

Declaration on the Corporate Governance Code in accordance with Section 161 AktG

Since the last Declaration of Conformity was issued on 4 December 2018, freenet AG has complied with the recommendations of the Code in the version dated 7 February 2017 with the exception of the deviations listed below and will continue to comply with the recommendations of the Code in the version dated 7 February 2017 in the future, unless the company issues a deviating declaration below.

1. The company has taken out D&O insurance for the members of its executive bodies. No deductible has been agreed for the members of the Supervisory Board, as there is no obvious advantage for the company. Responsible behaviour is a matter of course for all members of the Supervisory Board. A deductible would also have to be set uniformly due to the principle of equality, although the personal circumstances of the Supervisory Board members vary. A deductible would therefore place a different burden on the members of the Supervisory Board. In view of equal duties, this does not appear appropriate. (Code item 3.8 para. 3)
2. The company is committed to a high degree of transparency in its reporting. This also applies to Executive Board remuneration, which is fully disclosed and explained in the remuneration report with all its components and also individualised. Nevertheless, the Management Board and Supervisory Board have decided not to use the model tables provided for the presentation of Management Board remuneration in the remuneration report. Despite the agreement of maximum amounts in the Management Board contracts, there is a risk that the disclosure of maximum amounts with regard to share-based remuneration components could create a picture that does not correspond to the actual assumptions regarding the development of the share price. (Code item 4.2.5 sentence 5 and sentence 6)
3. When appointing new members to the Management Board, the Supervisory Board has so far appointed those candidates to the Management Board who were best suited, in particular due to their knowledge and skills acquired over the course of their many years of service at the company. In contrast, the Supervisory Board has not focussed on the criteria for the composition of the Management Board set out in Code item 5.1.2 para. 1 in previous appointments and, in the view of the Supervisory Board, these criteria will also take second place to specific suitability in future appointments. (Code item 5.1.2 para. 1)

4. No age limit has been set for members of the Executive Board and Supervisory Board. It is not clear why qualified persons with extensive professional and life experience should not be considered as candidates solely on the basis of their age. (Code items 5.1.2 sentence 8 and 5.4.1 sentence 2)

5. The Supervisory Board does not specify any concrete objectives for its composition within the meaning of section 5.4.1 para. 2 and section 5.4.2 sentence 1. It therefore also does not draw up a profile of skills and expertise for the entire Board. Consequently, the recommendations based on this in accordance with section 5.4.1 para. 4 cannot be followed. To date, the Supervisory Board has been guided solely by suitability in its election proposals for the Supervisory Board. It is convinced that this has proved successful. Therefore, no need is seen to change this practice. (Code Sections 5.4.1 para. 2, para. 4 and 5.4.2 sentence 1)

6. Section 5.4.6 (2) of the Code recommends that performance-related remuneration of the Supervisory Board should be geared towards sustainable corporate development. In accordance with Section 11 (5) of the Articles of Association, the variable remuneration of the Supervisory Board is based on the dividend for the past financial year. This form of variable remuneration has proven its worth in the past. In addition, the company's dividend policy, which is communicated to the capital market and is linked to free cash flow, is geared towards sustainable corporate development. Therefore, linking the variable remuneration to this dividend strategy also serves the sustainable development of the company. For this reason, there are no plans to adjust the variable remuneration of the Supervisory Board. (Code item 5.4.6 para. 2)

Büdelsdorf, 3 December 2019

The Supervisory

BoardThe Executive Board