



Declaration of Compliance, page 38.

CORPORATE GOVERNANCE REPORT

The German Corporate Governance Code was adopted to strengthen confidence in the management of German companies listed on stock exchanges. The Executive Board and Supervisory Board of ProSiebenSat.1 Media AG attach great importance to the principles of the Code. Responsible, transparent corporate governance ensures sustainable corporate management and supervision that generate value. It encourages confidence in the ProSiebenSat.1 Group among financial markets, business partners and employees, as well as the public at large.

Each year, the Executive Board and Supervisory Board issue a Declaration of Compliance in which they declare that the recommendations of the current version of the German Corporate Governance Code have been and will be adopted, and which ones, if any, have not been or will not be applied, providing explanations of the reasons for any such exceptions. The compliance officer of ProSiebenSat.1 Media AG is in charge of implementing the principles of corporate governance, monitoring compliance with the requirements of law, and documenting these processes. The officer's duties also include keeping up to date on changes in the laws, and tracking the relevant public discussions.

GOVERNING BODIES - MANAGEMENT AND OVERSIGHT STRUCTURES AT PROSIEBENSAT.1 MEDIA AG

The governing bodies of a German corporation in Aktiengesellschaft form are the shareholders' meeting, the Executive Board and the Supervisory Board. The shareholders exercise their rights of joint administration and oversight at the annual shareholders' meeting. Each share of common stock confers one vote at the shareholders' meeting; preferred stock confers no voting rights, except where mandatorily prescribed by law. Under Article 19 of the articles of incorporation of ProSiebenSat.1 Media AG, preferred stock carries preferential rights in any distribution of profits, as well as an entitlement to a higher dividend. The invitation to the shareholders' meeting notifies the Company's shareholders about the various agenda items and the resolutions that the Executive Board and Supervisory Board will be submitting for approval. The ProSiebenSat.1 Web site sets aside special pages for the annual shareholders' meeting, containing the agenda as well as important information about organizational and legal matters concerning all aspects of the meeting. Following the meeting, the remarks of the CEO and the results of votes can also be downloaded from the site.

In accordance with German stock corporation law, ProSiebenSat.1 Media AG has a dual management system, meaning that its managing body and its supervisory body are clearly separated. The Company's managing body is its Executive Board, which is overseen and advised by the Supervisory Board. Good management of a company requires trusting and efficient cooperation between the Executive Board and Supervisory Board. Here open communication and close cooperation are especially important. These have already been described in detail above. The Executive Board informs the Supervisory Board regularly, promptly and comprehensively on all relevant matters of strategy, planning, business performance, net assets and liabilities, financial position, profit and loss, and risk management. All transactions and decisions that are of fundamental importance to the Corporation are handled in close coordination with the Supervisory Board. Cooperation between these boards is governed by the Executive Board's rules of procedure. The requirements imposed by these by-laws on the Executive Board conform to the requirements of the German Corporate Governance Code, and in particular include binding provisions regarding the Executive Board's obligations to inform and report to the Supervisory Board.



http://en.prosiebensat1.com/investor_relations/hauptversammlung/

TRANSPARENCY – COMMUNICATION WITH THE CAPITAL MARKET, AND REPORTING PRINCIPLES

- **Fair Disclosure.** We aim to strengthen trust among shareholders and lenders, as well as the interested public, through openness and transparency. For that reason, we report regularly on important business developments and changes in the Company. In general, ProSiebenSat.1 Media AG provides this information simultaneously to all shareholders, media representatives, and the interested public. In so doing, so as to take due account of the international interest in our Company, we release this information in English as well as in German. To ensure fair communication and prompt disclosure both in Germany and in other countries, the Company particularly makes use of the Internet as a channel for communication.

All relevant corporate information is published and kept available for extended periods at our Web site, www.prosiebensat1.com. Annual reports, interim reports, current stock price charts, analyses and presentations are available for download there anytime. The Corporate Governance section of the Web site also offers the current Management Declaration, an up-to-date overview of the Company's own implementation of the Corporate Governance Code, an archive of the management's Declarations of Compliance from past years and the Company's articles of incorporation.

