

## **UPDATE: DECLARATION OF COMPLIANCE ON CORPORATE GOVERNANCE**

### **Amendment to the Declaration by the Management Board and Supervisory Board of mybet Holding SE in accordance with Section 161 of the German Stock Corporation Act**

In December 2016, the Management Board and the Supervisory Board of mybet Holding SE have made the following declaration of compliance to the recommendations of the Government Commission German Corporate Governance Code:

In accordance with Section 161 of the German Stock Corporation Act, the Management Board and Supervisory Board of a listed stock corporation are required to submit a Declaration of Compliance each year on the recommendations of the German Corporate Governance Code published by the Federal Ministry of Justice in the official section of the Official Gazette of the Federal Republic.

The Management Board and Supervisory Board of mybet Holding SE declare that the recommendations of the Government Commission on the German Corporate Governance Code have been complied with since the last declaration in December 2015 and the update in March 2016, with the following exceptions:

1. D&O insurance cover

The German Corporate Governance Code (GCGC) envisages in Article 3.8 Para. 3 that where D&O insurance cover is also taken out for the Supervisory Board, an excess of at least 10 percent of the loss up to an amount one and a half times the fixed annual remuneration should be agreed for the Supervisory Board.

The D&O insurance cover does not include any excess for the Supervisory Board.

The policy concluded provides no insurance cover for wilful dereliction of their duties by the insured parties. Insurance cover is granted exclusively for negligent dereliction of duties. An excess would therefore only be applicable in the case of negligent acts. The members of the company's Supervisory Board are selected with care; they demonstrate a sense of responsibility and possess entrepreneurial experience. The agreement of an excess would not serve to heighten their sense of responsibility, care or motivation. It should moreover be taken into account that the fixed remuneration for the Supervisory Board is of such a moderate level that the agreement of an excess of 10 percent would not additionally increase the care exercised by the Supervisory Board members. The company therefore believes that the agreement of an excess for the Supervisory Board would not be appropriate.

Section 93 (2) Sentence 3 of the German Stock Corporation Act is complied with.

2. Duties and responsibilities of the Management Board

Pursuant to Article 4.1.5 of the GCGC, the Management Board is to consider diversity when filling senior positions and in particular strive for appropriate representation of women.

There is currently no human resources guideline from the Management Board stating the above goals. Decisions on appointments to senior positions are based solely on the expertise of the candidates. At present a number of senior positions within the company are filled by women, and diversity is considered in new appointments. In September 2015 a target of 25 percent was set for the proportion of women at the

management level below the Management Board. This target is to be retained until June 30, 2017.

3. Composition and remuneration of the Management Board and Supervisory Board  
Pursuant to Article 4.2.1 of the Code, the Management Board is to comprise several persons and have a Chair or Chief Executive Officer. The previous Chief Executive Officer left the company at his own request with effect from August 31, 2016. Until further notice his Management Board area has been taken on by Chief Financial Officer Markus Peuler, who now bears sole responsibility for Management Board duties. In the assessment of the Supervisory Board, the company remains well equipped for the tasks that lie ahead with the sole Management Board member and a strong second management tier. The Supervisory Board will decide on the future structure of the Management Board areas, among other factors depending on the launch of the new IT platform.

Article 4.2.2 Para. 2 Sentence 3 of the Code obliges the Supervisory Board to consider the ratio between the remuneration of the Management Board and that of senior management and the workforce as a whole, including in respect of its development over time. In determining the remuneration of the Management Board the Supervisory Board has attached very high importance to appropriate remuneration rules that are appropriate for the economic and financial situation of the company. No explicit ratio for the remuneration of management employees of the company has been laid down.

The monetary remuneration components are to comprise fixed and variable components (Article 4.2.3 Para. 2 Sentence 2 of GCGC). Pursuant to Article 4.2.3 Para. 2, variable remuneration components shall fundamentally have an assessment basis of more than one year and take account of both positive and negative developments.

For the employment contracts with the Management Board, the Supervisory Board has placed the emphasis of incentivisation on long-term variable remuneration in the form of phantom stocks with phased issuance and multi-year vesting periods; however there is also a variable remuneration component with a one-year assessment basis taking EBIT and other individually agreed targets as the points of reference. The contracts of employment with the Management Board members envisage caps on the variable remuneration.

