

**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 2020**

Dear Shareholders,

corporate governance is understood to be the legal and factual regulatory framework for the management and supervision of a company. The German Corporate Governance Code in the version adopted by the Government Commission on December 16, 2019 (the “**Code**”) contains principles, recommendations and suggestions for the Management Board and the Supervisory Board that are intended to help ensure that the Company is managed in the Company’s best interests.

The Code clarifies the obligation of the Management Board and Supervisory Board to ensure the continued existence of the company and its sustainable value creation in accordance 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 based, responsible behavior (model of the honorable businessman).

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 segment of the regulated market. As a listed company, the Company is required to issue a corporate governance statement within the meaning of sections 289f and 315d of the German Commercial Code (HGB), including the bet-at-home.com AG Group. The Code recommends that the Management Board and Supervisory Board report annually on corporate governance. This report is made in the statement on corporate governance.

The statement on corporate governance is to be included in the combined management report, where it forms a separate section. It may also be made publicly available on the company’s website. In this case, a reference must be included in the combined management report which includes the website. The Company has made use of this option, i.e. this corporate governance statement has not been included in the combined management report for the financial year 2020, but the website where the corporate governance statement is publicly accessible has been included there.

**Declaration of Conformity and Corporate Governance Code**

Pursuant to section 161 of the German Stock Corporation Act (AktG), the Management Board and Supervisory Board of the listed company declare each year that the recommendations of the “Government Commission on the German Corporate Governance Code” published by the Federal Ministry of Justice in

the official section of the Federal Gazette have been and are being complied with, or which recommendations have not been or are not being applied and why not (so-called “comply or explain” principle). This is the so-called “**declaration of conformity**”. According to section 3 (2) of the German Stock Corporation Act (AktG), listed companies are companies whose shares are admitted to a market that is regulated and supervised by state-recognized bodies, takes place regularly and is directly or indirectly accessible to the public. This applies to bet-at-home.com AG through the listing of its shares on the regulated market of the Frankfurt Stock Exchange.

**Corporate Governance Report / Statement on Corporate Governance**

The Code specifies contents of reporting on corporate governance that should be included in the corporate governance statement over and above the statutory requirements in sections 289f, 315d of the German Commercial Code (HGB), namely:

Recommendation B.2	The Supervisory Board, together with the Management Board, is responsible for <b>long-term succession planning</b> ; 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.
<b>Principle 22</b>	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.

The Rules of Procedure of the Supervisory Board are published on the Company's website at <https://www.bet-at-home.ag/en/corporategovernance>. The information on corporate governance practices is not published outside the corporate governance statement.

## 1. DECLARATION OF CONFORMITY IN ACCORDANCE WITH SECTION 161 AKTG

In December 2020, the Management Board and Supervisory Board issued the following Declaration of Conformity:

*The Management Board and the Supervisory Board of bet-at-home.com AG hereby declare, that the recommendations of the code based on the version of the code dated February 7, 2017 and the declaration of conformity from December 2019 have been complied with, apart from to the following deviations*

### ***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 must 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 organizational 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.

The Management Board and the Supervisory Board of bet-at-home.com AG also declare, that bet-at-home.com AG will comply with the recommendations of the Code in the version dated December 16, 2019 with the following exceptions (the following paragraphs are those of the Code in the version dated December 16, 2019):

#### **Formation of committees of the Supervisory Board**

According to the articles of association, the company's Supervisory Board is composed of three members. With this size, the formation of committees does not appear necessary or sensible, since the conceivable tasks of committees can be performed just as effectively and competently by the entire Supervisory Board (D.2).

