

bet-at-home.com AG

Statement by bet-at-home.com AG on corporate governance acc. Sections 289f, 315d HGB and Corporate Governance Report for the financial year 2019

Dear shareholders,

Corporate governance means the legal and factual framework for managing and monitoring a company. The German Corporate Governance Code in the version adopted by the government commission on December 16, 2019 (the “new Code”) contains principles, recommendations and suggestions for the Management Board and the Supervisory Board, which are intended to help ensure that the company is managed in the interests of the company.

The new Code illustrates the obligation of the Management Board and the Supervisory Board to ensure the existence of the company and its sustainable value creation (company interest) in line with the principles of the social market economy, considering the interests of shareholders, the workforce and other groups associated with the company (stakeholders). These principles require not only legality, but also ethically and responsible behavior (model of the honorable businessman).

The new Code was not yet published by the Federal Ministry of Justice and Consumer Protection in the official part of the Federal Gazette at the time this declaration on corporate governance was drawn up, so that bet-at-home.com AG (hereinafter also “**company**”) still adheres to the applicable version of the German Corporate Governance Code of 7 February 2017 (hereinafter “**Code**”).

bet-at-home.com AG is a stock corporation under German law. The company’s shares are traded on the Frankfurt Stock Exchange in the Prime Standard, as a section of the regulated market. As a listed company, the company is obliged to make a corporate governance declaration within the meaning of Sections 289f, 315d HGB, with the involvement of the Group. The Code (as well as the new Code) recommends, that the Management Board and the Supervisory Board report annually on corporate governance. This report is included in the corporate governance statement.

The corporate governance declaration must be included in the combined management report and forms a separate section there. It can also be made publicly available on the company’s website. In this case, a reference must be included in the combined management report, which contains the information on the website. The company has made use of this possibility.

a) Declaration of Conformity and Corporate Governance Code

Pursuant to Section 161 of the German Companies Act [AktG], the Management Board and Supervisory Board make a yearly statement to the effect that the recommendations of the “government commission of the German Corporate Governance Code”, which are published by the Federal Ministry

of Justice in the official section of the Federal Gazette, have been and will be complied with or which recommendations have not or will not be implemented and why not (so-called “comply or explain” principle). This is known as the “**Declaration of Conformity**”. A company is listed within the meaning of Section 3 (2) AktG if its shares are admitted to a market regulated and overseen by officially recognized authorities, which regularly takes place and which is directly or indirectly available to the public. This is the case for the bet-at-home.com AG as a result of the listing in the Regulated Market of the Frankfurt Stock Exchange.

b) **Corporate Governance Report / Corporate Governance Statement**

The contents of corporate governance reporting specified by the Code are:

- according to Section 3.10 of the Code, the report regarding Corporate Governance
- according to Section 5.4.1 of the Code, the objectives of the Supervisory Board regarding its composition (“**diversity**”) and the status of their implementation,
- according to Section 7.1.3 of the Code, information on share option programs and similar share-based incentive systems within the company unless this information is already provided in the financial statements, consolidated financial statements or compensation report.

The contents of reporting on corporate governance specifically named by the new Code are:

Recommendation B.2	The Supervisory Board, together with the Management Board, is responsible for long-term succession planning ; the procedure should be described in the corporate governance statement.
Recommendation B.5	An age limit should be set for members of the Management Board and specified in the corporate governance declaration.
Recommendation C.1	The Supervisory Board should set specific goals for its composition and develop a competence profile for the entire committee. The Supervisory Board should pay attention to diversity. Proposals from the Supervisory Board to the Annual General Meeting should take these goals into account and at the same time aim to fill out the competence profile for the entire committee. The state of implementation should be published in the corporate governance declaration. This is also intended to provide information on the number of independent shareholder representatives that the shareholder representatives on the Supervisory Board consider appropriate and the names of these members.
Recommendation C.2	An age limit should be set for members of the Supervisory Board and specified in the corporate governance declaration.

