

## **Declaration on Corporate Governance pursuant to sections 315(d) and 289(f) HGB (German Commercial Code) of Medios AG, Hamburg**

The declaration on corporate governance (sections 289(f) and 315(d) HGB) includes the declaration of compliance, information on corporate governance practices and the description of the working method of the Executive Board and Supervisory Board. The aim is to present corporate governance clearly and concisely. The complete Declaration on Corporate Governance can be found online at:

<http://medios.ag/de/investor-relations/corporate-governance/erklaerungen/>.

In December 2019, the Executive Board and Supervisory Board of Medios AG submitted the declaration pursuant to section 161 AktG (German Stock Corporation Act) (Declaration of Compliance with the recommendations of the German Corporate Governance Codex) for the 2019 financial year. Declarations of compliance have been made permanently accessible to the public on Medios AG's website at [www.medios.ag](http://www.medios.ag) and in the German Federal Gazette.

### **A. Wording of the declaration pursuant to section 161 AktG**

#### **Declaration by the Executive Board and Supervisory Board of Medios AG pursuant to section 161 AktG**

The Executive Board and Supervisory Board of Medios AG (the "Company") are obliged under section 161 AktG to declare annually that the recommendations of the "Government Commission's German Corporate Governance Code" (the "Code") published by the German Federal Ministry of Justice in the official section of the German Federal Gazette have been and are being complied with or which recommendations have not been or are not being implemented and why they have not been implemented. Declarations of compliance have been made permanently accessible to the public on Medios AG's website at [www.medios.ag](http://www.medios.ag). The previous Declaration of Compliance was submitted in December 2018.

The Executive Board and Supervisory Board of Medios AG declare pursuant to section 161 AktG: Since the submission of the last Declaration of Compliance, the recommendations of the “Government Commission’s German Corporate Governance Code” in the version dated 7 February 2017 published in the German Federal Gazette on 24 April 2017 have been and are being complied with. Insofar as recommendations have not been or are not being implemented in individual cases, the deviations are explained below.

**Pursuant to point 3.8(3) of the Codex, an excess for the Supervisory Board must be agreed in the D&O insurance.**

D&O insurance for the Supervisory Board was concluded without an excess. The company believes that the motivation and responsibility with which members of the Supervisory Board undertake their duties would not be improved as a result of an excess. D&O insurance helps to hedge material own risks of the company and, secondarily, protect the assets of board members. For this reason, no excess for members of the Supervisory Board is planned at present.

**Pursuant to Point 5.1.2 of the Codex, the Supervisory Board should provide for long-term succession planning in collaboration with the Executive Board. An age limit should also be established for members of the Executive Board and Supervisory Board pursuant to Point 5.4.1 of the Codex.**

There is not currently any age limit for members of the Executive Board and Supervisory Board and long-term succession planning for the Executive Board due to the age of the members of the Executive Board and Supervisory Board in office.

**Pursuant to Point 5.3.1 of the Code, the Supervisory Board should form committees; within this context, an audit committee should be formed pursuant to Point 5.3.2 of the Code and a nominations committee should be formed pursuant to Point 5.3.3 of the Code. Pursuant to Point 5.4.6, remuneration of members of the Supervisory Board should be determined by resolution at the Annual Shareholders’ Meeting or in the Articles of Association. The Chairman and Deputy Chairman on the Supervisory Board and the Chairman and members of committees must be considered:**

The Supervisory Board consists of three members. If the Supervisory Board consists of three persons, no committees shall be formed in which the Chairman of the Supervisory Board or another member of the Supervisory Board may hold another chair, as appointment to committees would be the same as the appointment to the Supervisory Board. For this reason, membership of committees cannot be considered for remuneration.

**Pursuant to Point 5.4.1 of the Codex, for its composition, the Supervisory Board should consider the company's international activity, potential conflicts of interest, the number of independent members of the Supervisory Board pursuant to Point 5.4.2, an age limit to be set for members of the Supervisory Board and regulatory limits to be set for terms of appointment to the Supervisory Board, in addition to diversity, in consideration of the company's specific situation. Supervisory Board suggestions for the responsible election committees should consider these objectives.**

Specific targets for the composition of the Supervisory Board have not yet been defined. For this reason, appropriate targets were also not considered in the suggestions for the most recent election of the Supervisory Board on 14 September 2016. When electing the Supervisory Board, on 14 September 2016 ideal candidates with the necessary expertise, experience and network were suggested and elected. The newly composed Supervisory Board shall now address regulations and targets regarding the composition of the Supervisory Board and define appropriate guidelines for the future.

**Pursuant to Point 7.1.2 of the Codex, the consolidated financial statements must be made publicly accessible within 90 days of the end of the financial year and interim reports must be made publicly available within 45 days of the end of the reporting period.**

The annual financial report shall be made publicly accessible within the statutory period of four months after the end of the financial year and the half-yearly financial report shall be made publicly accessible within 90 days of the end of the reporting period. This periodic deviation is justified due to the size of the company.