## **Structure of the remuneration of the Management Board**

*The contracts of the Management Board for the current mandate period were concluded in December 2018 and February 2019 and thus before the current version of the code came into force.*

*The current contracts provide that the variable remuneration amounts are mainly based on the share price of bet-at-home.com AG. However, payments are not made after four years, but can be made annually after a total of three consecutive years (G.10 sentence 2).*

*Against the background mentioned, the Management Board contracts currently do not provide for any discretionary elements in the context of variable remuneration within the meaning of recommendation G.11 sentence 1 and also no claw-back-clause within the meaning of G.11 sentence 2, as such discretionary elements are likely to be rejected by investors.*

## **Structure of the remuneration of the Supervisory Board**

*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. (G.17).*

## **2. DISCLOSURES REQUIRED BY SECTIONS 289F, 315D HGB**

The Company is a stock corporation under German law. It is therefore subject in particular to the provisions of German stock corporation law and capital market regulations, as well as to the provisions of the Articles of Association and the Rules of Procedure for the Management Board and Supervisory Board. There is a two-tier management and supervisory structure consisting of the Management Board and the Supervisory Board. Both bodies are committed to the interests of the shareholders and the welfare of the Company. The Annual General Meeting is the third body of the Company. It serves to form the will of the shareholders.

### **2.1 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 appropriate risk management. The Management Board develops the strategic direction of the Company, agrees it with the Supervisory Board and ensures its implementation. The task of the Management Board is thus to create sustainable value on its own responsibility.

The Management Board of the Company currently consists of two members. The members of the Management Board are responsible for the areas of responsibility assigned to them, without prejudice to the overall responsibility of the two board members.

The Supervisory Board has issued rules of procedure for the Management Board. Measures and transactions of fundamental importance by the Management Board require the approval of the Supervisory Board in accordance with the Management Board's rules of procedure.

The Management Board reports regularly, promptly and comprehensively to the Supervisory Board on all material 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 plans and targets 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 taken to comply with legal requirements and internal company policies for which the Management Board is responsible.

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, in each case for a maximum of five years, is permissible. It requires a new Supervisory Board resolution, which can be adopted at the earliest one year before the expiry of the previous term of office.

The Supervisory Board has set an age limit for the Management Board. Accordingly, no person may be a member of the Management Board who has reached the age of 67.

The Supervisory Board concludes the Management Board service contracts with the board members. When determining the total compensation of individual members of the Management Board (salary, profit sharing, expense allowances, insurance compensation, commissions, incentive-based compensation commitments such as stock options and fringe benefits of all kinds), the Supervisory Board shall ensure that these are commensurate with the duties and performance of the board member and the situation of the Company and do not exceed the customary level of compensation without special justification. In the case of listed companies, the compensation structure shall be geared to the sustainable and long-term development of the Company. Variable compensation components shall therefore have a multi-year assessment basis; the Supervisory Board shall agree on a cap for extraordinary developments.

The Act Implementing the Second Shareholders' Rights Directive (ARUG II) enacted a new section 87a of the German Stock Corporation Act (AktG). Accordingly, the Supervisory Board of the listed company shall adopt a clear and comprehensible system for the compensation of Management Board members. According to the also newly inserted section 120a AktG, the Annual General Meeting of the listed company will in future resolve on the approval of the compensation system for the members of the Management Board presented by the Supervisory Board whenever there is a significant change to the compensation system, but at least every four years.

In accordance with the statutory provisions, the system for the compensation of Management Board members adopted in accordance with section 87a of the German Stock Corporation Act (AktG) will be presented to the Annual General Meeting in 2021.

The resolution and the compensation system shall be published without delay on the Company's website and kept publicly accessible free of charge for the duration of the validity of the compensation system, but for at least ten years.

Pursuant to section 120a (4) AktG, the Annual General Meeting of the listed company shall also resolve on the approval of the compensation report for the previous financial year prepared and audited in accordance with section 162 AktG, unless the resolution can be dispensed with pursuant to section 120a (5) AktG. A corresponding resolution would be adopted for the first time by the Annual General Meeting of the Company in 2022. The compensation report and the report on the audit of this report shall be made publicly available free of charge on the Company's website for ten years from the date specified in section 162 (4) AktG. The compensation report on the last financial year and the auditor's report pursuant to section 162 AktG and the applicable compensation system pursuant to section 87a AktG will be made available on the Company's website at <https://www.bet-at-home.ag/en/corporategovernance>. The auditor's report pursuant to section 162 AktG and the applicable compensation system pursuant to section 87a AktG will also be made available on the Company's website. The other aforementioned documents to be published relating to compensation will also be available there.