Recommendation C.8	If one or more of the indicators mentioned in recommendation C.7 (indicators for the assessment of the independence of the members of the Supervisory Board) are met and the member of the Supervisory Board in question is nevertheless regarded as independent, this should be justified in the declaration on corporate governance.
Recommendation D.2	Depending on the specific circumstances of the company and the number of its members, the Supervisory Board should form professionally qualified committees. The respective committee members and the committee chair should be named in the corporate governance declaration.
Recommendation D.13	The Supervisory Board should regularly assess how effectively the Supervisory Board as a whole and its committees are performing their tasks. In the corporate governance declaration, the Supervisory Board should report whether and how a self-assessment was carried out.
Principle 22	The Supervisory Board and Management Board report annually on corporate governance in the corporate governance declaration.
Recommendation F.4	The Supervisory Board and Management Board of listed companies regulated by special law should state in the corporate governance declaration, which recommendations of the code have not been applicable due to overriding legal provisions.
Recommendation F.5	The company should keep the corporate governance statements and declarations of conformity with the recommendations of the Code available on its website for at least five years.

The Corporate Governance Declaration shall include (i) the declaration of conformity, (ii) relevant disclosures of corporate governance practices that are in excess of those required by law, and where they are publicly available, (iii) a description of the workings of the Management Board and the Supervisory Board and the composition and functioning of their committees and (iv) the provisions of Section 76 (4) and Section 111 (5) of the German Stock Corporation Act (targets for the proportion of women in the two management levels below the Board of Management, the Supervisory Board and the Management Board) and whether the set targets have been reached during the reference period and, if not, information on the reasons. Furthermore, a description of the concept of diversity (v) that is pursued with regard to the composition of the representative body and the Supervisory Board with respect to aspects such as age, gender, educational or professional background, as well as the objectives of this concept of diversity, the nature of his implementation and the results achieved in the financial year.

Corporate governance practices are not published outside the Corporate Governance Declaration002E

I. DECLARATION OF CONFORMITY IN ACCORDANCE WITH SECTION 161 AKTG

In December 2019, the Management Board and Supervisory Board issued the following Declaration of Conformity:

The Management Board and Supervisory Board of bet-at-home.com AG herewith declare that bet-at-home.com AG has been implementing the recommendations of the German Corporate Governance Code pursuant to the declaration of conformity of March 2019 in the version dated 7 February 2017 until the date of the issuance of this Declaration of Conformity with the exceptions disclosed in March 2019.

Furthermore, the Management Board and Supervisory Board of bet-at-home.com AG declare, that bet-at-home.com AG will implement the recommendations of the German Corporate Governance Code in the version dated 7 February 2017 with the following exceptions (the sections below are those of the Code in the version dated 7 February 2017):

Deductible for the D&O policy for the Supervisory Board (Section 3.8)

The company has a D&O policy without any deductible for the members of the Supervisory Board. In the view of the company, such a deductible is not necessary to ensure the motivation and sense of responsibility of the members of the Supervisory Board. A deductible could even run counter to the company's efforts to obtain people of excellence from within Germany and abroad for its Supervisory Board. The Supervisory Board was also expressly excluded (Section 116 AktG) from the new statutory measures on the deductible for members of the Supervisory Board in the Act on the Appropriateness of Management Board Compensation [VorstAG] (§ 116 AktG).

The Management Board should have a chairman (Section 4.2.1)

No chairman of the Management Board has been appointed. The Management Board and Supervisory Board are of the opinion that the two members of the Management Board have worked together efficiently and like good colleagues hitherto. No need has therefore been seen to appoint a chairman thus far, especially since the Management Board presently consists of two people, for which the appointment of a chairman is not mandatory for organisational reasons either.

Committees (Section 5.3)

Under the Articles of Association, the company's Supervisory Board consists of three members. Given this size, it would appear neither necessary nor expedient to set up committees, as the imaginable tasks of committees could be performed just as effectively and competently by the entire Supervisory Board.