**Berlin, December 2019**

## Medios AG

### Management Board and Supervisory Board

#### **B. Relevant information on corporate governance practices that go beyond statutory requirements**

Medios AG management and control bodies subscribe to the principles of good and responsible corporate governance. As a stock-market listed company, the annual financial statements are audited by a prestigious auditing company. Information for shareholders that go beyond statutory publication obligations can be found on the company's website ([www.medios.ag](http://www.medios.ag)).

##### **1. Corporate governance**

Medios AG regularly verifies compliance with the recommendations and suggestions of the German Corporate Governance Codex.

##### **2. Sustainability and CSR**

Medios AG and its subsidiaries assume corporate social responsibility. This concerns employment security, employee satisfaction, energy efficiency and minimum standards in the supply chain. Responsibility towards all stakeholders is the cornerstone of Medios AG's corporate philosophy.

#### **C. Descriptions of the Working Method of the Board of Directors and Supervisory Boards**

The structure of company management and supervision breaks down as follows:

##### **1. Shareholders and the Annual Shareholders' Meeting**

Shareholders exercise their rights at the company's Annual Shareholders' Meeting, which takes place in the first eight months of the financial year. The Chairman of the Supervisory Board or another member of the Supervisory Board chairs the Annual Shareholders' Meeting. The Annual Shareholders' Meeting decides on all activities assigned by law. A proxy representative is appointed for shareholders for the Annual Shareholders' Meeting who can be commissioned by shareholders to exercise the voting right, subject to instruction.

## **2. Supervisory Board and Executive Board**

The Supervisory Board consists of three members elected by the Annual Shareholders' Meeting. The Chairman of the Supervisory Board is elected by members. As it only consists of a few members, the Supervisory Board has not yet formed any committees.

The Supervisory Board appoints members of the Executive Board. It supervises and advises the Executive Board in managing the company. Significant decisions of the Executive Board require the approval of the Supervisory Board. The Supervisory Board votes regularly. The Supervisory Board also reports on the scope of its work in a report to the Annual Shareholders' Meeting.

The Executive Board manages the company under its own responsibility. The company's Executive Board consists of four persons. The Executive Board regularly and comprehensively informs the Supervisory Board of all relevant matters to do with company development, planning, financing and the business situation in good time.

Further information on the composition of members and distribution of activities of the bodies can be found attached from under no. 38 (page 102) of the Annual Report 2019.

## **3. Remuneration**

The main features of the remuneration system and the remuneration for members of the Executive Board and Supervisory Board are shown in the remuneration report from page 32 onwards as an integral part of the management report and are described in the Annual Report 2019.

## **4. Accounting and auditing**

The annual financial statements and management report are prepared by the Executive Board, audited by the auditor and adopted by the Supervisory Board.

## 5. Transparency

Medios informs participants on the capital market and the interested general public of the economic situation of the company and new information in accordance with statutory provisions. The Annual Report and Semi-Annual Financial Report are published within the prescribed periods and will be announced to the public. All information is available in German and English and is published on the company's website ([www.medios.ag](http://www.medios.ag)). Mandatory publications such as ad hoc communications, notifications regarding voting rights and information on directors' dealings are also published immediately on the investor relations website (<http://medios.ag/de/investor-relations/>).

Notifications regarding voting rights relating to Medios AG are also reported in the 2019 Annual Report on page 42.

Medios AG maintains insider lists in accordance with Article 18 MAR. The concerned persons were informed of their legal obligations and sanctions.

Conflicts of interest of the Executive Board and members of the Supervisory Board were disclosed immediately to the Supervisory Board.

## 6. Avoiding conflicts of interest

Members of the Executive Board and Supervisory Board are obliged to disclose any conflicts of interest to the Supervisory Board without delay. Significant transactions between the company and members of the Executive Board or related parties require the approval of the Supervisory Board. Consultant agreements and other service or work agreements between the company and members of the Supervisory Board also require the approval of the Supervisory Board. The Supervisory Board reports to the Annual Shareholders' Meeting on any conflicts of interest and how they are being addressed. In the reporting year, there were no conflicts of interest for either members of the Executive Board or members of the Supervisory Board.

## **D. Further information on corporate governance practices (risk management, ban on insider trading and other compliance issues)**

### **1. Risk management**

Responsibly managing business risks is one of the principles of good corporate governance. The Executive Board shall regularly inform the Supervisory Board of the existing risks and their development. The company has appropriate risk management and control. For more information on risk management at Medios AG, please see the Annual Report (management report) under the items "Risks, opportunity and forecast report" and "Risk reporting on the use of financial instruments".

