

# *Courtesy Translation*

## **Summarized Report on Corporate Governance pursuant to Sections 289f, 315d HGB**

The management and corporate culture of Wild Bunch AG ("Wild Bunch") comply with legal requirements and - with a few exceptions - with the additional recommendations of the German Corporate Governance Code. The latter reflects nationally and internationally recognized standards of responsible management and supervision of listed stock corporations. It contains a number of additional recommendations relating to the areas of the Annual General Meeting, the Management Board, the Supervisory Board, the cooperation between the Management Board and the Supervisory Board, transparency as well as accounting and auditing. The Management Board and the Supervisory Board make the following combined declaration on the management of the Wild Bunch Group and Wild Bunch AG as an individual company. In April 2018, the Management Board and Supervisory Board issued the following declaration of compliance with the recommendations of the German Corporate Governance Code in accordance with section 161 of the AktG:

### **I. Declaration of Conformity with Corporate Governance**

The Executive Board and Supervisory Board of WILD BUNCH AG ("Wild Bunch") declare in accordance with § 161 AktG that the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated February 7, 2017 have been complied with since the last declaration of conformity was issued, with the exception of the points listed below. Furthermore, Wild Bunch AG will continue to comply with the recommendations of the Code in the version of 7 February 2017 since its publication in the Federal Gazette, with the following exceptions:

#### **Invitation to the Annual General Meeting, proxy**

The Management Board did not convene the Annual General Meeting of Wild Bunch in 2017.

Reason: The main subject of the Annual General Meeting is the presentation of the adopted annual financial statements and the approved consolidated financial statements for the financial year preceding the Annual General Meeting. At the usual time of convening the Annual General Meeting within the first 8 months of a calendar year, these financial statements had not yet been adopted in 2017. The Management Board therefore waived the subsequent convening of the Annual General Meeting. The postponement of the 2017 Annual General Meeting is planned for 2018.

#### **Deductible for D&O insurances**

The D&O insurance for the members of the Supervisory Board does not provide for a deductible.

Reason: The Management Board and Supervisory Board of Wild Bunch are not of the opinion that such a deductible would improve the motivation and responsibility with which the members of the Supervisory Board perform their duties. The corporate governance principles of Wild Bunch therefore do not include a deductible for the D&O insurance of the members of the Supervisory Board.

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## **Total remuneration of the Management Board**

In assessing the appropriateness of the remuneration of the Executive Board, only part of the ratio to the remuneration of senior management and the workforce was taken into account.

Reason: The terms of the service contracts with the three other members of the Management Board were determined in the course of the merger with Wild Bunch S.A.. The corresponding practice at Wild Bunch S.A. had to be taken into account. In addition, the remuneration paid to Markus Maximilian Sturm was based on the recommendation of the Code, which had not yet been defined.

## **Use of sample tables for the presentation of the remuneration components**

The individual components of the remuneration of members of the Board of Management are not presented using the model tables.

Reason: Wild Bunch prepares the remuneration report in continuous text form.

## **Composition of the Management Board/ Diversity**

The Management Board consists of Mr Vincent Grimond, Mr Markus Maximilian Sturm, Mr Brahim Chioua and Mr Vincent Maraval. Up to now, women could not be taken into account when filling executive board positions.

Reason: As part of the negotiations to merge with Wild Bunch, it was agreed that Wild Bunch's Board of Directors would be expanded to include members of Wild Bunch's management. No woman was among these members of management. If an application and selection procedure takes place in the future, the Supervisory Board will again specifically seek to apply for suitable women and take women into account when selecting them for a position on the Management Board.

## **Report on the achievement of women's quotas (Section 289f (2) No. 4 HGB)**

In May 2015, the Bundestag passed a law on the equal participation of women and men in management positions. Binding targets have been set for the Supervisory Board, the Management Board and the next management level of the company in accordance with the legal requirements affecting the company as a listed and non-participating company. The target figures for the Supervisory Board and the Board of Management are determined by the Supervisory Board and for the two management levels below the Board of Management by the Board of Management.

The following was decided in detail for the individual levels:

- Supervisory Board: By June 30, 2017, a target figure for the proportion of women on the Supervisory Board was set for at least one woman with six members. With Prof. Katja Nettesheim's membership of the Supervisory Board, this target was met at the end of the deadline. With effect from the end of June 30, 2017, the Supervisory Board has set a target figure of at least one woman for the period up to June 30, 2022. Following the resignation of her Supervisory Board mandate by Prof. Katja Nettesheim and a previously unfilled replacement, the target figure has not yet been reached.

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- Management Board: For the Management Board, the Supervisory Board has set a target for the proportion of women in four members of the Management Board to be zero for the period until June 30, 2017. This target was met at the end of the deadline. With effect from the end of June 30, 2017, the Supervisory Board has set a target figure of zero percent for the period up to June 30, 2022. The Management Board currently consists of four members. With the merger of Senator Entertainment AG with Wild Bunch SA, it was agreed that the Management Board would be expanded to include members of Wild Bunch's management. No woman was among these members of management. If an application and selection procedure takes place in the future, the Supervisory Board will again specifically seek to apply for suitable women and take women into account when selecting them for a position on the Management Board.

