

Statement in accordance with section 161 AktG

Since submitting the last Declaration of Conformity on 4 December 2018, freenet AG has complied with the recommendations of the German Corporate Governance Code ("Code") as amended on 7 February 2017 with the following exceptions and will continue to comply with the recommendations of the Code as amended on 7 February 2017, unless stated otherwise by the company in the following.

1. The company has taken out D&O insurance for its board members. No deductible has been stipulated for 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, moreover, any deductible would have to be set at a uniform level, even though the members' personal financial backgrounds vary. A deductible would therefore constitute different burdens 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 model tables in the remuneration report to present the Executive Board's remuneration. Although the service contracts with the Executive Board members provide for caps, there is a risk that the disclosure of maximum amounts for share-based payment 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. When appointing new members to the Executive Board, the Supervisory Board so far has appointed those candidates to the Executive Board who were best suited in particular because of their knowledge and skills acquired in the course of their many years of service in the company. In contrast, the criteria for the composition of the Executive Board mentioned in clause 5.1.2 (1) of the Code were not the focus of the Supervisory Board's attention when previous appointments were made and will remain subordinate with respect to future appointments from the Supervisory Board's point of view. (Code clause 5.1.2 (1))
4. No age limit has been set for members of the Executive Board and the Supervisory Board. It is not evident why qualified individuals with relevant professional and other experience should not be considered as candidates solely on the grounds of their age. (Code clauses 5.1.2 sentence 8 and 5.4.1 sentence 2)
5. The Supervisory Board does not specify any concrete targets for its composition, as defined in Code clauses 5.4.1 (2) and 5.4.2 sentence 1. It therefore also does not draw up a profile of skills for the entire board. It can therefore not follow the recommendations made in Code clause 5.4.1 (4). When proposing new members for election, the Supervisory Board has so far 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 practice. (Code clauses 5.4.1 (2), (4) and 5.4.2 sentence 1)

6. Clause 5.4.6 (2) of the Code recommends linking performance-related remuneration for Supervisory Board members to 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 linked to 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))

Büdelsdorf, 3 Dezember 2019

Supervisory Board

Executive Board