Composition of the Supervisory Board (Section 5.4.1)

The Supervisory Board must set specific objectives for its composition. In accordance with the Code

in the version of 7 February 2017, these objectives will now also include a regulated limit for the time spent serving by each member on the Supervisory Board. However, the determination of a regulated limit for the time spent serving by each member on the Supervisory Board appears to be not useful from today's perspective. A time limit specifying the maximum time spent by each member serving on the Supervisory Board cannot be properly determined in abstract terms. The Supervisory Board is of the opinion that it would make more sense to assess in each individual case if the time already spent by each member serving on the Supervisory Board could prevent the member from performing their future duties in a factual, proper and unbiased manner.

Components and disclosure of Supervisory Board compensation (Section 5.4.6)

Compensation of the members of the Supervisory Board includes the position of chairman but not that of deputy chairman. Nor does there appear to be a need to differentiate between a deputy chairman and ordinary members, as the participation of all members is required for resolutions in the Supervisory Board of three people, so that cases where the chairman is represented by the deputy rarely occur in practice.

II. DISCLOSURES REQUIRED BY SECTION § 289F (2) NOS. 2 TO 4 HGB

The company is a company limited by shares under the laws of Germany. It is therefore governed in particular by German company law and capital market regulations as well as the provisions of the Articles of Association and the rules of procedure for the Management Board and Supervisory Board.

A two-tier management and supervision structure arises from the Management Board and Supervisory Board. Both executive bodies are committed to the interests of the shareholders and the good of the company. The AGM is the company's third executive body. It serves the decision-making process of the shareholders.

1. Management Board

The Management Board represents the company externally. It conducts its business in accordance with the law, the Articles of Association and the rules of procedure for the Management Board and ensures suitable risk management. The Management Board develops the company's strategy, coordinates it with the Supervisory Board and ensures its implementation. The Management Board has the task of creating long-term value on its own responsibility.

The company's Management Board currently consists of two members. The members of the Executive Board are responsible for the areas of responsibility assigned to them, without prejudice to the overall responsibility of the two Executive Board members.

The Supervisory Board has issued rules of procedure for the Management Board. Under the rules of procedure for the Management Board, actions and business by the Management Board of fundamental importance require the approval of the Supervisory Board.

The Management Board reports regularly, promptly and comprehensively to the Supervisory Board on all key aspects of business development, significant business transactions and the current earnings situation, including the risk situation and risk management. Deviations in the course of business from planning and objectives are explained and justified to the Supervisory Board and discussed with it. In addition, the Management Board reports regularly on compliance, i.e. the measures for compliance with legal provisions and internal company guidelines that are the responsibility of the Management Board.

The Supervisory Board appoints the members of the Management Board for a maximum of five years. A repeated appointment or extension of the term of office, each for a maximum of five years, is permitted. It requires a new Supervisory Board resolution, which can be taken at the earliest one year before the end of the previous term.

The Supervisory Board has set an age limit for the Management Board. Accordingly, a member of the Management Board cannot be who has reached the age of 67.

The Supervisory Board concludes the Management Board's service contracts with the members of the Management Board. When determining the total remuneration of the individual Management Board member (salary, profit sharing, expense allowances, insurance fees, commissions, incentive-oriented remuneration commitments such as stock options and all types of fringe benefits), the Supervisory Board must ensure that this is in a reasonable relationship to the tasks and performance of the Management Board member as well as the situation of the company and do not exceed the usual remuneration without special reasons. The remuneration structure of listed companies is to be geared towards sustainable and long-term development of the company. Variable remuneration components should therefore have a multi-year assessment basis. The Supervisory Board should agree on a limitation option for extraordinary developments.

According to the law implementing the second shareholder rights directive (ARUG II), a new Section 87a AktG was enacted. The Supervisory Board of the listed company therefore decides on a clear and understandable system for remuneration of the members of the Management Board. In accordance with Section 120a of the German Stock Corporation Act, which has also been added, the Annual General Meeting of the listed company will in future decide on the approval of the remuneration system presented by the Supervisory Board for the members of the Management Board with every significant change to the remuneration system, but at least every four years.

In accordance with the statutory provisions in Section 87a AktG, the system for the remuneration of members of the Management Board will be presented to the Annual General Meeting in 2021.