## **2.2 SUPERVISORY BOARD**

In accordance with sections 95, 96 (1), 101 (1) AktG in conjunction with section 10 (1) of the Articles of Association, the Supervisory Board of the Company is composed of three members, all of whom are elected by the Annual General Meeting. Pursuant to Art. 10 par. 2 of the Articles of Association, Supervisory Board members are elected as determined by the Annual General Meeting for a maximum period up to the end of the Annual General Meeting which resolves on the ratification of the acts of the Supervisory Board for the fourth fiscal year after the beginning of the term of office. The fiscal year in which the term of office begins is not included. The Supervisory Board advises the Management Board on the management of the Company. It monitors its activities. The Supervisory Board appoints and dismisses the members of the Management Board, resolves the compensation system for the members of the Management Board and agrees their respective compensation.

The Supervisory Board is involved in all decisions that are of fundamental importance to the Company. The Supervisory Board may make certain transactions subject to its approval. The Supervisory Board's main duties also include proposing candidates for election to the Supervisory Board and for the appointment of the auditor. The Management Board has no right of nomination in this respect.

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

The Supervisory Board has set an age limit for the Supervisory Board such that, after which an election to the Supervisory Board should no longer take place if the statutory retirement age has been reached at the time of the election.

At present, the Supervisory Board has not formed any committees. Due to the number of members, the Supervisory Board is of the opinion that the establishment of committees would not be expedient. The Supervisory Board also does not consider an expansion of its membership to be necessary at present.

The members of the Supervisory Board may be granted compensation for their activities. The compensation may be set in the Articles of Association or approved by the Annual General Meeting. It shall be in reasonable proportion to the duties of the Supervisory Board members and the situation of the Company. In the case of listed companies, a resolution on the compensation of the Supervisory Board members must be adopted at least every four years in accordance with § 113 AktG, which was also amended by ARUG II.

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

The applicable compensation system for the Supervisory Board pursuant to section 113 AktG will be made available on the Company's website at <https://www.bet-at-home.ag/en/corporategovernance>.

The Supervisory Board regularly discusses the efficiency of its work as part of a self-assessment. Due to the fact that the Supervisory Board has only three members, the Supervisory Board has so far refrained from consulting an external consultant for a self-assessment. A self-assessment was last carried out in the first quarter of 2021. On the basis of a catalog of questions, the Chairman of the Supervisory Board evaluated whether there was cause to change the way the Supervisory Board works and what measures should be taken to this end.

### **2.3 ANNUAL GENERAL MEETING**

The shareholders exercise their rights at the Annual General Meeting. In particular, they exercise their voting rights there. The Annual General Meeting is held annually within the first eight months of each fiscal year, although special arrangements also apply for 2021 due to the COVID 19 pandemic. The agenda for the Annual General Meeting, including the reports and documents required for the Annual General Meeting, is also published on the Company's website. To facilitate the personal exercise of their rights, the Company provides shareholders with a proxy for Annual General Meetings who is bound by instructions. In the notice convening the Annual General Meeting or in the notices to shareholders, it is explained how voting instructions can be issued in the run-up 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 may only decide on management issues if the Management Board requests so.

## **2.4 DISCLOSURES ON CORPORATE GOVERNANCE PRACTISES**

In the focus of the management culture of the company and its subsidiaries are values that are anchored in statutory regulations as well as internal guidelines and organizational directives. Of particular importance are concepts that, on the one hand, take account of the interests of making profit. On the other hand, serious and comprehensive customer protection, in particular the protection of minors and prevention, are of paramount importance.

On this basis, there is a shared understanding among management and employees to combine sustainable growth with economic success, while at the same time taking effective measures to prevent negative impacts from the services offered.

