.9	–	–	–	328.1	–	–	10,416.9	9,365.6

[1] Includes lease payments for use of company car and insurance premiums (excluding D&O). Dr. Gunnar Wiedenfels' fringe benefits include additional benefits for chauffeur services. Thomas Ebeling's fringe benefits include additional benefits for chauffeur services and flights home. Max Conze's fringe benefits include additional benefits for the maintenance of two households and relocation costs. In Dr. Jan Kemper's case, they include additional benefits for the maintenance of two households.
[2] The Mid-Term Incentive Plan will be settled at 104% of the target bonus; the payment will be made in May 2019 in accordance with the terms and conditions of the plan.
[3] Max Conze receives a one-time sign-on bonus of EUR 3 million and is obliged to use the net amount of the sign-on bonus, less the statutory deductions, to acquire shares in the Company worth EUR 1.5 million. Conrad Albert receives one-time compensation for his special services in connection with the CEO transition phase in financial year 2018. In financial year 2017, Dr. Jan Kemper received a compensation payment for forfeited entitlements from the stock option program of his previous employer.

[4] Defined benefit obligation (DBO) as of December 31 of the period under review.
[5] Max Conze receives a pro rata, non-performance-based amount of EUR 735,000 as annual variable compensation for financial year 2018.
[6] Dr. Jan Kemper will leave the Executive Board as of March 31, 2019. The termination of his employment contract also takes effect on March 31, 2019. To satisfy his entitlement to the performance bonus for financial year 2018, Dr. Jan Kemper receives a payment of EUR 423,000.
[7] Sabine Eckhardt will leave the Executive Board as of April 30, 2019. The termination of her employment contract also takes effect on April 30, 2019. To satisfy her entitlement to the performance bonus for financial year 2018, Sabine Eckhardt receives a payment of EUR 321,000.
[8] Thomas Ebeling left the Executive Board effective February 22, 2018; his employment contract ended effective February 22, 2018. The fixed and annual variable compensation shown relates to January to February 2018; in accordance with the termination agreement, the pension obligations relate to the period up to and including June 2019. Thomas Ebeling's entitlement to the annual variable compensation (performance bonus) for financial year 2018 was satisfied in full with the severance payment. The Mid-Term Incentive Plan was settled prematurely for the plan years 2016 to 2018 via a payment equal to the target value, i.e. EUR 1.5 million.
[9] Christof Wahl left the Executive Board effective July 31, 2018; his employment contract ended effective July 31, 2018. The fixed and annual variable compensation shown relates to January to July 2018; in accordance with the termination agreement, the pension obligations relate to the period up to and including April 2019. Christof Wahl's entitlement to the annual variable compensation (performance bonus) for financial year 2018 was satisfied in full with the severance payment. The Mid-Term Incentive Plan was settled prematurely for the plan years 2016 to 2018 via a payment equal to the target value, i.e. EUR 1.0 million.
[10] Dr. Gunnar Wiedenfels left the Executive Board effective March 31, 2017; his employment contract ended effective March 31, 2017. The fixed and annual variable compensation shown relates to January to March 2017; the pension obligations relate to the financial year 2017 as a whole. Since the three-year waiting period for the contractual vesting was not reached, the pension agreement provides only for entitlements that Dr. Gunnar Wiedenfels obtained from deferred compensation.
[11] Dr. Ralf Schremper left the Executive Board effective July 31, 2017; his employment contract ended effective July 31, 2017. The fixed compensation shown relates to January to July 2017; the pension obligations relate to the financial year 2017 as a whole. Dr. Ralf Schremper's entitlement to the annual variable compensation (performance bonus) for financial year 2017 was satisfied in full with the severance payment.

NOTES ON THE COMPENSATION OF DEPARTED OR DEPARTING EXECUTIVE BOARD MEMBERS

Thomas Ebeling left the Executive Board as of February 22, 2018. His employment contract, which would have been effective until June 30, 2019, also ended effective February 22, 2018. In accordance with the termination agreement, Thomas Ebeling's contractual compensation continued to be paid unchanged until the termination date. His compensation entitlements for the remaining term of the employment contract were paid out in the full amount of EUR 7.1 million as a severance payment following the termination date and, in the case of the contractual pension contributions, continued normally for the remaining term in accordance with the termination agreement. The following specific provisions were made in the termination agreement in this regard: The regular fixed compensation was granted up to and including February 2018 and a total of EUR 1.3 million paid as a severance payment for the remaining term of the employment contract (March 2018 to June 2019). The performance bonus was settled regularly for the last time for 2017. For the full year 2018 and pro rata temporis for the period up to and including June 2019, the performance bonus was instead paid on the basis of assumed target achievement of 100% as severance totaling EUR 1.5 million. In addition, the total amount of the non-cash benefit from the option to privately use the company car for the period from the termination date to the end of June 30, 2019, amounting to EUR 20,384 was paid out as severance. The contractual remuneration of the pension agreement continued unchanged for the remaining term of the contract; pension contributions of EUR 266,666.67 were attributed to the period from March 2018 up to and including June 2019. Thomas Ebeling's multi-year compensation components were settled in cash following the termination date in accordance with the termination agreement, provided the plan term had not yet expired as of the termination date. The following specific agreement was made on this point: Thomas Ebeling's participation in the Mid-Term Incentive Plan was paid off at the allocated amount of EUR 1.5 million with a plan term from 2016 to 2018. In accordance with his employment contract, Thomas Ebeling was owed an annual allocation of performance share units (PSUs) worth EUR 1.0 million, each with a four-year performance period, under the Group Share Plan. The PSUs allocated in 2014, whose performance period ended at the end of 2017, were settled normally. The PSUs allocated in 2015 and 2016 were settled at the allocated amount; the allocated amount was likewise paid instead of the outstanding allocation for 2017 and 2018. With regard to the provisions on vesting, which provide for 25% vesting at the end of each year of the four-year performance period, the measurement of the PSUs assumed the continuation of the employment contract for the remaining term until June 2019. Accordingly, a settlement was only paid if the corresponding PSUs were to become vested by then. This gave a settlement amount totaling EUR 2.5 million for the allocations or allocation entitlements of the years 2015 to 2018. According to the termination agreement, the planned severance amounts also compensated Thomas Ebeling's handover work for a transitional period of three months after the termination date, in which he remained available to the Company to an appropriate extent for information and other handover and consulting tasks associated with his previous work. Furthermore, this also compensated Thomas Ebeling's post-contractual non-competition clause agreed for the period up to and including June 2019, so the Company did not have to pay a separate waiting allowance for this.

Christof Wahl stepped down from the Executive Board as of July 31, 2018. His employment contract, which would have had been effective until April 30, 2019, also ended effective July 31, 2018. In accordance with his termination agreement, Christof Wahl received a severance payment of EUR 2.6 million, which was made up of the following elements: fixed remuneration of EUR 382,500 for the months from August 2018 to April 2019, performance bonus of EUR 433,333 for the months from January 2018 to April 2019 (assuming 100% target achievement), and EUR 200,000 as compensation for the non-participation in the Long Term Incentive Plan for 2018, which were payable on the termination date. Christof Wahl's participation in the Mid-Term Incentive Plan was paid off at the allocated amount of EUR 1.0 million with a plan term from 2016 to 2018. Concerning the Group Share Plan, the termination agreement stipulates that Christof Wahl is still participating in the Group Share Plan in accordance with the terms and conditions of this plan with the PSUs issued up to the termination date, but on the condition that they are treated as if they would have vested not before April 30, 2019. Accordingly, the PSUs

allocated under GSP 2016 were 75% vested on his departure, the PSUs allocated under GSP 2017 50%; a provision of EUR 474,712 was recognized for this. All PSUs that were not vested upon departure expired without compensation. For 2018, there was no further entitlement to allocation of PSUs under the Long Term Incentive Plan. In addition, Christof Wahl still received pension contributions of EUR 76,500 for August 2018 to April 2019, whereby for the purposes of the provisions of the pension agreement with regard to vesting Christof Wahl was treated as if the employment relationship had not ended until the regular end of the contract on April 30, 2019. It was also agreed that the post-contractual non-competition clause applies not for one year but for the period from the termination date at the end of July 31, 2018, to the end of April 30, 2019, and that the waiting allowance is settled by the severance payment.

Jan David Frouman will leave the Executive Board as of February 28, 2019. His employment contract, which has a term until February 28, 2019, will also end effective February 28, 2019, and will not be extended. Jan David Frouman is to receive no severance payment. The performance bonus for 2018 is calculated and paid out based on the actual targets achieved in accordance with the provisions contained in his employment contract. Jan David Frouman will receive a non-performance-based pro rata amount worth 2/12 of the target bonus for the performance bonus (EUR 66,667) as a performance bonus for 2019. The target bonus is based on the assumption that 100% of the target for the performance bonus has been achieved and a modifier of 1. The PSUs issued to Jan David Frouman under the Group Share Plan (GSP) in 2016 and 2017 and the PSUs issued from the Performance Share Plan (PSP) in 2018 will be vested at 75% (GSP 2016), 50% (GSP 2017) and 100% (PSP 2018) when he leaves the Company and will be settled as planned after the end of the respective four-year performance period. All PSUs that are not vested upon departure will expire without compensation. In accordance with his employment contract, Jan David Frouman will receive an allocation from the Performance Share Plan in financial year 2019, which will be vested at 2/12 upon his departure. All PSUs that are not vested upon departure will expire without compensation. The Mid-Term Incentive Plan will be settled at 104% of the MTI target bonus, i.e. EUR 1.04 million. In addition, the Company will waive the post-contractual non-competition clause, so Jan David Frouman will be owed a waiting allowance totaling EUR 0.3 million for the months of March and April 2019.