2. Supervisory Board

The company's Supervisory Board is composed of three members in accordance with sections 95, 96 (1) and 101 (1) AktG in conjunction with section 10 (1) of the Articles of Association, all of whom are elected by the Annual General Meeting. In accordance with Section 10 (2) of the Articles of Association, the election of the members of the Supervisory Board takes place after the determination of the

Annual General Meeting at the longest until the end of the Annual General Meeting, which decides on the discharge for the fourth financial year after the beginning of the term of office. The financial year in which the term of office begins is not counted. The Supervisory Board advises the Management Board on the management of the company. He monitors his activity. The Supervisory Board appoints and dismisses the members of the Management Board, decides on the remuneration system for the Management Board members and agrees their respective remuneration.

The Supervisory Board is involved in all decisions that are of fundamental importance for the company. The Supervisory Board can make certain transactions dependent on its approval. One of the main tasks of the Supervisory Board is to make nominations for the election to the Supervisory Board and for the appointment of the auditor. The Management Board has no right to make proposals.

The principles of cooperation of the Supervisory Board are regulated in the rules of procedure of the Supervisory Board.

The Supervisory Board has set an age limit for the Supervisory Board in such a way that an election to the Supervisory Board should in principle no longer take place, if the statutory retirement age is reached at the time of the election.

The Supervisory Board regularly discusses the efficiency of its work. Due to the fact that the Supervisory Board only has three members, the Supervisory Board has so far not called in an external consultant to check efficiency. Because of the number of members, a sensible establishment of committees is out of the question. The Supervisory Board does not currently consider it necessary to expand its members.

The members of the Supervisory Board can be granted remuneration for their work. Remuneration can be set out in the Articles of Association or approved by the Annual General Meeting. It should be proportionate to the duties of the members of the Supervisory Board and the situation of the company. In the case of listed companies, the remuneration of the members of the Supervisory Board must be passed at least every four years in accordance with Section 113 of the German Stock Corporation Act, which was adopted after the second shareholder rights directive (ARUG II).

In accordance with the statutory provisions, a corresponding proposal for a resolution will be submitted to the Annual General Meeting in 2021.

3. Annual General Meeting

The shareholders exercise their rights at the Annual General Meeting (AGM). There they exercise their voting rights. The AGM is held annually within the first eight months of a financial year. The agenda for the AGM, including the reports and documents required for the AGM, is also published on the company's website. In order to facilitate the personal exercise of their rights, the Company provides shareholders with a proxy by proxy for general meetings. The invitation of the Annual General Meeting or the notifications to the shareholders explains how instructions to exercise voting rights can be issued prior to the Annual General Meeting.

In the cases expressly stipulated in the law and the articles of association, the general meeting decides, in particular, on

- the appointment of the members of the supervisory board, insofar as they are not to be sent to the supervisory board or to be elected as members of the supervisory board of employees in accordance with the Co-Determination Act, the Co-Determination Supplement Act, the Third Participation Act or the Act on Employee Participation in a Cross-Border Merger;
- the use of retained earnings
- the remuneration system and remuneration report for members of the Management Board and the Supervisory Board of the listed company;
- the discharge of the members of the Management Board and the Supervisory Board;
- the appointment of the auditor;
- amendments to the articles of association;
- capital raising and capital reduction measures;
- the appointment of auditors to check processes during the establishment or the management;
- the liquidation of the company.

The Annual General Meeting can only decide on management issues if the Management Board requests it.

4. Disclosures on Corporate Governance practises

Values that are anchored in legal regulations as well as internal guidelines and organizational instructions are essential to the management culture of the company and its subsidiaries. Of particular importance are concepts that, on the one hand, consider the interests of making a profit. On the other hand, a serious and extensive customer protection, especially protection of minors and prevention are of great importance.

This is the basis of the common understanding between the management and staff to combine lasting growth with financial success and, at the same time, to take effective measures to prevent the negative impact of the services provided.