In order to achieve this goal, every employee should be aware of these requirements and be able and allowed to take responsibility for them. Personal responsibility and initiative require knowledge of the strategic direction of the company. Corporate management therefore regularly informs employees about corporate goals, current business developments and the market and competitive environment. In addition, clearly defined corporate structures, areas of responsibility and processes form an essential basis

for efficient corporate management and cooperation. In conjunction with defined processes that are subject to continuous optimization, this structure enables management processes to be aligned with corporate objectives and the achievement of objectives to be monitored on a regular basis.

Particular importance is attached to the motivation and appreciation of the company's employees. After all, outstanding commitment, high productivity and efficiency can only be achieved in a working environment that is perceived as positive and with a high level of identification with the company and its goals.

## **2.5 SUSTAINABILITY**

As part of ensuring sustainability in our corporate development, we regularly review our positioning with regard to environmental, social and governance ("ESG").

As a provider of pure online entertainment, we are not involved in the procurement of industrial raw materials or preliminary and finished products. However, environmental issues arise in the procurement of our production resources, namely our IT infrastructure. Here, we use manufacturers or suppliers who, for their part, are committed to high ESG standards as far as we are aware. All bet-at-home.com AG Group sites are located in Europe. In this respect, the corresponding environmental protection and employment standards apply at all bet-at-home.com AG Group locations. Equal treatment of our employees regardless of origin, gender, religion or ideology, disability, age or sexual orientation is part of our corporate culture and is expressed, among other things, in the fact that employees from a variety of different nations work together successfully and cooperatively in the bet-at-home.com AG Group. We take our social responsibility into account on the supply side through extensive customer protection measures. The protection of minors and the prevention of gambling addiction are of particular importance. In the area of sports betting, we have implemented mechanisms designed to safeguard the integrity of the sport. Our governance structures are also designed in particular to help prevent corruption and bribery as well as money laundering, and to ensure data protection and compliance with regulatory requirements.

As implementing the Second Shareholders' Rights Directive, the legislator stipulated, that the compensation structure for members of the Management Board must be geared to the sustainable and long-term development of the Company (section 87 AktG). To ensure that the sustainability concept is also considered in this respect, the compensation arrangements to be made must provide that assessment factors for variable compensation components, include financial and non-financial performance criteria, including criteria such as integrity, employee satisfaction and diversity, as well as sustainability/environmental social governance (ESG) aspects.

## **2.6 COMPLIANCE**

The Management Board is responsible for ensuring compliance with legal provisions and internal company guidelines and works towards their observance by the Group companies. The bet-at-home.com

AG Group's business activities must comply with the legal systems of various countries. This applies in particular due to the different legislative conditions for online sports betting and online gaming, embedded in the freedom of goods and services guaranteed by European law.

Where state licensing procedures are possible within a framework that complies with European law, the Group endeavors to obtain licenses and to meet the necessary requirements on a permanent basis. In addition, the bet-at-home.com AG Group pays any levies and taxes on betting and gaming, including in countries that wish to maintain state betting and gaming monopolies and therefore restrict private providers.

We expect our employees to act in a legally and ethically impeccable manner in their day-to-day business activities. After all, especially as a provider of betting and gaming, the highest level of integrity is essential in our highly regulated markets in order to justify the trust of authorities and, above all, of our customers.

Employees are familiarized with the relevant codes of conduct as well as legal and regulatory rules in training sessions with the involvement of the responsible compliance officers. Our employees have the opportunity and are encouraged – if requested, also protected – to provide information on any legal violations in the companies of the bet-at-home.com AG Group.

Against the backdrop of the stock market listing of bet-at-home.com AG's shares, safeguarding market integrity is a key component of our compliance structure. This includes processes for identifying insider information throughout the Group and dealing with it in a legally compliant manner, as well as informing our employees of their duties and obligations in this context.