Dr. Jan Kemper will leave the Executive Board as of March 31, 2019. The termination of his employment contract, with a remaining term until May 31, 2020, also takes effect on March 31, 2019. According to the termination agreement, in addition to the regular fixed compensation up to and including March 2019, Dr. Jan Kemper receives further payments totaling EUR 3.5 million, which are made up as follows: The regular fixed compensation for the remaining term of the employment contract (April 2019 to May 2020) of EUR 1.1 million will be granted as severance payment. To satisfy his entitlement to the performance bonus for financial year 2018 Dr. Jan Kemper receives a payment of EUR 0.4 million. For the full year 2019 and pro rata temporis for the period up to and including May 2020, the performance bonus will be paid on the basis of assumed target achievement of 100% and a modifier of 1 as severance totaling EUR 0.7 million. In addition, Dr. Jan Kemper still receives pension contributions of EUR 228,667 for April 2019 to May 2020, whereby for the purposes of the provisions of the pension agreement with regard to vesting Dr. Jan Kemper is treated as if the employment relationship had not ended until the regular end of the contract on May 31, 2020. In respect to the multi-year compensation components of Dr. Jan Kemper, the following was agreed: Concerning the Group Share Plan, the termination agreement stipulates that Dr. Jan Kemper still participates in the Group Share Plan in accordance with the terms and conditions of this plan with the PSUs issued up to the termination date, but on the condition that they are treated as if they would have vested not before May 31, 2020. Accordingly, the PSUs allocated under GSP 2017 were 75% vested on his departure; a provision of EUR 97,295 was recognized for this. All PSUs that were not vested upon departure expire without compensation. In accordance with the employment contract, Dr. Jan Kemper is owed an annual allocation of PSUs worth EUR 1.0 million, each with a four-year performance period, under the Performance Share Plan. The PSUs issued in 2018 are 100% vested and will be settled after the end of the four-year performance period. Instead of the outstanding allocation for 2019 – and pro rata temporis until the end of May 31, 2020 – the allocated amount is paid for 2020. With regard to the provisions on vesting, which provide for one twelfth vesting at the end of each month of the first year of the four-year performance period, the measurement of the PSUs assumes the continuation of the employment contract for the remaining term until May 2020. Accordingly, a settlement is only paid if the corresponding PSUs are to become vested by then. This gives a settlement amount totaling EUR 1.4 million for allocation entitlements of the years 2019 and 2020. The severance entitlement agreed in the employment contract of Dr. Jan Kemper in the Mid-Term Incentive Plan with a plan term from 2016 to 2018 at 104% of the MTI target bonus, i.e. EUR 0.7 million is not impacted by the termination agreement. It was also agreed that the post-contractual non-competition clause applies for one year for the period from the termination date at the end of March 31, 2019, and that the waiting allowance is settled by the severance payment.

Sabine Eckhardt will leave the Executive Board as of April 30, 2019. The termination of her employment contract, with a remaining term until December 31, 2019, also takes effect on April 30, 2019. According to the termination agreement, in addition to the regular fixed compensation up to and including April 2019, Sabine Eckhardt receives further payments totaling EUR 2.0 million, which are made up as follows: The regular fixed compensation will be granted up to and including April 2019 and for the remaining term of the employment contract (May 2019 to December 2019) of EUR 0.5 million is granted as severance payment. To satisfy her entitlement to the performance bonus for financial year 2018, Sabine Eckhardt receives a payment of EUR 0.3 million. For the full year 2019, the performance bonus will be paid on the basis of assumed target achievement of 100% and a modifier of 1 as severance totaling EUR 0.4 million. In addition, Sabine Eckhardt still receives pension contributions of EUR 108,000 for May 2019 to December 2019, whereby for the purposes of the provisions of the pension agreement with regard to vesting Sabine Eckhardt was treated as if the employment relationship had not ended until the regular end of the contract on December 31, 2019. In respect to the multi-year compensation components of Sabine

Eckhardt the following was agreed: Concerning the Group Share Plan, the termination agreement stipulates that Sabine Eckhardt still participates in the Group Share Plan in accordance with the terms and conditions of this plan with the PSUs issued up to the termination date, but on the condition that they are treated as if they would have vested not before December 31, 2019. Accordingly, the PSUs allocated under GSP 2015 and 2016, which she has from work performed before she joined the Executive Board were 100% vested on her departure; a provision of EUR 9,464 was recognized for this. The PSUs allocated under GSP 2017, which she received in her function as member of the Executive Board, are 75% vested on her departure; a provision of EUR 97,295 was recognized for this. All PSUs that were not vested upon departure expire without compensation. In accordance with this employment contract, Sabine Eckhardt is owed an annual allocation of PSUs worth EUR 0.8 million, each with a four-year performance period, under the Performance Share Plan. The PSUs issued in 2018 are 100% vested and will be settled after the end of the four-year performance period. Instead of the outstanding allocation for 2019, the allocated amount is paid. With regard to the provisions on vesting, which provide for one twelfth vesting at the end of each month of the first year of the four-year performance period, the measurement of the PSUs assumes the continuation of the employment contract for the remaining term until December 2019. Accordingly, a settlement is only paid if the corresponding PSUs are to become vested by then. This gives a settlement amount totaling EUR 0.8 million for allocation entitlements for 2019. The severance entitlement agreed in the employment contract of Sabine Eckhardt in the Mid-Term Incentive Plan with a plan term from 2016 to 2018 at 104% of the MTI target bonus, i.e. EUR 0.7 million is not impacted by the termination agreement. It was also agreed that the

018 / ADDITIONAL DISCLOSURES ON SHARE-BASED PAYMENTS INSTRUMENTS

		Group Share Plan/Performance Share Plan[3]						
		Outstanding performance share units at the start of the financial year	Performance share units granted in the financial year		Performance share units expired in the financial year	Performance share units exercised in the financial year	Outstanding performance share units at the end of the financial year	Total cost for share-based payment[4]
		Number	Number	Fair value of the grant in EUR	Number	Number	Number	in EUR
	2018	**0**	**34,438**	**857,500**	**0**	**0**	**34,438**	**45,623**
Max Conze	2017	–	–	–	–	–	–	–
	2018	**95,639**	**44,177**	**1,100,000**	**0**	**25,658**	**114,158**	**–86,591**
Conrad Albert	2017	90,849	30,019	800,000	0	25,229	95,639	451,938
	2018	**30,019**	**39,358**	**980,000**	**0**	**0**	**69,377**	**63,343**
Dr. Jan Kemper	2017	0	30,019	800,000	0	0	30,019	382,556
	2018	**30,019**	**32,531**	**810,000**	**0**	**0**	**62,550**	**49,454**
Sabine Eckhardt[1]	2017	0	30,019	800,000	0	0	30,019	382,556
	2018	**53,577**	**32,531**	**810,000**	**0**	**0**	**86,108**	**119,065**
Jan David Frouman	2017	23,558	30,019	800,000	0	0	53,577	468,226
	2018	**82,024**	**0**	**0**	**49,952**	**32,072**	**0**	**86,717**
Thomas Ebeling[2]	2017	113,560	0	0	0	31,536	82,024	3,425
	2018	**77,577**	**0**	**0**	**26,897**	**0**	**50,680**	**–252,937**
Christof Wahl[2]	2017	47,558	30,019	800,000	0	0	77,577	555,506
	2018	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Dr. Gunnar Wiedenfels[1]	2017	39,962	0	0	25,870	14,092	0	38,303
	2018	–	–	–	–	–	–	–
Dr. Ralf Schremper[1]	2017	39,962	0	0	15,879	0	24,083	–11,643
	2018	**368,855**	**183,035**	**4,557,500**	**76,849**	**57,730**	**417,311**	**24,673**
Total	2017	355,449	150,095	4,000,000	41,749	70,857	392,938	2,270,867

[1] Executive Board members Sabine Eckhardt, Dr. Gunnar Wiedenfels and Dr. Ralf Schremper also have PSUs from work performed before they joined the Executive Board. These were not granted as remuneration for their role on the Executive Board and are thus not included in the overview. Dr. Gunnar Wiedenfels left the Executive Board effective March 31, 2017 and Dr. Ralf Schremper effective July 31, 2017. Information on share-based payment instruments in their case can be found in the chapter regarding total compensation of former members of the Executive Board.

[2] Thomas Ebeling left the Executive Board as of February 22, 2018, and Christof Wahl as of July 31, 2018. For information on the effects on the Group Share Plan, please refer to "Notes on the Compensation of Departed or Departing Executive Board Members".

[3] Nominal amounts of PSUs when granted. PSUs from the Group Share Plan were granted for the last time in financial year 2017; in financial year 2018, they were granted under the new Performance Share Plan.

[4] The total cost in the financial year 2018 includes an adjustment of the conversion factor for the performance share units granted (86%) for the Group Share Plan 2015 and was measured as of December 31, 2018. No adjustments were made due to anti-dilution protection or an individual increase by the Supervisory Board. The total cost in the financial year 2017 includes an adjustment of the conversion factor for the performance share units granted (100%) for the Group Share Plan 2014 and was measured as of December 31, 2017. The total cost for Conrad Albert and Christof Wahl is negative due to declines in the share price in financial year 2018; the total cost for Dr. Ralf Schremper is negative due to declines in the share price in financial year 2017.

post-contractual non-competition clause applies not for one year but for the period from the termination date at the end of April 30, 2019, to the end of December 31, 2019, and that the waiting allowance is settled by the severance payment.

Additional disclosures on share-based payment instruments (Group Share Plan and Performance Share Plan)
The performance share units (PSUs) granted to active members of the Executive Board for their work as members of the Executive Board developed as follows in the financial year 2018: → Fig. 018

In the financial year 2018, 57,730 performance share units from the Group Share Plan were exercised and 76,849 performance share units from the Group Share Plan expired. For more information on the performance share units granted for the financial year 2018 from the Performance Share Plan, please refer to → Note 33 in the Note "Share-based payments".

Further information on shares in the Company held by the Executive Board can be found in the → Corporate Governance Report on page 41.