- **Regular reporting and ad hoc disclosures:** Four times a year, as part of the Company's annual and quarterly financial reporting, management discusses the ProSiebenSat.1 Group's business performance, its financial position and its current results of operations. In keeping with the requirements of law, all matters potentially relating to insider transactions are also publicized in ad hoc disclosures as they occur, and are made available immediately on the Internet. A list of all ad hoc press releases for a given year is available on the Company's Web site in the "Annual Document" required under Section 10 of Germany's Securities Prospectus Act (Wertpapierprospektgesetz).
- **Financial calendar:** A financial calendar publishes the release dates of financial reports well in advance, along with other important dates, such as the date of the annual shareholders' meeting. The calendar is available at the ProSiebenSat.1 Web site, and is also reproduced in this annual report.
- **Reports of equity holdings and directors' dealings disclosures:** Reports of equity holdings under Sections 21 et seq. of Germany's Securities Trading Act (WpHG) are released as soon as they are received. Current information is available online at >> http://prosiebensat1.com/investor_relations/dokument/.

Directors' dealings disclosures under Section 15a of the Securities Trading Act are also published on the Internet immediately after receipt. During the year, management personnel and parties related to them reported to ProSiebenSat.1, in compliance with Sec. 15a of the German Securities Trading Act, the following transactions in Company stock or financial instruments relating to Company stock:

Directors' Dealings Announcement

Last name, first name	Reason for notice	Purchase/ Sale	Date/ Place	Units	Price	Total amount of transaction
Englert, Dr. Marcus	Own management duties	Sale	08/14/2009/Xetra/Frankfurt	13,000	EUR 6.11258	EUR 79,463.54

- **Shareholdings of the Executive Board and Supervisory Board:** As of December 31, 2009, members of the Executive Board held a total of 1,237,078 shares of preferred stock of ProSiebenSat.1 Media AG, and a total of 1,759,500 options under the ProSiebenSat.1 Media AG stock option plan (the Long-Term Incentive Plan), each of which options confers the right to purchase one share of preferred stock of ProSiebenSat.1 Media

AG if the exercise conditions are satisfied. As of December 31, 2009, members of the Supervisory Board held 17,500 shares of preferred stock of ProSiebenSat.1 Media AG. Thus as of December 31, 2009, no single member of the Executive Board or Supervisory Board held stock, or financial instruments relating to stock, in excess of 1 percent of the outstanding shares, nor did the holdings of all members of both boards combined exceed that figure.

- **Reporting principles:** The ProSiebenSat.1 Group's financial reporting conforms to IFRS (International Financial Reporting Standards). The annual financial statements of ProSiebenSat.1 Media AG, as the Group's parent company, are prepared under the accounting principles of the German Commercial Code (HGB). Both sets of financial statements are audited and certified by an independent accounting and auditing firm.

COMPENSATION REPORT

The compensation report includes the requisite information about the compensation of the Executive Board and Supervisory Board, and also takes account of the recommendations of the German Corporate Governance Code.

STRUCTURE OF COMPENSATION OF THE EXECUTIVE BOARD

In addition to their functions as directors and officers of the Company, the members of the Executive Board of ProSiebenSat.1 Media AG also have contractual relationships with the Company. The Supervisory Board is responsible for making the employment agreements with the members of the Executive Board. The employment agreements between ProSiebenSat.1 Media AG and the members of its Executive Board have a maximum term of five years. These contracts establish the Board members' rights and duties, including their compensation.

The compensation system for the Executive Board of ProSiebenSat.1 Media AG aims for sustainable company performance, and is composed of fixed and results-based components. The criteria for appropriate compensation are based in part on the individual Board members' personal performance and areas of work and responsibility, and also on the comparable environment and the Company's business situation.

Last financial year, the compensation of the members of the Executive Board comprised the following:

- Under their employment contracts, all Executive Board members receive a **fixed base salary**, paid monthly, that is determined with reference to the individual member's area of responsibilities.
- In addition to this base component, each member also receives a performance-based **variable component in the form of an annual bonus**. The specific terms of this annual bonus are uniform among the contracts of the individual board members. One portion of the bonus is decided by the Supervisory Board, and depends on the achievement of predefined performance targets composed of Group EBITDA, the Group net debt, and personal goals.
- Additionally, the members of the Executive Board also participate in a ProSiebenSat.1 Media AG **stock option plan** (the Long-Term Incentive Plan, or LTIP), which was first introduced in 2005 and was most recently renewed in 2009. With this stock option plan the Company has created an additional compensation component, focused on the Company's long-term success, so as to cultivate shareholder value. Each option under the LTIP entitles the holder to acquire one share of ProSiebenSat.1 preferred stock if the exercise conditions are met (in particular, the expiration of the vesting period and the

achievement of performance targets). As of December 31, 2009, the members of the Executive Board held 149,500 stock options issued in 2006, 405,000 options issued in 2008, and 1,205,000 options issued in 2009. No stock options were exercised in 2009. The vesting period for the stock options issued in 2006 ended in August 2008. The stock options issued in 2008 cannot be exercised until July 2010 at the earliest, and the options issued in 2009 cannot be exercised until July 2011 at the earliest.

