

Declaration on the Corporate Governance Code in accordance with Section 161 of the Stock Corporation Act (AktG)

Since the publication of the last declaration of compliance on 8 December 2016, freenet AG has followed the recommendations of the Code as amended on 5 May 2015 with the following exceptions. In the absence of any other declarations by the company below, it will continue to comply with the recommendations of the Code as amended on 7 February 2017 until further notice.

1. The company has taken out D&O insurance for its board members. No retention agreement has been signed with Supervisory Board members, because it is not evident that this would represent an advantage for the company. It is taken for granted that all Supervisory Board members carry out their duties responsibly. In order to treat all the Supervisory Board members equally, any retention would also have to be set at a uniform level, although the members' personal circumstances vary. A standard retention would therefore constitute a different burden for the individual Supervisory Board members. As their responsibilities are the same, this does not seem appropriate. (Code clause 3.8 (3))

2. The company has a strong commitment to transparent reporting. This also applies to the remuneration of the Executive Board members, the separate components of which are disclosed and discussed individually in the remuneration report. Nonetheless, the Executive Board and Supervisory Board have decided not to use the sample tables in the remuneration report to depict the Executive Board's remuneration. Although the service contracts with the Board members provide for caps, there is a risk that the disclosure of maximum amounts for share-based remuneration components creates an impression which is inconsistent with the actual assumptions for the performance of the share price. (Code clause 4.2.5 sentence 5 and 6)

3. The Supervisory Board considers the current Executive Board to be a success and is therefore striving for continuity in the Executive Board. In the opinion of the Supervisory Board, the selection of Executive Board members according to the criteria defined in 5.1.2 (1) of the Code is of secondary importance. (Code clause 5.1.2 (1))

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

5. The Supervisory Board does not provide any concrete targets for its composition, as defined in clause 5.4.1 (2) and 5.4.2 sentence 1. Thus, it does not create any competency profile for the full Board. It can therefore not follow the recommendations given in clause 5.4.1 (4). When proposing new members for election, the Supervisory Board has previously been guided solely by their suitability. The Supervisory Board is convinced that this has proven to be effective. It therefore sees no need to change the procedure. (Code clause 5.4.1 (2), (4) and 5.4.2 sentence 1)

6. Clause 5.4.6 (2) of the Code recommends aligning performance-related compensation for Supervisory Board members with the sustained performance of the company. The Supervisory Board's variable remuneration is set according to the dividend for the past financial year, in line with Section 11 (5) of the company's Articles of Association. This form of variable remuneration has proven its worth in the past. Furthermore, the company's dividend policy as communicated to financial markets, which is based on free cash flow, is aligned with the company's sustained performance. Linking variable remuneration to this dividend strategy therefore also serves the company's sustained performance. For this reason there is no intention of changing the Supervisory Board's variable remuneration. (Code clause 5.4.6 (2))

Büdelndorf, 5 December 2017

Supervisory Board

Executive Board