Other compensation components
The Company has granted neither loans nor provided guaranties or warranties to the members of the Executive Board. Conrad Albert receives one-time compensation of EUR 73,000 for his special services in connection with the CEO transition phase in financial year 2018.

COMPENSATION OF EXECUTIVE BOARD MEMBERS FOR THE FINANCIAL YEAR 2018 IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE (GCGC)

The GCGC recommends the individual disclosure of specific compensation components for each Executive Board member according to certain criteria. It further recommends the use of the template tables included in the GCGC for their presentation – in some cases deviating from GAS 17.

Benefits granted in accordance with GCGC
The table below shows the benefits that have been granted for the financial year 2018, including fringe benefits and the minimum and maximum compensation achievable in the financial year 2018 that were granted to active members of the Executive Board for their work as Executive Board members. In deviation from the presentation of total compensation according to GAS 17, to comply with the GCGC the annual variable compensation must be disclosed as the target value, i.e. the value granted to the Executive Board member in the event of 100% target achievement. The degree of respective target achievement for a financial year, i.e. the extent to which the amount payable in the event of 100% target achievement was exceeded or fallen short of, is obtained by comparing the variable compensation granted for a financial year with the corresponding disclosures on the variable compensation actually received for the financial year in question in the receipt table according to GCGC. Furthermore, the pension cost, i.e. the service cost in accordance with IAS 19, must be included in total compensation in accordance with GCGC.→ Fig. 019 – 027

019 / **BENEFITS GRANTED** in EUR thousand

	Max Conze Chairman of the Executive Board since 06/01/2018			
	2018	**2018 (min.)**	**2018 (max.)**	**2017**
Fixed compensation	857.5	857.5	857.5	–
Fringe benefits[1]	47.6	47.6	47.6	–
Total fixed compensation	**905.1**	**905.1**	**905.1**	**–**
Annual variable compensation[2]	735.0	735.0	735.0	–
Multi-year variable compensation				
Performance Share Plan (2018 – 2021)	857.5	0.0	1,715.0	–
Other[3]	3,000.0	3,000.0	3,000.0	–
Total variable compensation	**4,592.5**	**3,735.0**	**5,450.0**	**–**
Pension cost[4]	142.9	142.9	142.9	–
Total compensation (GCGC)	**5,640.5**	**4,783.0**	**6,498.0**	**–**

[1] Includes lease payments for use of company car and insurance premiums (excluding D&O). Max Conze's fringe benefits include additional benefits for the maintenance of two households and relocation costs.
[2] Max Conze receives a pro rata, non-performance-based amount of EUR 735,000 as annual variable compensation for financial year 2018.
[3] Max Conze receives a one-time sign-on bonus of EUR 3 million and is obliged to use the net amount of the sign-on bonus, less the statutory deductions, to acquire shares in the Company worth EUR 1.5 million.
[4] Pension cost comprises service cost in accordance with IAS 19. In the case of Max Conze, this comprises past service costs for 2018 as a result of pension commitments granted during the year.

020 / **BENEFITS GRANTED** in EUR thousand

	Conrad Albert Deputy Chairman of the Executive Board and Group General Counsel – since 10/01/2011			
	2018	**2018 (min.)**	**2018 (max.)**	**2017**
Fixed compensation	1,100.0	1,100.0	1,100.0	725.0
Fringe benefits[1]	9.7	9.7	9.7	9.8
Total fixed compensation	**1,109.7**	**1,109.7**	**1,109.7**	**734.8**
Annual variable compensation	550.0	0.0	1,100.0	400.0
Multi-year variable compensation				
Mid-Term Incentive Plan (2016–2018)[2]	373.4	373.4	373.4	333.3
Group Share Plan (2017–2020)	–	–	–	800.0
Performance Share Plan (2018–2021)	1,100.0	0.0	2,200.0	–
Other[3]	73.0	73.0	73.0	–
Total variable compensation	**2,096.4**	**446.4**	**3,746.4**	**1,533.3**
Pension cost[4]	129.7	129.7	129.7	127.0
Total compensation (GCGC)	**3,335.8**	**1,685.8**	**4,985.8**	**2,395.1**

[1] Includes lease payments for use of company car and insurance premiums (excluding D&O). / [2] The Mid-Term Incentive Plan will be settled at 104% of the target bonus, i.e. EUR 1.04 million; the payment will be made in May 2019 in accordance with the terms and conditions of the plan. / [3] Conrad Albert receives one-time compensation for his special services in connection with the CEO transition phase in financial year 2018. / [4] Pension cost comprises service cost in accordance with IAS 19.

021 / **BENEFITS GRANTED** in EUR thousand

	Dr. Jan Kemper Group CFO and Executive Board Member Commerce – until 03/31/2019			
	2018	**2018 (min.)**	**2018 (max.)**	**2017**
Fixed compensation	980.0	980.0	980.0	379.2
Fringe benefits[1]	53.0	53.0	53.0	29.7
Total fixed compensation	**1,033.0**	**1,033.0**	**1,033.0**	**408.9**
Annual variable compensation[2]	423.0	423.0	423.0	379.2
Multi-year variable compensation				
Mid-Term Incentive Plan (2016–2018)[3]	359.6	359.6	359.6	333.0
Group Share Plan (2017–2020)	–	–	–	800.0
Performance Share Plan (2018–2021)	980.0	0.0	1,960.0	–
Other[4]	–	–	–	2,000.0
Total variable compensation	**1,762.6**	**782.6**	**2,742.6**	**3,512.2**
Pension cost[5]	103.4	103.4	103.4	59.1
Total compensation (GCGC)	**2,899.0**	**1,919.0**	**3,879.0**	**3,980.1**

[1] Includes lease payments for use of company car and insurance premiums (excluding D&O). Dr. Jan Kemper's fringe benefits include additional benefits for the maintenance of two households. / [2] Dr. Jan Kemper will leave the Executive Board as of March 31, 2019. The termination of his employment contract also takes effect on March 31, 2019. To satisfy his entitlement to the performance bonus for financial year 2018, Dr. Jan Kemper receives a payment of EUR 423,000. / [3] The Mid-Term Incentive Plan will be settled at 104% of the target bonus, i.e. EUR 0.7 million; the payment will be made in May 2019 in accordance with the terms and conditions of the plan. / [4] In financial year 2017, Dr. Jan Kemper received a compensation payment for forfeited entitlements from the stock option program of his previous employer. / [5] Pension cost comprises service cost in accordance with IAS 19. In the case of Dr. Jan Kemper, this comprises past service costs for 2017 as a result of pension commitments granted during the year.

022 / **BENEFITS GRANTED** in EUR thousand

	Sabine Eckhardt Member of the Executive Board for Sales & Marketing – until 04/30/2019			
	2018	**2018 (min.)**	**2018 (max.)**	**2017**
Fixed compensation	810.0	810.0	810.0	510.0
Fringe benefits[1]	8.2	8.2	8.2	8.7
Total fixed compensation	**818.2**	**818.2**	**818.2**	**518.7**
Annual variable compensation[2]	321.0	321.0	321.0	375.0
Multi-year variable compensation				
Mid-Term Incentive Plan (2016–2018)[3]	360.0	360.0	360.0	333.3
Group Share Plan (2017–2020)	–	–	–	800.0
Performance Share Plan (2018–2021)	810.0	0.0	1,620.0	–
Total variable compensation	**1,491.0**	**681.0**	**2,301.0**	**1,508.3**
Pension cost[4]	86.8	86.8	86.8	85.0
Total compensation (GCGC)	**2,396.0**	**1,586.0**	**3,206.0**	**2,112.0**

[1] Includes lease payments for use of company car and insurance premiums (excluding D&O). / [2] Sabine Eckhardt will leave the Executive Board as of April 30, 2019. The termination of her employment contract also takes effect on April 30, 2019. To satisfy her entitlement to the performance bonus for financial year 2018, Sabine Eckhardt receives a payment of EUR 321,000. / [2] The Mid-Term Incentive Plan will be settled at 104% of the target bonus, i.e. EUR 0.7 million; the payment will be made in May 2019 in accordance with the terms and conditions of the plan. / [4] Pension cost comprises service cost in accordance with IAS 19. In the case of Sabine Eckhardt, this comprises past service costs for 2017 as a result of pension commitments granted during the year.

023 / **BENEFITS GRANTED** in EUR thousand

	Jan David Frouman Executive Board Member Content Production & Global Sales until 02/28/2019			
	2018	**2018 (min.)**	**2018 (max.)**	**2017**
Fixed compensation	855.0	855.0	855.0	555.0
Fringe benefits[1]	9.7	9.7	9.7	9.7
Total fixed compensation	**864.7**	**864.7**	**864.7**	**564.7**
Annual variable compensation	400.0	0.0	800.0	325.0
Multi-year variable compensation				
Mid-Term Incentive Plan (2016–2018)[2]	373.4	373.4	373.4	333.3
Group Share Plan (2017–2020)	–	–	–	800.0
Performance Share Plan (2018–2021)	810.0	0.0	1,620.0	–
Total variable compensation	**1,583.4**	**373.4**	**2,793.4**	**1,458.3**
Pension cost[3]	96.0	96.0	96.0	91.6
Total compensation (GCGC)	**2,544.1**	**1,334.1**	**3,754.1**	**2,114.6**

[1] Includes lease payments for use of company car and insurance premiums (excluding D&O). / [2] The Mid-Term Incentive Plan will be settled at 104% of the target bonus, i.e. EUR 1.04 million; the payment will be made in May 2019 in accordance with the terms and conditions of the plan. / [3] Pension cost comprises service cost in accordance with IAS 19.