To achieve this objective, all staff must be aware of these demands and be willing and able to take responsibility for them. Taking one's own responsibility and initiative presumes an understanding of the company's strategy. This is why the management regularly informs the staff about the company's objectives, current business development, market and its competition. Efficient management and cooperation therefore hinge on clearly defined company structures, areas of responsibility and workflows. In conjunction with defined yet ever improving processes, this structure makes it possible to align management activities to the company's objectives and to check on a regular basis whether those objectives have been achieved.

Particular importance is attached in this respect to the motivation and appreciation of the company's

staff since high commitment, productivity and efficiency can only be achieved in a positively experienced work environment where people closely identify with the company and its objectives.

5. Sustainability

As part of ensuring sustainability in our corporate development, we regularly review our position on the environment social governance (“ESG”).

As a provider of online entertainment services, we are not involved in the procurement of industrial raw materials or pre- and finished products. Environmental issues, however, arise in the procurement of our means of production, namely our IT infrastructure. Here we rely on manufacturers or providers, who in turn feel committed to our knowledge of high ESG standards. The locations of bet-at-home.com subsidiaries are all located in EU countries. Insofar, the relevant environmental protection and employment standards apply in all locations of the bet-at-home.com AG Group. The equal treatment of our employees, irrespective of their origin, gender, religion or belief, disability, age or sexual orientation corresponds to a lived corporate culture and expresses itself among other things. This is because employees from a variety of different nations work together successfully and with great collegiality within the bet-at-home.com AG Group. We take account of our social responsibility on the supply side by means of extensive customer protection measures. In particular, the protection of minors and the prevention of gambling addiction are of particular importance. In the field of sports betting, we have implemented mechanisms to ensure the integrity of sport.

Our governance structures are also intended to help prevent corruption and bribery, as well as money laundering, and to ensure data protection and compliance with regulatory requirements.

6. Compliance

The Management Board must ensure compliance with the statutory provisions and the company’s internal guidelines and act to ensure that they are observed by the Group companies. The entrepreneurial actions of the bet-at-home.com AG Group must be based on the legal systems of different countries. This applies in particular to the different legislative conditions for sports betting and gaming, which are embedded in the freedom to provide goods and services guaranteed by European law.

Where state concession procedures are possible in a framework that complies with European law, it is the Group’s endeavor to obtain concessions and to permanently fulfill the requisite requirements. In addition, the bet-at-home.com AG Group pays all required taxes and levies on sports betting and gaming, also in countries that want to keep up monopolies therefore limiting private providers.

We expect our staff to conduct themselves ethically and in accordance with the law in their daily business. For precisely as a provider of betting and gaming, maximum integrity is indispensable in our highly regulated markets in order to justify the trust instilled in us by the authorities and, above all, by our customers.

In training sessions conducted with the assistance of the respective compliance officers, our staff are familiarised with the relevant codes of conduct as well as the laws and regulations. Our employees have the opportunity and are requested - on request also protected - to give indications of possible legal violations in the companies of the bet-at-home.com AG Group.

Against the background of the stock market listing of the bet-at-home.com AG shares, ensuring market integrity is an essential component of our compliance structure. This includes processes for identifying insider information across the Group and dealing with them in a legally compliant manner, as well as informing our employees about their duties and obligations in this context.

7. Accounting

The consolidated financial statements of bet-at-home.com AG are prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), by taking account of the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The separate financial statement for the AG is prepared in accordance with the provisions of the German Commercial Code.

Financial reports and interim financial reports (e.g. half-year reports) are published within the statutory deadlines and in accordance with the regulations for the Prime Standard segment of the Frankfurt Stock Exchange.

8. Transparency

Our shareholders are informed, in particular, in the annual report and by the publication of important information as well as current corporate news on significant events within the company and the Group.

Dealing with substantial information refers in particular to Regulation (EU) No 596/2014 (Market Abuse Regulation) for the publication of insider information, lists of insiders and transactions of executives (Directors' Dealings).

9. Equal participation of men and women

The Act for the equal participation of women and men in leadership positions in the private sector and the public sector applies since 1 May 2015. Section 111 (5) AktG states that the Supervisory Boards of companies that are listed or subject to co-determination must specify the target percentages of women on the Supervisory Board and Management Board. In Section 76 (4) AktG, the Management Boards of companies that are listed or subject to co-determination must specify the target percentages of women on both executive levels below the Management Board. At the same time, deadlines to attain these objectives shall be defined. These periods of time should not exceed five years.

