

# Declaration on corporate governance pursuant to Section 289a of the German Commercial Code (HGB)

## General information on the management structure

As an internationally active joint stock corporation (Aktiengesellschaft) with its headquarters in Flensburg, Germany, Beate Uhse AG is governed by the requirements of the German Stock Corporation Act (AktG) and the provisions of its articles of association. As is the case for all German joint stock corporations, Beate Uhse AG has a dual management and supervisory structure, composed of a Management Board and a Supervisory Board. As the key decision-making body for shareholders, the Annual General Meeting takes decisions of fundamental importance to the Company. Together, these three bodies are committed in equal measure to safeguarding both shareholders' interests and the best interests of the Company.

To ensure good corporate governance, the Supervisory Board and the Management Board of Beate Uhse AG act in accordance with the fundamental ideas of the German Corporate Governance Code (DCGK). The declaration of compliance, which must be published every year pursuant to Section 161 of the AktG, can be found on the Group's website [www.beate-uhse.ag](http://www.beate-uhse.ag) under Investor Relations / Corporate Governance.

## The Supervisory Board

Pursuant to Section 96 (1) of the German Corporation Act (AktG) and Article 7 (1) of the articles of association of Beate Uhse AG, the Supervisory Board is composed of six members, who are elected by the shareholders. The members usually have a term of office of three financial years.

The Supervisory Board advises the Management Board on managing the company and monitors its conduct within the framework stipulated by law, the articles of association and its rules of procedure. It cooperates closely with the Management Board to the benefit of the company and is involved in decisions of fundamental significance. The Supervisory Board meets at regular intervals to exchange information and take decisions and holds extraordinary meetings whenever required. The information required for the meetings is made available by the Management Board in the form of comprehensive documents prior to the meetings.

The Supervisory Board's duties and procedures for adopting resolutions are laid down in the articles of association of Beate Uhse AG and the rules of procedure of the body. The duties of the Supervisory Board are performed by the body as a whole and by the Audit Committee, which is the only committee formed by the Supervisory Board.

The Audit Committee prepares the Supervisory Board's decisions on the approval of the separate and the consolidated annual financial statements, the proposal to be made to the Annual General Meeting for the election of the auditor and the agreement of the auditor's mandate. The Audit Committee also reviews the auditor's impartiality and approves the provision of non-audit services. Moreover, it also advises and monitors the Management Board in matters of accounting, controlling, risk management and compliance. The Audit Committee comprises three members and was chaired by Mr Gelmer Westra (tax advisor). Mr Westra was assisted by Mr Udo H. Bensing (auditor and tax advisor) and Mr Andreas Bartmann (Managing Director of Globetrotter Ausrüstung Denart & Lechhart).

## The Management Board

Pursuant to the articles of association of Beate Uhse AG, the Management Board must consist of at least one member. Management Board members are appointed by the Supervisory Board. At present, the Group Management Board is composed of two members:

- Serge van der Hoof, Chief Executive Officer (CEO), is responsible for the Group's B2B business as well as the finance, legal, human resources and communication areas. As Spokesman of the Management Board, he is also responsible for the external representation of the Group. In his capacity as CEO, Serge van der Hoof informs the Supervisory Board Chairman regularly and promptly about all major business occurrences, the Company's performance and potential deviations from planned developments. All important decisions are agreed between the Management Board and the Supervisory Board.
- Sören Müller is Chief Operating Officer (COO) and responsible for all B2C activities of the Group. With his comprehensive experience in the online and e-commerce business, the economist focuses particularly on optimising and developing digital media. The Hamburg-born COO sits on the Advisory Board of tmc Content Group AG, which is listed on the Frankfurt Stock Exchange. Beate Uhse AG has a 26.8% stake in tmc Content Group AG.

The Management Board develops the Company's strategic positioning, agrees it with the Supervisory Board and sees to its implementation. The Management Board is responsible for the Company's annual and multi-year planning as well as for preparing its quarterly, separate and consolidated annual financial statements. It also ensures that appropriate risk management and risk controlling structures are in place and that regular, prompt and extensive reports are provided to the Supervisory Board. Transactions requiring approval are discussed by the Management Board and the Supervisory Board and decided by the Supervisory Board. The principles underlying the cooperation within the Management Board are set out in the rules of procedure. Among other aspects, it sets out the rights and duties of the Management Board, allocates responsibilities and lays down procedures for adopting resolutions. The Management Board of Beate Uhse AG liaises closely and regularly with the Supervisory Board. The supervisory body receives timely and comprehensive information from the Management Board. The composition of the Management Board and the Supervisory Board can be found on our website at <http://www.beate-uhse.ag>.

## **Annual General Meeting**

The shareholders exercise their rights, including their voting rights, at the Annual General Meeting. Each share entitles its holder to one vote. The Annual General Meeting is held once a year. The agenda for the Annual General Meeting, including the reports and documents required at the meeting, is also published on the Company's website at [www.beate-uhse.ag](http://www.beate-uhse.ag). The invitation to the Annual General Meeting, together with the relevant documents, may be sent to shareholders by email, if they have individually consented to this procedure.

Management Board

Flensburg, Germany, 30.3.2012