024 / **BENEFITS GRANTED** in EUR thousand

	Thomas Ebeling[1] Group CEO – until 02/22/2018			
	2018	**2018 (min.)**	**2018 (max.)**	**2017**
Fixed compensation	166.7	166.7	166.7	1,000.0
Fringe benefits[2]	11.0	11.0	11.0	120.2
Total fixed compensation	**177.7**	**177.7**	**177.7**	**1,120.2**
Annual variable compensation	–	–	–	1,000.0
Multi-year variable compensation				
Mid-Term Incentive Plan (2016–2018)	500.0	0.0	1,250.0	500.0
Group Share Plan (2017–2020)	–	–	–	–
Performance Share Plan (2018–2021)	–	–	–	–
Total variable compensation	**500.0**	**0.0**	**1,250.0**	**1,500.0**
Pension cost[3]	213.0	213.0	213.0	209.2
Total compensation (GCGC)	**890.7**	**390.7**	**1,640.7**	**2,829.4**

[1] Thomas Ebeling left the Executive Board effective February 22, 2018; his employment contract ended effective February 22, 2018. The fixed and annual variable compensation shown relates to January to February 2018; the pension cost relates to the financial year 2018 as a whole. Thomas Ebeling's entitlement to the annual variable compensation (performance bonus) for financial year 2018 was satisfied in full with the severance payment. The Mid-Term Incentive Plan was settled prematurely for the plan years 2016 to 2018 via a payment equal to the target value, i.e. EUR 1.5 million. / [2] Includes lease payments for use of company car and insurance premiums (excluding D&O). Thomas Ebeling's fringe benefits include additional benefits for chauffeur services and flights home. / [3] Pension cost comprises service cost in accordance with IAS 19.

025 / **BENEFITS GRANTED** in EUR thousand

	Christof Wahl[1] COO Entertainment – until 07/31/2018			
	2018	**2018 (min.)**	**2018 (max.)**	**2017**
Fixed compensation	297.5	297.5	297.5	510.0
Fringe benefits[2]	5.5	5.5	5.5	8.0
Total fixed compensation	**303.0**	**303.0**	**303.0**	**518.0**
Annual variable compensation	–	–	–	325.0
Multi-year variable compensation				
Mid-Term Incentive Plan (2016–2018)	333.3	0.0	833.3	333.3
Group Share Plan (2017–2020)	–	–	–	800.0
Performance Share Plan (2018–2021)	–	–	–	–
Total variable compensation	**333.3**	**0.0**	**833.3**	**1,458.3**
Pension cost[3]	92.9	92.9	92.9	88.0
Total compensation (GCGC)	**729.2**	**395.9**	**1,229.2**	**2,064.3**

[1] Christof Wahl left the Executive Board effective July 31, 2018; his employment contract ended effective July 31, 2018. The fixed and annual variable compensation shown relates to January to July 2018; the pension cost relates to the financial year 2018 as a whole. Christof Wahl's entitlement to the annual variable compensation (performance bonus) for financial year 2018 was satisfied in full with the severance payment. The Mid-Term Incentive Plan was settled prematurely for the plan years 2016 to 2018 via a payment equal to the target value, i.e. EUR 1.0 million. / [2] Includes lease payments for use of company car and insurance premiums (excluding D&O). / [3] Pension cost comprises service cost in accordance with IAS 19.

026 / **BENEFITS GRANTED** in EUR thousand

	Dr. Gunnar Wiedenfels[1] Group CFO – until 03/31/2017			
	2018	**2018 (min.)**	**2018 (max.)**	**2017**
Fixed compensation	–	–	–	127.5
Fringe benefits[2]	–	–	–	4.2
Total fixed compensation	**–**	**–**	**–**	**131.7**
Annual variable compensation	–	–	–	81.3
Multi-year variable compensation				
Mid-Term Incentive Plan (2016–2018)	–	–	–	–
Group Share Plan (2017–2020)	–	–	–	–
Performance Share Plan (2018–2021)	–	–	–	–
Total variable compensation	**–**	**–**	**–**	**81.3**
Pension cost[3]	–	–	–	84.2
Total compensation (GCGC)	**–**	**–**	**–**	**297.2**

[1] Dr. Gunnar Wiedenfels left the Executive Board effective March 31, 2017; his employment contract ended effective March 31, 2017. The fixed and annual variable compensation shown relates to January to March 2017; the pension cost relates to the financial year 2017 as a whole. Since the three-year waiting period for the contractual vesting was not reached, the pension agreement provides only for entitlements that Dr. Gunnar Wiedenfels obtained from deferred compensation. Due to the premature termination of the employment contract before the plan term, all entitlements under the Mid-Term Incentive Plan expire without compensation. / [2] Includes lease payments for use of company car and insurance premiums (excluding D&O). Dr. Gunnar Wiedenfels' fringe benefits include additional benefits for chauffeur services. / [3] Pension cost comprises service cost in accordance with IAS 19.

027 / **BENEFITS GRANTED** in EUR thousand

	Dr. Ralf Schremper[1] Chief Investment Officer – CIO – until 07/31/2017			
	2018	**2018 (min.)**	**2018 (max.)**	**2017**
Fixed compensation	–	–	–	297.5
Fringe benefits[2]	–	–	–	7.1
Total fixed compensation	**–**	**–**	**–**	**304.6**
Annual variable compensation	–	–	–	0.0
Multi-year variable compensation				
Mid-Term Incentive Plan (2016–2018)	–	–	–	333.3
Group Share Plan (2017–2020)	–	–	–	–
Performance Share Plan (2018–2021)	–	–	–	–
Total variable compensation	**–**	**–**	**–**	**333.3**
Pension cost[3]	–	–	–	89.4
Total compensation (GCGC)	**–**	**–**	**–**	**727.4**

[1] Dr. Ralf Schremper left the Executive Board effective July 31, 2017; his employment contract ended effective July 31, 2017. The fixed and annual variable compensation shown relates to January to July 2017; the pension cost relates to the financial year 2017 as a whole. Dr. Ralf Schremper's entitlement to the annual variable compensation (performance bonus) for financial year 2017 was satisfied in full with the severance payment. The Mid-Term Incentive Plan was settled prematurely pro rata for the plan years 2016 and 2017 via a payment equal to two-thirds of the target value, i.e. EUR 0.67 million. / [2] Includes lease payments for use of company car and insurance premiums (excluding D&O). / [3] Pension cost comprises service cost in accordance with IAS 19.

For information on the termination agreements of Thomas Ebeling, Christof Wahl, Dr. Jan Kemper and Sabine Eckhardt as well as on the departure of Jan David Frouman, please refer to → "Notes on the Compensation of Departed or Departing Executive Board Members", page 61.

Receipt in accordance with GCGC

As the compensation granted to members of the Executive Board for the financial year is not always accompanied by a payment in the respective financial year, a separate table – in accordance with the relevant recommendation of the GCGC – shows the amount received by members of the Executive Board for work performed in the financial year.

In line with GCGC recommendations, the fixed compensation and annual variable compensation must be recognized as receipts for the respective financial year. According to the GCGC, share-based payment is considered received at the date and value relevant to German tax law.

Following the recommendations of the GCGC, when disclosing receipts the pension cost in the sense of service cost according to IAS 19 equates to the contributions made, even though strictly speaking it is not an actual receipt.

POST-CONTRACTUAL NON-COMPETITION CLAUSE

A post-contractual non-competition clause was agreed for all Executive Board members covering one year following the termination of the employment contract. For information relating to departed respectively departing Executive Board members please refer to → "Notes on the Compensation of Departed or Departing Executive Board Members", page 61.

If the post-contractual non-competition clause applies, Executive Board members receive a monthly waiting allowance for the duration of the post-contractual non-competition agreement, which in each case amounts to 1/12 of 75% of the annual remuneration amount most recently received. In order to determine the waiting allowance, the sum of fixed remuneration, the performance bonus and, if applicable, additional multi-annual compensation components that have been granted are to be regarded as annual compensation. This calculation assumes a target achievement of 100% for the performance bonus and the allocated amount of multi-year compensation components or, if no annual allocation has been made, the pro rata allocated value attributable to one year of the plan term. Any income generated from work performed while the non-competition clause is in force is to be offset against in the waiting allowance – based on a one-year period – if it exceeds 50% of the annual compensation most recently obtained. The Company may waive the non-competition clause before the end of the agreement. In this case, the Executive Board member is entitled to a waiting allowance only for the period between the end of the agreement and the end of a six-month period after the waiver has been received. Sections 74 ff. of the German Commercial Code also apply accordingly.

The following table shows the net present value of compensation to be paid in connection with the post-contractual non-competition clause. → Fig. 028 This consists of the present value of the amounts that would be paid assuming that Executive Board members were to leave the Company at the end of the term of their respective current contracts and that the contractual benefits received immediately before the termination of their contracts equal their most recent annual compensation. It can be assumed that actual compensation resulting from the post-contractual non-competition clause will differ from the amounts presented in this table. This depends on the exact date on which the employment contract is terminated and the level of compensation received on this date.

028 / **WAITING ALLOWANCE** in EUR thousand

	Duration of the contract	Net present value of the waiting allowance[1]
Max Conze	05/31/2021	3,094.7
Conrad Albert	04/30/2021	2,028.1
Total		**5,122.8**

[1] The following discount rates according to IAS 19 were used for this calculation: Max Conze 0.74% and Conrad Albert 0.72%.

TOTAL COMPENSATION OF FORMER EXECUTIVE BOARD MEMBERS

Total compensation of EUR 14.5 million was paid to former members of the Executive Board in the financial year 2018 (previous year: EUR 4.7 million). This includes the payment of 109,046 performance share units from the Group Share Plan 2014 amounting to EUR 2.5 million (previous year: EUR 2.6 million), the severance payment for Thomas Ebeling of EUR 6.9 million payable on the termination date (February 22, 2018), and the severance payment for Christof Wahl of EUR 2.0 million payable on the termination date (July 31, 2018). In accordance with the termination agreement, a provision of EUR 0.5 million was recognized for Christof Wahl's participation in the Group Share Plan. In addition, Christof Wahl still received pension contributions of EUR 0.1 million and Thomas Ebeling of EUR 0.3 million. In addition, pension benefits of EUR 2.3 million (previous year: EUR 0.4 million) were paid to former Executive Board members. As of December 31, 2018, pension provisions for former members of the Executive Board in accordance with IFRS amounted to EUR 12.8 million (previous year: EUR 14.4 million). The provisions for Thomas Ebeling and Christof Wahl are shown in the table on total compensation of the Executive Board under GAS 17.