Female representation on the Management Board

The target for the proportion of women in the Management Board was set at 0.00% in 2017. The deadline for reaching the target size was 31.12.2018. The contracts of the members of the Management Board were subsequently extended and are valid at least until 31.12.2021. Currently, as in 2017, two members of the Management Board are appointed. The board does not include a woman. Achieving a fixed target of > 0.00% by 31.12.2021 would require board members to retire prematurely and instead at least one woman be appointed, or that the board of directors be enlarged and the additional position(s) would be filled by women. At the moment, we are not striving for either, as there is a sufficient, well-rehearsed, experienced and successful management with the current members of the Management Board. Therefore, the Supervisory Board again set the target for the proportion of women in the Management Board at 0.00%. The deadline for reaching the target size was 31.12.2021. A target of 0.00% is permissible if a board is only filled by men whose employment contracts run longer than the deadline for reaching the target size. Currently the target size is reached.

Female representation on the Supervisory Board

The target percentage of women on the Supervisory Board was defined as one-third. The deadline for the achievement of this objective is 30 June 2022. At the moment the target is achieved.

Female representation on both executive levels below the Management Board

At the moment, the company has no management levels within the meaning of Section 76 (4) AktG. If the evaluation of the status quo shows that there are no (two) management levels below the Management Board, Section 76 (4) AktG shall be restricted according to current legal assessment. Thereupon, targets will be defined only for existing management levels. In case of missing management levels below the Management Board (e.g. holding companies as the bet-at-home.com AG) there are no obligations in this regard according to current legal assessment. Due to the absence of two management levels below the Management Board no target percentage for women pursuant to 76 (4) AktG was defined. A deadline for the achievement of this target was not defined as well. As soon as a management level below the Management Board is implemented, a target percentage for women pursuant to 76 (4) AktG will be defined. Notwithstanding the above, an evaluation of the situation will take place on 30 June 2022 at the latest.

III. DIVERSITY

1. Supervisory Board

i) Objectives in the composition of the Supervisory Board

The company's Supervisory Board consists of three members elected by the shareholders. The Supervisory Board should name concrete objectives for its composition and develop a competence profile for the entire Supervisory Board. In terms of its composition, it should include the company's

international activities, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of section 5.4.2 of the Code, an age limit to be set for Supervisory Board members and a regular limit on the duration on the Supervisory Board. Diversity includes aspects such as age, gender, educational or professional background.

According to Section 5.4.2 of the Code, the Supervisory Board should have a number of independent members that it considers appropriate. For the purposes of this recommendation, a member of the Supervisory Board is not to be regarded as independent, in particular, if he has a personal or business relationship with the company, its executive bodies, a controlling shareholder or a company affiliated with it, which create a significant and not only temporary conflict of interest. The supervisory board should not have more than two former members of the executive board. Members of the Supervisory Board should not have any board function or advisory duties with major competitors of the company and should not have a personal relationship with a major competitor.

According to the new Code (recommendation C.6 and following), the Supervisory Board should include a number of independent members that it considers appropriate on the shareholder side. The ownership structure should be considered. For the purposes of this recommendation, a member of the Supervisory Board is to be regarded as independent if he is independent of the company and its management board and independent of a controlling shareholder.

More than half of the shareholder representatives should be independent of the company and the board. A member of the Supervisory Board is independent of the company and its board of directors if it has no personal or business relationship with the company or its Management Board, which can create a significant and not only temporary conflict of interest. When assessing whether a member of the Supervisory Board is independent of the company and its Management Board, particular attention should be paid to whether the member of the Supervisory Board himself or a close family member of the member of the Supervisory Board:

- was a member of the company's Board of Directors in the two years prior to the appointment
- currently or in the year up to his appointment directly or as a partner or in a responsible function of a company outside the group or has maintained a significant business relationship with the company or a company dependent on it (e.g. as a customer, supplier, lender or consultant),
- is a close family member of a Management Board member or
- has been a member of the Supervisory Board for more than 12 years.