### **2. Ban on insider trading**

Medios AG is subject to a system for compliance with the ban on insider trading ("article 14 Market Abuse Directive – MAD"). All employees have been informed about the rules governing compliance with laws on insider trading and the rules on avoiding conflicts of interest. Furthermore, there is a communications and ad hoc committee which examines the ad hoc relevance and insider relevance of information, thereby ensuring legal compliance. In addition to the highly specialised MAD team, there is a general compliance management system at all levels which is described under section 3 below. A whistleblowing system has also been set up alongside this and an insider compliance officer has been appointed.

### **3. Compliance management system**

The Executive Board and Supervisory Board believe that a functioning compliance management system ("CMS") promotes corporate culture and helps to avoid legal violations that are subject to penalties or fines and the associated sanctions, financial losses and reputational damage for the company and its employees. Medios CMS supports the Executive Board and Supervisory Board in understanding their legal responsibility and institutional due diligence to ensure appropriate and effective management of compliance risks in the Group and the supervisory obligations based on such.

In organizational terms, the compliance management system is mapped by employees at company headquarters and in subsidiaries. Compliance officers are employed both at Medios

AG level and subsidiary level. They all report directly to the Executive Board. An insider compliance officer has also been appointed. A “compliance call” is regularly held between all compliance officers, in which current compliance topics are discussed.

The Medios CMS follows the methodical approach of “Prevent – Detect – Respond”. In order to detect compliance risks and continually improve the Group-wide compliance management system, compliance risk assessments are regularly carried out in the units. Regular business and finance reviews are an essential component of Medios’ compliance management system. In addition, management and the compliance organisation conduct biannual or annual controls throughout the business, which are a component of the internal control system. An additional element of the Medios CMS is the whistle-blower system which is always available, and which allows employees and third parties to anonymously report violations of compliance provisions. All information is followed up. If there is specific information, internal investigations must be carried out. The compliance management system is continuously checked for feasibility and efficacy and adjusted or developed further where needed.

## **E. Additional information pursuant to section 289(f)(2) HGB**

### **1. Diversity concept**

Medios Group AG’s diversity concept is essentially characterised by two factors. The company is active in an industry that is traditionally characterised by a high proportion of women at almost all levels. For this reason, women also consistently benefit from above-average representation at Medios AG – compared with many other industries – meaning that our diversity concept goes beyond statutory regulations. Moreover, it must be taken into consideration that Medios operates in a highly specialised industry and strives to retain the best employees in the long-term at all levels. For this reason, the Supervisory Board elects members of the Executive Board based on their qualifications and education and professional background, regardless of gender, nationality or age alone. The Executive Board appoints the two following management levels in accordance with the same principles. Members of Medios AG’s Supervisory Board were also elected based on their qualifications and education and professional background, regardless of gender, nationality or age alone.

The focus of the diversity concept is therefore the proportion of women on the Executive Board and the two downstream management levels in addition to their educational and professional background. At Medios AG, the criterion “professional background” includes, among others,



specialist knowledge of the markets that are important to Medios. The Supervisory Board shall consider other diversity criteria if it deems so appropriate and expedient. In the 2019 financial year, the Supervisory Board met the aforementioned criteria with the exception of determining the quota of women for the supervisory body. Please see sections 2 et seq. below for more information on the proportion of women.

## **2. Information on the minimum proportion of men and women**

The Supervisory Board is obliged to set a target for the proportion of women on the Supervisory Board and a deadline for achieving this target. In addition, the Supervisory Board is obliged to set a target quota for the proportion of women on the Executive Board and a deadline for achieving this target. The Executive Board is in turn responsible for setting target quotas for the proportion of women at both management levels below the Executive Board and deadlines for achieving these targets. A report on this is prepared below.

## **3. Target women's quota for the Supervisory Board**

The acting Supervisory Board elected shareholders at the ordinary shareholders' meeting of 14 September 2016. With regard to suggestions for election, the focus was on suggesting suitable candidates who were ideal for the company with the necessary expertise, experience and network. Specific targets for the composition of the Supervisory Board were not defined at the time of the election. For this reason, appropriate targets were also not considered in the suggestions for the most recent election of the Supervisory Board on 14 September 2016. In due course, however, the acting Supervisory Board shall address regulations and targets regarding the composition of the Supervisory Board and define appropriate guidelines for the future; this shall take place at the next election of the Board in 2021.

## **4. Target women's quotas for the Executive Board and both management levels below the Executive Board**

At its meeting of 27 June 2017, the Supervisory Board appointed Ms Mi-Young Miehlner to the Executive Board and as Chief Operating Officer (COO). At the same meeting, it was decided that at least one woman must be represented on the Executive Board in future. This target has been consistently met ever since.

On 28 August 2017, the Executive Board decided that the proportion of women at both management levels below the Executive Board should not fall short of 30% in future. Since then, this target has also been consistently met.

signed

On behalf of the Executive Board, Matthias Gärtner (CFO)

signed

On behalf of the Supervisory Board, Dr Yann Samson (Chairman of the Supervisory Board)