PROVISIONS FOR PENSIONS

In the financial year 2018, there were additions to pension provisions for active and former Executive Board members in accordance with IFRS. These amounted to EUR 0.8 million in total (previous year: EUR 1.5 million). EUR 0.7 million of this amount is attributable to current service costs (previous year: EUR 0.7 million), while EUR 0.5 million is attributable to interest expenses (previous year: EUR 0.5 million). EUR 0.5 million of this amount is attributable to actuarial losses (previous year: actuarial gains of EUR 0.04 million) while minus EUR 2.3 million is attributable to pension payments (previous year:

029 / **RECEIPT** in EUR thousand

	Max Conze[8] Chairman of the Executive Board since 06/01/2018		Conrad Albert Deputy Chairman of the Executive Board and Group General Counsel since 10/01/2011		Dr. Jan Kemper[9] Group CFO and Executive Board Member Commerce until 03/31/2019		Sabine Eckhardt[10] Member of the Executive Board for Sales & Marketing until 04/30/2019	
	2018	2017	2018	2017	2018	2017	2018	2017
Fixed compensation	857.5	–	1,100.0	725.0	980.0	379.2	810.0	510.0
Fringe benefits[1]	47.6	–	9.7	9.8	53.0	29.7	8.2	8.7
Total fixed compensation	**905.1**	**–**	**1,109.7**	**734.8**	**1,033.0**	**408.9**	**818.2**	**518.7**
Annual variable compensation	735.0	–	422.4	396.8	423.0	341.3	321.0	331.9
Multi-year variable compensation[2]								
Mid-Term Incentive Plan (2016–2018)[3]	–	–	1,040.0	–	692.6	–	693.3	–
Group Share Plan (2013–2016)[4]	–	–	–	1,048.3	–	–	–	–
Group Share Plan (2014–2017)[5]	–	–	774.9	–	–	–	–	–
Group Share Plan (2015–2018)	–	–	–	–	–	–	–	–
Group Share Plan (2016–2019)	–	–	–	–	–	–	–	–
Other[6]	3,000.0	–	73.0	–	–	2,000.0	–	–
Total variable compensation	**3,735.0**	**–**	**2,310.3**	**1,445.1**	**1,115.6**	**2,341.3**	**1,014.3**	**331.9**
Pension cost[7]	142.9	–	129.7	127.0	103.4	59.1	86.8	85.0
Total compensation (GCGC)	**4,783.0**	**–**	**3,549.7**	**2,306.9**	**2,252.0**	**2,809.3**	**1,919.3**	**935.6**

	Jan David Frouman Executive Board Member Content Production & Global Sales until 02/28/2019		Thomas Ebeling[11] Group CEO until 02/22/2018		Christof Wahl[12] COO Entertainment until 07/31/2018		Dr. Gunnar Wiedenfels[13] Group CFO until 03/31/2017		Dr. Ralf Schremper[14] Chief Investment Officer – CIO until 07/31/2017	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Fixed compensation	855.0	555.0	166.7	1,000.0	297.5	510.0	–	127.5	–	297.5
Fringe benefits[1]	9.7	9.7	11.0	120.2	5.5	8.0	–	4.2	–	7.1
Total fixed compensation	**864.7**	**564.7**	**177.7**	**1,120.2**	**303.0**	**518.0**	**–**	**131.7**	**–**	**304.6**
Annual variable compensation	215.6	162.5	–	832.0	–	322.4	–	81.3	–	0.0
Multi-year variable compensation[2]										
Mid-Term Incentive Plan (2016–2018)[3]	1,040.0	–	–	–	–	–	–	–	–	–
Group Share Plan (2013–2016)[4]	–	–	–	1,310.4	–	–	–	–	–	–
Group Share Plan (2014–2017)[5]	–	–	–	–	–	–	–	–	–	–
Group Share Plan (2015–2018)	–	–	–	–	–	–	–	319.9	–	–
Group Share Plan (2016–2019)	–	–	–	–	–	–	–	200.0	–	–
Other[6]	–	–	–	–	–	–	–	–	–	–
Total variable compensation	**1,255.6**	**162.5**	**0.0**	**2,142.4**	**0.0**	**322.4**	**–**	**601.2**	**–**	**0.0**
Pension cost[7]	96.0	91.6	213.0	209.2	92.9	88.0	–	84.2	–	89.4
Total compensation (GCGC)	**2,216.3**	**818.8**	**390.7**	**3,471.8**	**395.9**	**928.4**	**–**	**817.1**	**–**	**394.0**

[1] Includes lease payments for use of company car and insurance premiums (excluding D&O). Dr. Gunnar Wiedenfels' fringe benefits include additional benefits for chauffeur services. Thomas Ebeling's fringe benefits include additional benefits for chauffeur services and flights home. Max Conze's fringe benefits include additional benefits for the maintenance of two households and relocation costs. In Dr. Jan Kemper's case, they include additional benefits for the maintenance of two households.
[2] In addition to remuneration as members of the Executive Board, Dr. Gunnar Wiedenfels, Dr. Ralf Schremper and Sabine Eckhardt were paid amounts from multi-year variable compensation in the financial years 2017 and 2018 due to rights from the period before commencing their work as Executive Board members.
[3] The Mid-Term Incentive Plan will be settled at 104% of the target bonus; the payment will be made in May 2019 in accordance with the terms and conditions of the plan.
[4] The payment for the Group Share Plan 2013 includes an adjustment of the conversion factor for the performance share units granted (108%) measured in accordance with the terms and conditions of the plan with a share price as of the date the conversion factor was determined. No adjustments were made due to anti-dilution protection or an individual increase by the Supervisory Board.
[5] The payment for the Group Share Plan 2014 includes an adjustment of the conversion factor for the performance share units granted (100%) measured in accordance with the terms and conditions of the plan with a share price as of the date the conversion factor was determined. No adjustments were made due to anti-dilution protection or an individual increase by the Supervisory Board.
[6] Max Conze receives a one-time sign-on bonus of EUR 3 million and is obliged to use the net amount of the sign-on bonus, less the statutory deductions, to acquire shares in the Company worth EUR 1.5 million. Conrad Albert receives one-time compensation for his special services in connection with the CEO transition phase in financial year 2018. In financial year 2017, Dr. Jan Kemper received a compensation payment for forfeited entitlements from the stock option program of his previous employer.

[7] Pension cost comprises service cost in accordance with IAS 19. In the case of Sabine Eckhardt and Dr. Jan Kemper for 2017 and Max Conze for 2018, this comprises past service costs as a result of pension commitments granted during the year.
[8] Max Conze receives a pro rata, non-performance-based amount of EUR 735,000 as annual variable compensation for financial year 2018.
[9] Dr. Jan Kemper will leave the Executive Board as of March 31, 2019. The termination of his employment contract also takes effect on March 31, 2019. To satisfy his entitlement to the performance bonus for financial year 2018, Dr. Jan Kemper receives a payment of EUR 423,000.
[10] Sabine Eckhardt will leave the Executive Board as of April 30, 2019. The termination of her employment contract also takes effect on April 30, 2019. To satisfy her entitlement to the performance bonus for financial year 2018, Sabine Eckhardt receives a payment of EUR 321,000.
[11] Thomas Ebeling left the Executive Board effective February 22, 2018; his employment contract ended effective February 22, 2018. The fixed and annual variable compensation shown relates to January to February 2018; the pension cost relates to the financial year 2018 as a whole. Thomas Ebeling's entitlement to the annual variable compensation (performance bonus) for financial year 2018 was satisfied in full with the severance payment.
[12] Christof Wahl left the Executive Board effective July 31, 2018; his employment contract ended effective July 31, 2018. The fixed and annual variable compensation shown relates to January to July 2018; the pension cost relates to the financial year 2018 as a whole. Christof Wahl's entitlement to the annual variable compensation (performance bonus) for financial year 2018 was satisfied in full with the severance payment.
[13] Dr. Gunnar Wiedenfels left the Executive Board effective March 31, 2017; his employment contract ended effective March 31, 2017. The fixed and annual variable compensation shown relates to January to March 2017; the pension cost relates to the financial year 2017 as a whole. Since the three-year waiting period for the contractual vesting was not reached, the pension agreement provides only for entitlements that Dr. Gunnar Wiedenfels obtained from deferred compensation. The performance share units from the Group Share Plan 2015 and 2016 vested as of the termination date in accordance with the terms and conditions of the plan are settled in cash; otherwise, the non-vested PSUs as of the termination date expire without compensation. As annual variable compensation (performance bonus), Dr. Gunnar Wiedenfels receives a pro rata, non-performance-based amount of EUR 81,250.
[14] Dr. Ralf Schremper left the Executive Board effective July 31, 2017; his employment contract ended effective July 31, 2017. The fixed compensation shown relates to January to July 2017; the pension cost relates to the financial year 2017 as a whole. Dr. Ralf Schremper's entitlement to the annual variable compensation (performance bonus) for financial year 2017 was satisfied in full with the severance payment.

minus EUR 0.4 million). Furthermore, deferred compensation in the amount of EUR 1.2 million (previous year: EUR 0.6 million) has been made in the past financial year. As of December 31, 2018, pension provisions for active and former Executive Board members totaled EUR 28.0 million (previous year: EUR 27.2 million).

D&O INSURANCE

Executive Board members are covered by group liability insurance (D&O insurance). This D&O insurance covers the personal liability risk should Executive Board members be made liable for financial losses when exercising their professional functions for the Company. The insurance includes a deductible according to which an Executive Board member against whom a claim is made pays a total of 10% of the claim in each insured event, but not more than 150% of the respective fixed annual compensation for all insurance events in one insurance year. The relevant figure for calculating the deductible is the fixed remuneration in the calendar year in which the breach of duty occurred.