- By June 30, 2017, a target figure of 30 percent women was set for the management level under the Management Board. At the end of the deadline, this target was met. With effect from the end of June 30, 2017, the Management Board has again set a target of 30 percent women for the period up to June 30, 2022.

### **II Corporate Governance Report**

The following report is submitted jointly by the Wild Bunch Management Board and Supervisory Board in accordance with Section 3.10 of the German Corporate Governance Code.

Wild Bunch, headquartered in Berlin, is subject to the provisions of German stock corporation and capital market law as well as the provisions of its Articles of Association. The company has a dual management and supervisory structure with the two governing bodies, the Management Board and the Supervisory Board. In addition, there is the Annual General Meeting in which the shareholders of the company are involved in fundamental decisions affecting the company. Together, these three bodies are committed to the interests of the shareholders and the good of the company.

#### **Further information on corporate governance at Wild Bunch**

The total holdings of all members of the Management Board and Supervisory Board in the shares issued by the company are listed in Note 47 of the notes to the consolidated financial statements.

More detailed information on the activities of the Supervisory Board and on the cooperation between the Supervisory Board and the Executive Board can be found in the Report of the Supervisory Board.

### **III. the functioning of the company's executive bodies**

#### **1 The Management Board**

The Management Board manages the company and conducts its business. In doing so, it is bound to the interests of the company and is committed to increasing the sustainable value of the company. The Management Board is appointed by the Supervisory Board. The Supervisory Board has set the age limit for members of the Management Board at 75 years. Selection is based on the knowledge, skills and professional experience required to perform the duties of the Board of Management.

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In fiscal 2017, the Management Board consisted of Mr Vincent Grimond (CEO), Mr Brahim Chioua (COO), Mr Max Sturm (CFO) and Mr Vincent Maraval (CCO).

For more information, see:

<http://wildbunch.eu/de/unternehmen/>

The Executive Board develops the strategic orientation of the company, coordinates it with the Supervisory Board and ensures its implementation. It also ensures appropriate risk management and control as well as compliance within the company and regular, timely and comprehensive reporting to the Supervisory Board. Business plans and possible deviations from them are regularly explained and explained in detail to the Supervisory Board. Certain transactions and measures of the Management Board require the approval of the Supervisory Board.

The Management Board shall immediately disclose any conflicts of interest that may arise to the Supervisory Board. Material transactions with the company by members of the Executive Board and persons closely associated with them require the approval of the Supervisory Board as well as the assumption of secondary activities outside the company.

D&O insurance with a deductible was taken out for the Management Board.

## **2 The Supervisory Board**

The Supervisory Board currently consists of three members (further information: <http://wildbunch.eu/de/unternehmen/>).

All members were elected by the Annual General Meeting in accordance with the provisions of the German Stock Corporation Act.

The age limit for existing Supervisory Board members was set at 75 years. The persons have been selected on the basis of their knowledge, skills and professional experience required for the performance of their duties.

Against the background of the company's business activities and its international orientation, the Supervisory Board has set itself the goal that with a number of six Supervisory Board members

- at least two members of the Supervisory Board have professional experience in the media industry, ideally the film industry,
- at least one member carries out his main business activity abroad,
- at least two members are independent within the meaning of section 5.4.2 of the DGCK

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- at least one woman is a member, and
- no member exceeds the age limit of 75 years.

All objectives except a woman currently holding office on the supervisory board have been achieved.

The Supervisory Board advises the Management Board on the management of the company and supervises its management within the framework provided by law, the Articles of Association and the rules of procedure. It works closely with the Management Board for the benefit of the company and is involved in decisions of fundamental importance. It appoints and dismisses the members of the Management Board, decides on the remuneration system for the Management Board and determines the respective remuneration.

The Supervisory Board has formed an Audit Committee and an Investment Committee. The rules of procedure of the Supervisory Board contain a catalogue of transactions for which the Management Board requires the approval of the Supervisory Board.

The Supervisory Board continuously reviews efficiency and performance with regard to both the Supervisory Board and individual members and the Management Board. The Supervisory Board is convinced that (a) the organization and work processes are efficiently structured and ensure the highest possible degree of performance and (b) the composition of the Supervisory Board is such that the experience, know-how and expertise of the members meet the required efficiency criteria.

### **3 The General Meeting**

Shareholders exercise their rights and voting rights at the Annual General Meeting. Each share entitles the holder to one vote.

The Annual General Meeting usually takes place annually in the first eight months of the financial year. The agenda of the Annual General Meeting, including the resolutions proposed by the management and the reports and documents required for the Annual General Meeting, are published on the company's website. They can be sent on request.

The company offers shareholders the opportunity to be represented at the Annual General Meeting by proxies appointed by the company.

Berlin, August 2018

Wild Bunch AG

The Supervisory Board                      &                      The Management Board