## **2.7 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.

## 2.8 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).

## 2.9 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.

### **3. DIVERSITY**

#### **3.1 SUPERVISORY BOARD**

##### **3.1.1 Objectives in the composition of the Supervisory Board**

The Supervisory Board of the company shall consist of three members to be elected by the shareholders. The Supervisory Board shall specify concrete objectives for its composition and develop a competence profile for the entire body. In doing so, the Supervisory Board shall pay attention to diversity. Proposals of the Supervisory Board to the Annual General Meeting shall take these objectives into account and at the same time aim to fulfill the competence profile for the entire body. The status of implementation shall be published in the corporate governance declaration. This shall also provide information on the number of independent shareholder representatives on the Supervisory Board, as deemed appropriate by the shareholder representatives, and the names of these members. Diversity includes aspects such as age, gender, educational or professional background.

The Supervisory Board is of the opinion that, in addition to a balanced professional qualification, there should always be an appropriate level of internationality and representation of women on the Supervisory Board. The composition of the Supervisory Board should therefore consider the fact that bet-at-home.com AG's business is innovative and international, and that it uses modern communication channels on the internet to provide its services.

However, diversity does not mean that individuals are proposed as candidates for the Supervisory Board solely because he or she possesses a certain personal characteristic, so that mandatory quota requirements are not imposed.

In the case of companies within the meaning of section 264d HGB, the provisions of section 100 (5) AktG require at least one member of the Supervisory Board to have expertise in the fields of accounting or auditing.

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 online 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 competence profile of the Supervisory Board comprises general knowledge of the industry and markets, an understanding of the business model and basic knowledge of the (legal) framework, fundamental knowledge of compliance, finance and accounting, and of course the ability to understand and critically review reports and submissions by the Management Board and to draw their own conclusions, including the ability to assess the propriety, economic efficiency, expediency and legality of the business decisions to be evaluated or to check its plausibility. The members of the Supervisory Board must also each 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, interact and work in a team.

The Supervisory Board will also take the targets set for its composition into account to the best possible extent when looking for suitable candidates for any members leaving prematurely and when proposing candidates for elections by rotation.

### **3.1.2 Status of implementation of these objectives in the view of the Supervisory Board**

All relevant professional competencies are currently represented on the Supervisory Board. This applies in particular with regard to industry-related requirements and also with regard to accounting and auditing. Extensive experience in international business is also given, as members are 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 the topics of company law, capital market law and corporate governance but also in the main legal issues for bet-at home.com AG Group in 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. Véronique Giraudon**, deputy-chairwoman of the Supervisory Board, has years of management experience in senior finance and operations at start-ups and multinational companies. Since 2013, Véronique Giraudon has been Corporate Director and Group CFO of BetClic Everest Group, covering the operational business areas of Finance, Risk Management, Fraud Prevention, Compliance and Legal. Ms. Giraudon has been a member of the Supervisory Board since 7 July 2020.
- **Mr. Nicolas Béraud** is an entrepreneur, investor and founder of several digital companies. He is co-founder of Betclik, one of the leading online sports betting and online gaming providers in Europe. Nicolas Béraud is currently CEO of Betclik Group and has been a member of the Supervisory Board since 7 July 2020.

### 3.1.3 Availability

All members of the Supervisory Board have sufficient time to perform their duties. None of the Supervisory Board members holds more than the targeted number of non-Group mandates in supervisory bodies.

### 3.1.4 Independence

According to the Code (recommendation C.6 et seq.), the Supervisory Board should include an appropriate number of independent members on the shareholder side, considering the ownership structure. The Code formulates two aspects of independence in this context: accordingly, a member of the Supervisory Board is to be regarded as independent if he or she is

- independent of the company and its Management Board and
- independent of a controlling shareholder.