COMPENSATION PAID TO THE SUPERVISORY BOARD

Structure and Components of Supervisory Board Compensation

The Supervisory Board's compensation is determined in the articles of incorporation of the Company.

Members of the Supervisory Board receive fixed annual compensation for each full financial year of their membership of the Supervisory Board. The fixed compensation amounts to EUR 250,000 for the chairman of the Supervisory Board, EUR 150,000 for the vice chairman and EUR 100,000 for all other members of the Supervisory Board. The chairman of a Supervisory Board committee receives additional fixed annual compensation of EUR 30,000; the additional fixed annual compensation for the chairman of the Audit and Finance Committee amounts to EUR 50,000. Members of the Supervisory Board also receive fixed annual compensation of EUR 7,500 for membership in a Supervisory Board committee. In addition, members of the Supervisory Board receive a meeting honorarium of EUR 2,000 for each meeting attended in person. For the chairman of the Supervisory Board, the meeting honorarium amounts to EUR 3,000 for each meeting attended in person. If multiple meetings are held on one day, the meeting honorarium is paid only once. No performance-based variable compensation is granted.

The current members of the Supervisory Board have declared to the Supervisory Board that they voluntarily undertake to each use 20% of their fixed remuneration granted on a yearly basis in accordance with article 14 (1) and (2) of the articles of incorporation (before deduction of taxes) in order to purchase shares in ProSiebenSat.1 Media SE every year, and to hold these for a period of four years which, however, shall not exceed the duration of their membership on the Supervisory Board of ProSiebenSat.1 Media SE; if they are re-elected, the obligation to hold these shares shall apply to their individual terms of office. With this self-commitment to invest in and hold ProSiebenSat.1 Media SE shares, the members of the Supervisory Board want to underline their interest in the long-term, sustainable success of the Company.

i Further information on shares in the Company held by the Supervisory Board can be found in the Corporate Governance Report on page 41.

The Supervisory Board members received the following compensation for the financial year 2018: → Fig. 030

In addition to this fixed annual compensation and meeting honoraria, the members of the Supervisory Board were reimbursed for all out-of-pocket expenses and value-added tax levied on their compensation and out-of-pocket expenses.

D&O insurance covers the personal liability risk should Board members be made liable for financial losses when exercising their functions. No deductible has been agreed for members of the Supervisory Board.

Compensation or benefits for services rendered in person, in particular for advisory and agency services, were not granted to Supervisory Board members in the 2018 financial year, with the exception mentioned below. In the fourth quarter of 2018, Erik Adrianus Hubertus Huggers worked as a consultant for 7TV Joint Venture GmbH, Munich ("7TV"). In this period, 7TV Joint Venture GmbH received consultancy services amounting to EUR 150,000 on a contractual basis from Erik Adrianus Hubertus Huggers. The contractual agreement was concluded for the fourth quarter of 2018 and ended on December 31, 2018. The Company has granted no loans to members of the Supervisory Board.

030 / **COMPENSATION PAID TO THE SUPERVISORY BOARD FOR THE FINANCIAL YEAR 2018** in EUR thousand

		Fixed basic compensation	Presiding Committee compensation	Audit and Finance Committee compensation	Compensation Committee compensation	Meeting honorarium for personal attendance	Total
Dr. Werner Brandt Chairman	**2018**	**250.0**	**30.0**	**0.0**	**30.0**	**81.0**	**391.0**
	2017	250.0	30.0	0.0	30.0	48.0	358.0
Dr. Marion Helmes Vice Chairwoman	**2018**	**150.0**	**30.0**	**7.5**	**7.5**	**52.0**	**247.0**
	2017	150.0	30.0	7.5	7.5	38.0	233.0
Lawrence A. Aidem	**2018**	**100.0**	**7.5**	**0.0**	**0.0**	**36.0**	**143.5**
	2017	100.0	7.5	0.0	0.0	26.0	133.5
Antoinette (Annet) P. Aris[1]	**2018**	**37.7**	**0.0**	**2.8**	**2.8**	**22.0**	**65.3**
	2017	100.0	0.0	7.5	7.5	32.0	147.0
Adam Cahan	**2018**	**100.0**	**0.0**	**0.0**	**0.0**	**26.0**	**126.0**
	2017	100.0	0.0	0.0	0.0	22.0	122.0
Angelika Gifford	**2018**	**100.0**	**0.0**	**4.7**	**7.5**	**44.0**	**156.2**
	2017	100.0	0.0	0.0	7.5	24.0	131.5
Erik Adrianus Hubertus Huggers	**2018**	**100.0**	**0.0**	**0.0**	**0.0**	**28.0**	**128.0**
	2017	100.0	0.0	0.0	0.0	22.0	122.0
Marjorie Kaplan[2]	**2018**	**62.7**	**0.0**	**0.0**	**0.0**	**18.0**	**80.7**
	2017	0.0	0.0	0.0	0.0	0.0	0.0
Ketan Mehta	**2018**	**100.0**	**7.5**	**0.0**	**0.0**	**38.0**	**145.5**
	2017	100.0	7.5	0.0	0.0	28.0	135.5
Prof. Dr. Rolf Nonnenmacher	**2018**	**100.0**	**0.0**	**50.0**	**4.7**	**52.0**	**206.7**
	2017	100.0	0.0	50.0	0.0	38.0	188.0
Total	**2018**	**1,100.4**	**75.0**	**65.0**	**52.5**	**397.0**	**1,689.9**
	2017	1,100.0	75.0	65.0	52.5	278.0	1,570.5

[1] Member of the Supervisory Board until May 16, 2018.
[2] Member of the Supervisory Board since May 16, 2018.

TAKEOVER-RELATED DISCLOSURES[1]

(IN ACCORDANCE WITH SECTIONS 289A (1) AND 315A (1) OF THE GERMAN COMMERCIAL CODE)

As a publicly traded company whose voting shares are listed in an organized market as defined by Section 2 (7) of the German Securities Acquisitions and Takeover Act (WpÜG) or Section 2 (11) of the German Securities Trading Act, ProSiebenSat.1 Media SE is obliged to disclose the information stipulated in Sections 289a (1) and 315a (1) of the German Commercial Code (HGB) in the management report and Group management report. The disclosures are intended to enable a third party interested in taking over a publicly traded company to inform itself about the company, its structure, and any obstacles to the takeover. In addition to these statutory disclosures, the following section also includes the related explanations in accordance with Section 176 (1) Sentence 1 of the German Stock Corporation Act (AktG) in conjunction with Article 9 (1) lit. c) ii) SE Regulation:

COMPOSITION OF THE SUBSCRIBED CAPITAL

As of December 31, 2018, the share capital of ProSiebenSat.1 Media SE amounted to EUR 233,000,000. It is divided into 233,000,000 no-par registered common shares with a pro rata share in the share capital of EUR 1.00 per share. All shares entail the same rights and obligations. Each share in ProSiebenSat.1 Media SE grants one vote at the Annual General Meeting and an identical share in profits. → Organization and Group Structure, page 79

As of December 31, 2018, the total number of treasury shares held by the Company was 6,919,513; this corresponds to 3.0% of the share capital. → Analysis of Assets and Capital Structure, page 117

RESTRICTIONS AFFECTING VOTING RIGHTS OR THE TRANSFER OF SHARES, SHAREHOLDINGS THAT EXCEED 10% OF THE VOTING RIGHTS

The Executive Board has no information on any restrictions on the exercise of voting rights or the transferability of shares that go beyond the legal requirements of the law governing the capital market and the German Interstate Broadcasting Treaty (Rundfunkstaatsvertrag).

On the basis of the voting rights notifications according to Sections 33 and 34 of the German Securities Trading Act (WpHG) received by the Company by December 31, 2018, there are no investments in the Company that exceed 10% of the voting rights.

SHARES WITH SPECIAL RIGHTS THAT CONFER CONTROLLING POWERS AND VOTING CONTROL IF EMPLOYEES HOLD A CAPITAL SHARE

No shares with special rights that confer controlling powers have been issued.

There is no control over voting rights in the event that employees hold a share in the share capital of ProSiebenSat.1 Media SE and do not exercise their controlling rights directly.

APPOINTMENT AND REMOVAL OF EXECUTIVE BOARD MEMBERS

In accordance with Section 7 (1) Sentence 1 of the Company's articles of incorporation, the Executive Board of ProSiebenSat.1 Media SE comprises several people. The exact number is determined by the Supervisory Board in accordance with Section 7 (1) Sentence 2 of the articles of incorporation. Members of the Executive Board are appointed and removed by the Supervisory Board in accordance with Article 39 (2) SE Regulation. In accordance with Section 7 (2) Sentence 1 of the articles of incorporation in conjunction with Article 46 SE Regulation Executive Board members are appointed for a maximum period of five years. Reappointments are permitted for a maximum of five years respectively. Executive Board members can be removed by the Supervisory Board prematurely for good cause. The appointment and removal of Executive Board members require a simple majority of the votes cast in the Supervisory Board. In the event of a tie, the vote of the Supervisory Board Chairman shall prevail (Article 12 (1) Sentence 3 of the Company's articles of incorporation). In urgent cases, the court shall appoint a member at the request of one of the parties involved if the Executive Board does not have the required number of members (Section 85 (1) Sentence 1 AktG in conjunction with Article 9 (1) lit. c) ii) SE Regulation).

[1] This section is part of the audited Combined Management Report.