The supervisory board agrees with the content of the code, according to which, in addition to a balanced professional qualification, there should always be an appropriate internationality and a representation of women on the Supervisory Board.

The composition of the Supervisory Board should therefore consider the fact that the bet-at-home.com AG company is innovative and internationally active and uses modern communication channels on the Internet to provide its services.

However, diversity does not mean that people are only proposed as candidates for the Supervisory Board because he or she has a certain personal characteristic, so that mandatory quotas are not set.

For companies within the meaning of Section 264d HGB, at least one member of the Supervisory Board must have expertise in the areas of accounting or auditing in accordance with the provisions in Section 100 (5) AktG.

On 12 March 2015, the Supervisory Board set the following objectives regarding its composition:

- to consider the international activity of the company and its subsidiaries
- to consider professional/technical expertise and industry knowledge, especially in relation to on-line betting and gambling
- expertise in accounting or auditing
- at least one independent member within the meaning of the current recommendations of the Code
- prevention of conflicts of interest
- availability and commitment
- maximum of three supervisory board positions in non-group companies
- to consider the age limits defined in the rules of procedure of the Supervisory Board
- a one-third ratio of women

The panel's competence profile includes general knowledge of the industry and markets, understanding of the business model and basic knowledge of the (legal) framework conditions, basic compliance, finance and accounting skills, and of course the ability to understand reports and board submissions and to draw their own conclusions, including the ability to assess the validity, cost-effectiveness, appropriateness and legality of the business decisions to be assessed or to check them for plausibility. In addition, the members of the Supervisory Board must individually meet certain minimum personal requirements that are essential for the efficient work of the Supervisory Board, such as time availability, integrity, confidentiality, ability to discuss, interaction and teamwork.

ii) Status of implementation of these objectives in the view of the Supervisory Board

All relevant professional competences are represented in the Supervisory Board at present. This holds particularly true for the industry-related requirements as well as in respect of accounting and auditing. Comprehensive experience in the international business community is also present, just as are members from different countries.

Members at present:

- **Mr. Martin Arendts**, M.B.L-HSG, lawyer, chairman of the Supervisory Board, is the founder and owner of law firm ARENDTS ANWÄLTE. Specialised in investment law as well as betting and gaming law, he has a high level of expertise not only in issues of company law, capital market law and corporate governance but also in the main legal issues for bet-at-home.com AG Group in

CORPORATE GOVERNANCE REPORT 2019

relation to betting and gaming. Mr. Arendts also has expertise in accounting and auditing due to his professional activities. Mr. Arendts has been a member of our Supervisory Board since 13 August 2007.

- **Ms. Isabelle Andres** is CEO of Karina Square, Paris, France. Ms. Andres is a former CEO of Betclic Everest Group S.A.S. As the parent company of bet-at-home.com AG, Betclic Everest Group S.A.S. pools various betting and gaming activities. Ms. Andres therefore has excellent, relevant market expertise and accounting knowledge. Ms. Andres has been a member of our Supervisory Board since 4 May 2012.
- **Mr. Jean-Laurent Nabet** was the head of M&A at Vivendi Universal before working as an investment banker for Deutsche Bank in Paris. As investment manager (Head of Investment) for LOV Group Invest S.A.S., Paris, France, Mr. Nabet has excellent, relevant market expertise and knowledge of the entertainment industry as well as investment and internet business. Mr. Nabet has been a member of our Supervisory Board since 31 August 2009.

All members of the Supervisory Board have sufficient time to perform their tasks. None of the members of the Supervisory Board has exceeded the limit of Supervisory Board positions held outside the Group.