Despite the above minor departures from the Code, the Supervisory Board believes the Management Board's remuneration to be appropriate.

4. Succession planning, diversity and age limit  
Pursuant to Article 5.1.1 of the Code, the Supervisory Board is to consider diversity in the composition of the Management Board, and in particular ensure that women are appropriately represented. When appointing the Management Board, the Supervisory Board bases its decisions solely on the expertise of the candidates. The Management Board currently comprises one person.

Equally with regard to the composition of the Supervisory Board, proposed members are selected solely on the basis of expertise and competence. For future proposals for election the Supervisory Board intends to continue to base its decisions primarily on specialist and personal competence, in a departure from the provisions of Article 5.4.1 of the Code.

Pursuant to Article 5.1.2 Para. 1 Sentence 3 of the Code, the Supervisory Board shall, in conjunction with the Management Board, ensure that long-term plans are made for successor members to the latter body. There is currently no long-term succession planning for the Management Board and Supervisory Board.

Article 5.1.2 Para. 2 Sentence 3 of the Code recommends that an age limit be specified for Management Board members, and Article 5.4.1 Para. 2 Sentence 1 that an age limit be specified for Supervisory Board members. No age limits apply for the members of the Management Board and Supervisory Board of mybet Holding SE, nor are such limits considered advisable.

#### 5. Composition and remuneration of the Supervisory Board; committees

Pursuant to Article 5.3.3, the Supervisory Board is to form a Nominating Committee. No Nominating Committee is currently formed as there are no impending new elections.

The Supervisory Board has not previously specified any firm targets for its composition pursuant to the recommendation in Article 5.4.1.

Pursuant to Article 5.4.6 of the Code, the Supervisory Board remuneration should also reflect membership of the committees. Work on the committees is not currently reflected separately. In addition to a fixed payment, the Supervisory Board receives a performance-related payment that reflects the EBIT achieved by the company and is therefore only an indirect reflection of sustained corporate development. The company believes that the current remuneration structure for the Supervisory Board remains appropriate.

#### 6. Transparency, financial reporting and auditing of financial statements

The dates of the key regular publications (including Annual Report) are, in accordance with the recommendation in Article 6.3, to be published sufficiently in advance in a Financial Calendar. Furthermore, in accordance with the recommendation in Article 7.1.2, the Consolidated Financial Statements are to be made publicly available within 90 days of the end of the financial year.

As previously indicated in March 2016 in the update to the Declaration of Compliance of December 2015, the publication date of the end of March for the Annual Financial Statements and Consolidated Financial Statements and also for the Annual Report had to be postponed at short notice to April 2016. The updated Financial Calendar could therefore not be published sufficiently in advance. In addition, the Consolidated Financial Statements could only be made publicly available later than 90 days after the

end of the financial year. In the assessment of the Management Board and Supervisory Board, it is possible that in 2017 the Consolidated Financial Statements might only be published after the period of 90 days from the end of the financial year. The reasons are extensive personnel changes in the financial area, changes in the group structure and the election of new auditors by the Annual General Meeting. However the statutory deadlines will definitely be met. In future, the above recommendations shall once again to be met unreservedly.

The above-mentioned declaration of December 2016 is being updated by the Management Board and the Supervisory Board regarding Code Article 7.1.2 due to current events as follows:

7. Transparency, financial reporting and auditing of financial statements  
As already described in the Declaration of Compliance of December 2016, the schedule for the publication of the Consolidated Financial Statements now fixes the public availability of these Statements at a date exceeding the recommended 90 days after the end of the financial year. The reasons are explained in the above-mentioned declaration of December 2016.

In addition, the financial calendar now fixes the publication dates of interim financial statements during the financial year 2017 on dates exceeding the recommended 45 days after the end of the respective reporting period according to Article 7.1.2 of the GCGC. The Management Board and the Supervisory Board consider this necessary, as the publication of the Consolidated Financial Statements at the end of April 2017 does lead to a shifting of timings in all processes within the financial department during the year.

Berlin, February 2017

mybet Holding SE

The Management Board  
The Supervisory Board