AMENDMENTS OF THE ARTICLES OF INCORPORATION

The Annual General Meeting must decide on changes to the articles of incorporation (Article 59 (1) SE Regulation). In the case of ProSiebenSat.1 Media SE, a resolution by the Annual General Meeting to change the articles of incorporation requires the simple majority of the votes cast if at least half of the share capital entitled to vote is represented when the resolution is being passed (Article 59 (2) SE Regulation, Section 51 Sentence 1 of the German SE Implementation Act (SEAG)).Otherwise, this requires a majority of two thirds of the votes cast (Section 59 (1) SE Regulation) unless the articles of incorporation or the law require a greater majority. For example, this is the case for changing the purpose of the Company (Section 179 (2) Sentence 1 AktG in conjunction with Article 59 (1) and (2) SE Regulation and Section 51 Sentence 2 of the German SE Implementation Act) and creating Contingent Capital (Section 193 (1) Sentences 1 and 2 AktG in conjunction with Article 57 SE Regulation, Section 51 Sentence 2 of the German SE Implementation Act) or Authorized Capital (Section 202 (2) Sentences 2 and 3 AktG in conjunction with Article 57 SE Regulation, Section 51 Sentence 2 of the German SE Implementation Act) for which a majority of at least three quarters of the valid votes cast is required. The Supervisory Board is authorized to pass amendments that relate solely to the wording of the articles of incorporation (Section 179 (1) Sentence 2 AktG in conjunction with Article 9 (1) lit. c) ii) SE Regulation and Section 13 of the Company's articles of incorporation).

EXECUTIVE BOARD'S POWERS TO ISSUE OR REPURCHASE SHARES

By resolution of the Annual General Meeting of June 30, 2016, the Executive Board is authorized, subject to the consent of the Supervisory Board, to increase the share capital of ProSiebenSat.1 Media SE on one or more occasions on or before June 30, 2021, by not more than EUR 87,518,880 in return for contributions in cash and/or in kind by issuing new registered no-par value shares (Authorized Capital 2016). Following the capital increase in November 2016 resulting from the partial utilization of Authorized Capital in the amount of EUR 14,202,800, Authorized Capital 2016 currently amounts to EUR 73,316,080. Subject to the consent of the Supervisory Board, the Executive Board is also authorized to determine the further content of the rights attached to the shares and the conditions of the share issue. Shareholders generally have a legal preemptive right when new shares are issued.

By resolution of the Annual General Meeting of June 30, 2016, the Executive Board is also authorized, subject to the consent of the Supervisory Board, to issue bearer and/or registered convertible and/or warrant-linked bonds in the total nominal amount of up to EUR 1.5 billion with a limited or unlimited term, on one or more occasions on or before June 29, 2021, and to grant conversion or option rights to the holders or creditors of such bonds in order to acquire up to 21,879,720 new registered no-par value shares in the Company in the pro rata amount of up to EUR 21,879,720 of the Company's share capital as specified in more detail in the terms and conditions of the bonds and/or to stipulate the corresponding conversion rights of the Company.

By resolution of the Annual General Meeting on June 30, 2016, there was a contingent increase in share capital by up to EUR 21,879,720 due to the issuance of up to 21,879,720 new registered no-par value shares (Contingent Capital 2016). The Contingent Capital increase serves to grant shares to holders or creditors of convertible bonds in addition to holders of option rights attached to warrant-linked bonds to be issued on or before June 29, 2021, as a result of the authorization granted by resolution of the Annual General Meeting of June 30, 2016, by the Company or a German/foreign entity in which the Company either directly or indirectly holds the majority of votes and capital.

By resolution of the Annual General Meeting of May 21, 2015, ProSiebenSat.1 Media SE is authorized to acquire its own shares on or before May 20, 2020, in the total amount of up to 10% of the share capital existing on the resolution date or, if this figure is lower, on the exercise date of the authorization. The Company may utilize this authorization in full or in part, on one or more occasions, and for any purposes permitted by law. The purchase can – also with the use of derivatives – be made via the stock exchange or by means of a public tender offer directed to all shareholders and/or by way of a public solicitation to submit sales offers. Purchased treasury shares can be sold again or redeemed without an additional Annual General Meeting resolution. On the resale of treasury shares, the Executive Board is authorized, subject to the consent of the Supervisory Board, to partially or fully exclude the shareholders' preemptive rights in certain cases described in more detail in the resolution of the Annual General Meeting. On the basis of this authorization, in November 2018 the Company launched a buyback program for its own shares amounting to EUR 250 million and with a total term of 12 to 24 months. The first tranche for the period from November 9, 2018, to January 17, 2019, amounted to a total volume of up to EUR 50 million and up to 4 million treasury shares. In the first tranche, a total of 2,906,226 treasury shares were purchased via the stock exchange up to and including December 31, 2018, which equates to around 1.25% of the Company's share capital. The buyback is therefore completed. Including the treasury shares already held by the Company before this buyback, the Company's treasury shares numbered 6,919,513 as of December 31, 2018, which equates to 3.0% of the share capital.

SIGNIFICANT AGREEMENTS OF THE COMPANY SUBJECT TO A CHANGE OF CONTROL RESULTING FROM A TAKEOVER BID

ProSiebenSat.1 Media SE concluded the following significant agreements that entail regulations for the event of a change of control, which could result from a takeover bid:

- ProSiebenSat.1 Media SE has an unsecured syndicated facilities agreement which, as of December 31, 2018, includes a term loan of EUR 2.1 billion and a revolving credit facility with a facility amount of EUR 750 million. In the event of a change of control over ProSiebenSat.1 Media SE due to the direct or indirect acquisition of

more than 50% of the voting rights in ProSiebenSat.1 Media SE by a third party, the lenders are entitled to terminate their participation in the facility and to demand repayment of outstanding amounts allocable to them within a certain period after the change of control takes place. → Borrowings and Financing Structure, page 113

- In addition, ProSiebenSat.1 Media SE has outstanding unsecured notes of EUR 600 million. In the event that control over ProSiebenSat.1 Media SE changes due to the direct or indirect acquisition of more than 50% of the voting rights in ProSiebenSat.1 Media SE by a third party and a negative rating event occurs following such a change of control, the note creditors are entitled to call in their notes and demand repayment.

- In addition, ProSiebenSat.1 Media SE issued three unsecured syndicated promissory notes totaling EUR 500 million with maturity ranges of seven years (EUR 225 million at a fixed interest rate and EUR 50 million at a variable interest rate) and ten years (EUR 225 million at a fixed interest rate). In the event of a change of control over ProSiebenSat.1 Media SE due to the direct or indirect acquisition of more than 50% of the voting rights in ProSiebenSat.1 Media SE by a third party (change of control), the lenders are entitled to call in their loan participation and demand repayment. → Borrowings and Financing Structure, page 113

- In addition, some license agreements for films, TV series and other programs that are important for the Company include regulations that, in the event of a change of control, entitle the provider of the program content to terminate the corresponding license agreement prematurely. In the event of a change of control, individual format license agreements grant the contract partner the right to terminate the respective agreement. In addition, individual contracts with cable network operators also grant the contract partner the right to terminate the respective agreements.

COMPANY'S COMPENSATION AGREEMENTS WITH EXECUTIVE BOARD MEMBERS OR EMPLOYEES FOR THE EVENT OF A TAKEOVER BID

The employment contracts of all Executive Board members contain change of control clauses if control over the Company is acquired by one or multiple third parties as defined in Section 29 (2) and Section 30 of the German Securities Acquisitions and Takeover Act. In this case, Executive Board members have the right to terminate their employment contract with three months' notice and resign if the change of control significantly impairs the position of the Executive Board. On effective exercise of the right to terminate, the respective Executive Board members shall receive a cash severance payment equating to up to three years' compensation, but no more than the compensation for the remaining term of the Executive Board employment agreement. → Compensation Report, page 50

Apart from that, the employment contracts of ProSiebenSat.1 Media SE employees only rarely include change of control clauses in the event of a takeover bid.

THE PROSIEBENSAT.1 MEDIA SE SHARE[1]

DEVELOPMENT OF STOCK MARKETS

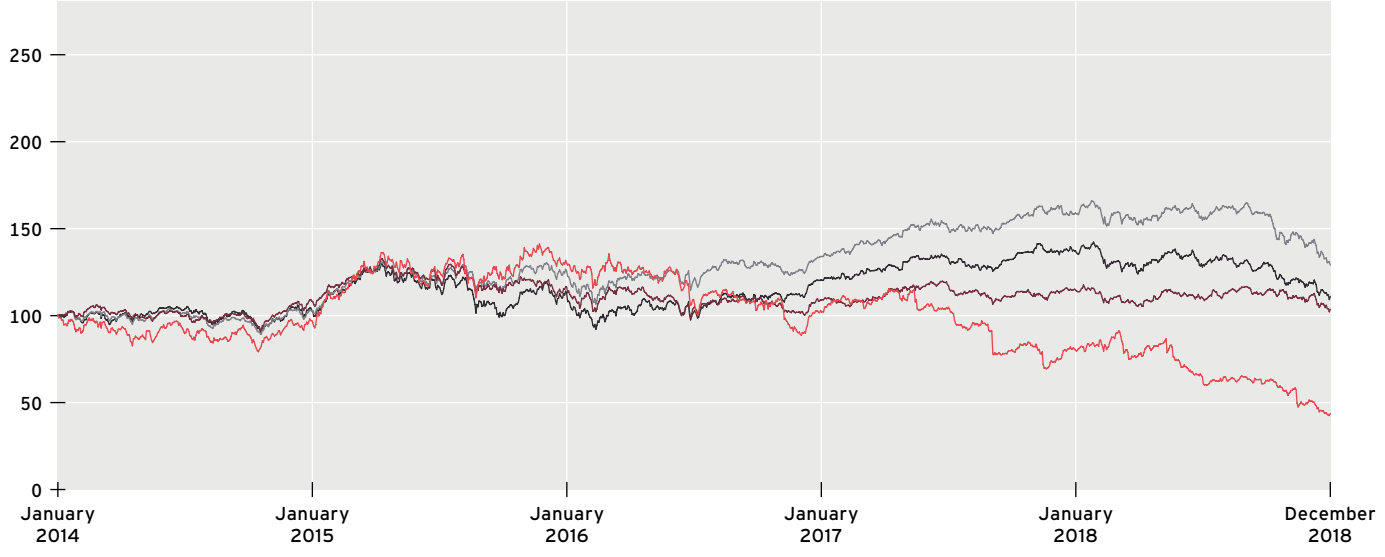
The 2018 trading year was characterized by high volatility. It was a patchy year for investments, due in particular to the geopolitical uncertainties caused by the trade conflict between the USA and China, the concern about the UK exiting the European Union without a deal and the threat of a debt crisis in Italy. Against this back-drop, the German leading index, the DAX, closed the 2018 trading year at 10,559 points, representing a decrease of 18%. The DAX peaked in January at 13,560 points. The MDAX developed virtually in parallel: It closed at 21,588 points, down 18% against the final trading day of 2017. The relevant sector index for European media stocks, the EURO STOXX Media, closed at 209 points, representing a decrease of 9%.
→ Economic Development, page 98