Independence within the Supervisory Board has been preserved. In the estimation of the Management Board and Supervisory Board, the members of the Supervisory Board have no personal or business relations with the company, its executive bodies, a controlling shareholder or an enterprise associated with the latter which could cause a substantial and not merely temporary conflict of interests. Mr. Nabet does occupy a position at a firm which (indirectly) holds the majority of the shares in the company. Yet in the estimation of the Management Board and Supervisory Board, this has not created a substantial and not merely temporary conflict of interests as there are no ongoing operational relations between the mentioned firm and the company. If and when any particular business relations arise, any existing conflicts of interest will be addressed through tried and tested procedures, e.g. abstention from voting. In addition, the relations between dominant organisations and the company are governed by the reporting and auditing duties set out in Sections 312 AktG. These audits, especially by the external auditor, have shown that appropriate compensation has been received so far for these business relations.

As far as Mr Arendts has been a member of the Supervisory Board since 13 August 2007 and therefore for almost 12 years, the administration does not believe that Mr Arendts is not independent. Mr. Arendts has always put his competence unselfishly in the service of the company. However, according to the administration, there has been no evidence to date that he did not exercise his office with the requisite practicality, professionalism and vigilance, and the necessary emphasis. There are no commercial relationships between Mr. Arendts and the company anyway.

No former members of the Management Board belong to the Supervisory Board. Nor do the incumbent members of the Supervisory Board hold board positions at or provide advisory services to the company's major competitors.

The Supervisory Board will also take the objectives defined for its composition into account to the greatest extent possible in its search for suitable candidates for any premature vacancies on the board and in its nominations for routine elections.

2. Management Board / Succession planning

i) Objectives in the composition of the Management Board

The composition of the Board of Management also requires the Supervisory Board in accordance with section 5.1.2 of the Corporate Governance Code on diversity. According to section 76 AktG, the board has to run the company under their own responsibility. The aim of the composition of the Management Board must therefore be, while maintaining the efficiency of the staffing, to entrust personalities with the leadership of the company, which meet the necessary professional and personal requirements in the context of collegial cooperation. It should also be borne in mind in this case that bet-at-home.com AG as a holding company has the task of managing its subsidiaries, but does not itself operate activities. At the level of the Management Board, of course, the best business and industry knowledge, including the regulatory framework in the target markets, is indispensable. Since the bet-at-home.com AG Group operates exclusively as an online provider, knowledge in this area is also of paramount importance. As explained above, in the context of the concept of diversity, the Management Board should not be complemented with women until 31 December 2021.

ii) Status of implementation

The present composition of the Management Board currently reflects the professional and personal requirements that the Supervisory Board is convinced:

Mr. Franz Ömer, one of two members of the Management Board, worked in international consulting for Business Process Reengineering after studying Software Engineering at Softwarepark Hagenberg, Austria. He is the founder of various technology and gaming companies, including bet-at-home.com AG. He has been a member of the bet-at-home.com AG Group's management team since its foundation and has a wealth of experience in online sports betting and online gaming in particular.

Mr. Michael Quatember worked for KPMG Austria in auditing and consulting for eleven years after completing his studies in business administration. From February 2009 to October 2012, he was Head of Finance and Accounting within the bet-at-home.com AG Group. On 1 November 2012, he was appointed to the Management Board. He gained ten years of industry experience in the meantime and additional valuable skills to the Management Board through his previous activities.

iii) Succession planning

Against the background of the technical and personal requirements for members of the company's Management Board, the Supervisory Board regularly discusses - including with the acting Management Board - which persons (including the acting Management Board members) could be considered

for an appointment for future terms of office. The personal and professional developments of managers in the Group are also considered. In due course, the Supervisory Board may also consult external consultants when looking for suitable candidates.

IV. SHAREHOLDINGS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

On 31 December 2019, members of the Management Board and Supervisory Board directly or indirectly held the following shares:

1. Management Board

Franz Ömer: 1.00 % of the share capital.

2. Supervisory Board

Members of the Supervisory Board do not hold any shares in the company.

V. Disclosures on share option programmes and similar share-based incentive systems

The company's Management Board is entitled to a variable remuneration component depending on the share price of bet-at-home.com AG. The origin and amount of this variable remuneration component depend on the fact, that a certain level of the share price of bet-at-home.com AG shares will be exceeded in 2019, 2020 and 2021 (base amount). Details can be found in the remuneration report for the financial year 2019, as part of the combined management report.