## **Independence of the company and Management Board**

More than half of the shareholder representatives shall be independent of the Company and its Management Board. A Supervisory Board member is independent of the Company and its Management Board if he or she has no personal or business relationship with the Company or its Management Board that could give rise to a material and not merely temporary conflict of interest. In assessing whether a Supervisory Board member is independent of the Company and its Management Board, particular consideration shall be given to whether the Supervisory Board member himself or herself or a close family member of the Supervisory Board member

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

None of the Supervisory Board members has a personal or business relationship with the Company or its Management Board that could give rise to a material and not merely temporary conflict of interest. Insofar as Mr. Arendts has been a member of the Supervisory Board since August 13, 2007, and thus for almost 14 years, in the opinion of the management this does not support the assumption that Mr. Arendts is not independent. Mr. Arendts has always placed his professional expertise in the service of the Company in an unselfish manner. In the opinion of the administration, there have been no indications to date that he has not exercised his office with the necessary objectivity, professionalism and vigilance, and with the requisite vigor. In any case, there are no commercial relations between Mr. Arendts and the Company.

The Supervisory Board does not include any former members of the Management Board.

All shareholder representatives are therefore independent of the Company and the Management Board.

## **Independence from a controlling shareholder**

If the company has a controlling shareholder, the Code states that in the case of a Supervisory Board with six or fewer members, at least one shareholder representative shall be independent of the controlling shareholder.

According to the Code, a Supervisory Board member is independent of the controlling shareholder if he or she or a close family member is neither a controlling shareholder nor a member of the controlling shareholder's Management Board or has a personal or business relationship with the controlling shareholder that could give rise to a material and not merely temporary conflict of interest.

Ms. Giraudon and Mr. Béraud exercise board functions at BetClic Everest Group.

Mr. Arendts has no relationship whatsoever with a controlling shareholder and is therefore to be regarded as independent in this respect as well.

This fulfills the requirement of the Code and also the Supervisory Board's own objective that at least one shareholder representative should be independent of the controlling shareholder.

If individual business relations with the controlling shareholder occur, any conflicts of interest that may exist are also considered by means of tried and tested procedures, e.g. abstention from voting. In addition, relationships between controlling companies and the Company are subject to the reporting and auditing obligations under sections 312 et seq. AktG. These audits, in particular those of the auditor, have so far shown that business relations with controlling companies have been conducted solely for appropriate consideration.

The current members of the Supervisory Board have no board functions or advisory duties at major competitors.

## **3.2 MANAGEMENT BOARD / SUCCESSION PLANNING**

### **3.2.1 Objectives in the composition of the Management Board**

According to recommendation B.1 of the Code, the Supervisory Board shall also pay attention to diversity in the composition of the Management Board. Pursuant to section 76 AktG, the Management Board is responsible for managing the Company. The aim of the composition of the Management Board must therefore be to entrust the management of the Company to personalities who meet the necessary professional and personal requirements for this within the framework of collegial cooperation, while maintaining the efficiency of the personnel resources. It must also be considered that bet-at-home.com AG, as a holding company, is responsible for managing its subsidiaries, but does not itself conduct operational business. However, even at the level of the Management Board, the best business and industry knowledge, including the regulatory framework in the target markets, is of course essential. Moreover, as the bet-at-home.com AG Group operates exclusively as an online provider, knowledge in this area is of outstanding importance. As explained above, the diversity concept does not aim to appoint women to the Management Board, at least until December 31, 2021.

### **3.2.2 Status of implementation**

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

Franz Ömer, a graduate engineer and one of two members of the Management Board, worked in international consulting for business process reengineering after studying software engineering at Softwarepark Hagenberg. 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 since its founding and has extensive experience in the field of online sports betting and gaming.

After studying business administration, Michael Quatember worked for eleven years in auditing and consulting at KPMG Austria. From February 2009 to October 2012, he was Head of Finance and Accounting at bet-at-home.com AG Group. He was appointed to the Management Board on November 1, 2012. He has now gained eleven years of extensive experience in the industry and brings further valuable expertise from his previous activities to the operations of the Management Board.

### **3.2.3 Succession planning**

Against the background of the professional and personal requirements placed on members of the Management Board of the Company, the Supervisory Board regularly discusses - also with the incumbent Management Board - which persons (including the incumbent Management Board members) might be considered for appointment for future periods of office. In this context, the personal and professional development of executives in the Group is also considered. In due course, the Supervisory Board will also consult external advisors, if necessary, in the search for suitable candidates.