PROSIEBENSAT.1 MEDIA SE ON THE CAPITAL MARKET

The ProSiebenSat.1 Media SE share (ISIN: DE000PSM7770; WKN: PSM777) ended the year 2018 at EUR 15.55 and was thus below the level (-46%) achieved on the last day of trading in 2017 (December 29, 2017: EUR 28.71). At the end of 2018, the weighting in the MDAX was 1.7%. → Fig. 031

In particular, the lower valuation of the entire European media sector influenced the performance of the ProSiebenSat.1 Group share in 2018. Due to changing media usage and the general uncertainty regarding the TV advertising business, some analysts regarded the stock more critically than in the previous year. → Group Environment, page 98

031 / **PRICE PERFORMANCE OF THE PROSIEBENSAT.1 MEDIA SE SHARE**



ProSiebenSat.1 Euro Stoxx Media MDAX DAX / Basis: Xetra closing quotes, an index of 100 = last trading day 2013; Source: Reuters.

[1] This section is part of the audited Combined Management Report.

Although the ProSiebenSat.1 Media SE share performed well in the first two months of 2018, it was characterized by a significant downward trend from the start of March onwards. On March 6, Deutsche Börse AG announced that it would be replacing the ProSiebenSat.1 Media SE share with Covestro AG with effect from March 19 and consequently removing it from the leading index, the DAX. The associated adjustments in index funds influenced the share's price performance and trading volume. In addition, the short attack by the Viceroy Research Group took effect on the same day and resulted in a substantial decline in the share price. ProSiebenSat.1 Group responded in detail to the allegations published in Viceroy Research's report and rejected the note as false and misleading. The Munich public prosecution department has opened preliminary investigations on suspicion of market manipulation and the German financial supervisory authority BaFin is also examining whether this is a case of illegal market manipulation.

i Deutsche Börse AG regularly reviews the composition of the stock market indices every September on the basis of the quantitative criteria of market capitalization and liquidity. Four times a year, there is also the chance of a fast entry or exit if certain rankings in terms of these criteria are achieved or not achieved. One of these review dates was March 5, 2018. On this date, Covestro AG was ranked 25 among the largest stocks listed on the German stock exchange in terms of both the criteria of market capitalization and liquidity and was therefore added to the DAX. ProSiebenSat.1 Media SE was the weakest stock in terms of market capitalization on this date and was removed from the DAX with effect as of March 19, 2018, and is now represented on the MDAX.

On May 9, 2018, ProSiebenSat.1 Group published its figures for the first quarter. The announced shift of earnings contributions into the fourth quarter was a factor which led to reluctance on the capital market. The ex-dividend of EUR 1.93 on May 16, 2018, also had a negative impact on the share price performance.

At the start of November, ProSiebenSat.1 Group adjusted the financial outlook for full-year 2018, announced an investment program for the next approximately five years, and said that it would reduce the pay-out ratio to 50% of adjusted net income from 2019. This, along with the publication of the financial figures for the third quarter, resulted in further price losses. In contrast, the stock received some slight support from the strategy update presented on Capital Markets Day (CMD) on November 14, 2018, and the announcement of a share buyback program of up to EUR 250 million with a term of 12 to 24 months. The buyback program started on November 9 and until its conclusion on December 11 comprised 6 tranches with a total volume of EUR 50 million. → Analysis of Assets and Capital Structure, page 117

At the end of the period under review, a total of 21 brokerage firms and financial institutions actively analyzed the ProSiebenSat.1 Media SE share and published research reports. At the end of 2018, 29% of

032 / KEY FIGURES FOR THE PROSIEBENSAT.1 MEDIA SE SHARE[1]

		2018	2017	2016	2015	2014
Share capital at closing date	EUR	233,000,000	233,000,000	233,000,000	218,797,200	218,797,200
Number of shares as of closing date	Shares	233,000,000[2]	233,000,000[2]	233,000,000[2]	218,797,200[2]	218,797,200[2]
Free float market capitalization at end of financial year (according to Deutsche Börse)	EUR m	3,734	6,502	8,149	10,214	7,271
Close at end of financial year (XETRA)	EUR	15.55	28.71	36.61	46.77	34.83
High (XETRA)	EUR	32.78	41.51	48.66	50.70	35.55
Low (XETRA)	EUR	15.16	24.28	31.80	33.31	28.35
Dividend per entitled share	EUR	-/-[3]	1.93	1.90	1.80	1.60
Total dividend	EUR m	-/-[3]	442	435	386	341.9
Adjusted earnings per share (from continuing operations)	EUR	2.36	2.40[4]	2.47[4]	2.18[5]	1.96[5]
Adjusted net income[6]	EUR m	541	550	536	466	419
Weighted average number of shares issued	Shares	228,702,815	228,854,304	216,755,645	213,776,180	213,315,036
Dividend yield per share on basis of closing price	Percent	-/-[3]	6.7	5.2	3.8	4.6
Total XETRA trading volume	Million shares	357.4	348.0	231.2	158.9	179.9

[1] The share capital of ProSiebenSat.1 Media SE amounts to EUR 233,000,000.00. As a result of a capital increase, it rose from EUR 218,797,200.00 to a nominal amount of EUR 233,000,000.00 with effect from November 7, 2016. In this capital increase, ProSiebenSat.1 Media SE made partial use of the company's Authorized Capital and issued 14,202,800 new, registered shares. On August 16, 2013, the 109,398,600 bearer preference shares that existed at that time had already been converted into registered common shares, with the effect that the share capital then totaling EUR 218,797,200.00 consisted of 218,797,200 registered common shares with a nominal share in the share capital of EUR 1.00 each. Today, all (233,000,000) of the company's registered common shares are now tradable, i.e. both the formerly unlisted registered common shares and the registered common shares resulting from the conversion of the bearer preference shares. Until August 16, 2013, only the bearer preference shares of the company were publicly traded.

[2] Including treasury shares.

[3] Dividend proposal, see page 138.

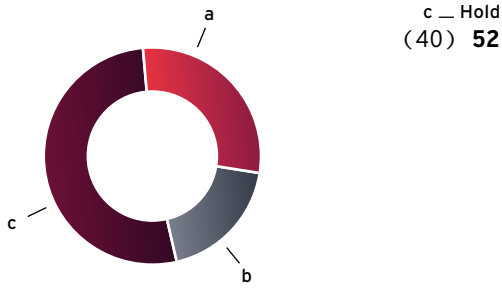
[4] For the financial year 2017, basic earnings per share were determined on the basis of adjusted net income from continuing operations. For reasons of comparison, the previous year's figure has been adjusted accordingly (previously: EUR 2.37). Further information on reporting and accounting policies is contained in the Strategy and Management System section of the Annual Report.

[5] The calculation is based on underlying net income from continuing operations.

[6] Underlying net income renamed as adjusted net income since January 1, 2017.

analysts recommended the ProSiebenSat.1 Media SE share as a buy, while 52% were in favor of holding the share and 19% issued a sell recommendation. The analysts' median price target was EUR 21. → Fig. 033

033 / **ANALYSTS' RECOMMENDATIONS** in %



As of December 31, 2018.

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2017

The Annual General Meeting of ProSiebenSat.1 Media SE for the financial year 2017 took place on May 16, 2018. Around 870 participants attended the Annual General Meeting. Attendance was approximately 64% of share capital.

The shareholders resolved on a dividend payment of EUR 1.93 per dividend entitled share for the financial year 2017 (previous year: EUR 1.90). The total dividend pay-out amounts to approximately EUR 442 million, resulting in a pay-out ratio of 80.3% of adjusted net income. The dividend was paid on May 22, 2018. In addition, the Annual General Meeting approved the new remuneration system for Executive Board members by a clear majority. Another item on the agenda was the supplementary Supervisory Board elections. The shareholders elected Marjorie Kaplan, a self-employed entrepreneur and member of the Supervisory Board of The Grierson Trust, to the Supervisory Board of ProSiebenSat.1 Media SE. Marjorie Kaplan is taking over from Antoinette (Annet) P. Aris, who resigned with effect from the end of the Annual General Meeting. The Annual General Meeting also granted discharge to the Executive Board and Supervisory Board for the financial year 2017.

The designated CEO Max Conze appeared before the shareholders for the first time at the Annual General Meeting in order to introduce himself. Max Conze officially assumed the role of Chairman of the Executive Board of ProSiebenSat.1 Group as of June 1. He followed Thomas Ebeling, who had left the Group on February 22. → Analysis of Liquidity and Capital Expenditure, page 114 → Report of the Supervisory Board, page 31

SHAREHOLDER STRUCTURE OF PROSIEBENSAT.1 MEDIA SE

The shareholder structure is relatively unchanged compared to December 31, 2017. The shares are mostly held by institutional investors in the US, the UK and Germany. 23.2% of the shares are held by private shareholders. In total, 97.0% were held in free float as of December 31, 2018 (December 31, 2017: 98.3%). The remaining 3.0% are held by the Group (December 31, 2017: 1.7%).