- Furthermore, the Company has signed **pension agreements** with all active members of the Executive Board, under which those members are entitled to payment of a retirement pension if they reach age 60 and leave the Company's employment after the contractual vesting period has elapsed.
- Finally, the members of the Executive Board receive **other compensation** in the form of non-cash benefits, including company cars, insurance coverage, and coverage of relocation expenses if they must relocate.

The Company has extended neither loans nor guaranties or warranties to the members of the Executive Board. The Notes to the consolidated financial statements include further information about the ProSiebenSat.1 Media AG stock option plan.



For further information on compensation, Notes to the consolidated financial statements, no. 36.

Individualized reporting of Executive Board compensation. A resolution of the shareholders' meeting on August 2, 2006, exempted the Company for a term of five years from the statutory obligation to disclose the compensation of the individual members of the Executive Board in the parent-company and consolidated financial statements, on the basis of the information specified in Section 285 No. 9 lit. a) Sentences 5 through 9 and Section 314 (1) No. 6 a) Sentences 5 through 9 of the German Commercial Code (HGB). However, the Executive Board and the Supervisory Board have decided to voluntarily disclose the compensation paid by the Company to the individual members of the Executive Board last financial year. The following table gives an individualized breakdown of this compensation.

EUR k	Annual salary		Total	Other compensation	Pensions	
	Fixed component	Variable component		Miscellaneous ⁽⁴⁾	Accrued pension provision ⁽⁵⁾	Annual payment entitlement at 12/31/2009 ⁽⁶⁾
Thomas Ebeling ⁽¹⁾	833.3	1,050.0	1,883.3	- / -	113.0	33.4
Axel Salzmann	650.0	600.0	1,250.0	14.7	121.6	18.5
Andreas Bartl	650.0	261.5	911.5	15.5	118.0	17.1
Dr. Marcus Englert	450.0	212.5	662.5	10.2	170.1	24.6
Patrick Tillieux ⁽²⁾	495.0	- / -	495.0	7.5	- / -	- / -
Klaus-Peter Schulz ⁽³⁾	350.0	112.8	462.8	10.6	124.0	12.7
Total	3,428.3	2,236.8	5,665.1	58.5	646.7	106.3

⁽¹⁾10-month basis / member of the Executive Board since March 1, 2009. ⁽²⁾6-month basis / member of the Executive Board until June 30, 2009. ⁽³⁾12-month basis / member of the Executive Board until July 31, 2009. ⁽⁴⁾Includes non-cash benefits from use of company car, insurance, and relocation grants if the individual must relocate. ⁽⁵⁾Not including entitlements from the individual's own additional payments (as of December 31, 2009). ⁽⁶⁾Upon retirement, not including entitlements from the individual's own additional payments (as of December 31, 2009). The fair value of the stock options for the 1,205,000 options (previous year: 497,000) issued in 2009 to the active members of the Executive Board as at December 31, 2009 came on average to EUR 2.30 (previous year: EUR 0.17) per stock option.

STRUCTURE OF COMPENSATION OF THE SUPERVISORY BOARD

The members of the Supervisory Board receive a fixed compensation. The Chairman and Vice Chairman of the Supervisory Board each receive twice the amount of this fixed base figure. Members of the Supervisory Board's committees are compensated with a separate meeting honorarium, payable for participating at each committee meeting. Committee chairs receive twice the standard meeting honorarium. The compensation of the Supervisory Board is set in the articles of incorporation of ProSiebenSat.1 Media AG.

Members of the Supervisory Board received no remuneration or other consideration for personal services, especially consulting and mediation services, during the financial year 2009.

The following table gives an individualized breakdown of the compensation of the Supervisory Board:

EUR k	Fixed base compensation	Meeting honoraria Presiding Committee	Meeting honoraria Audit and Finance Committee	Meeting honoraria Compensation Committee	Total
Johannes Peter Huth	100.0	3.0	3.0	21.0	127.0
Götz Mäuser ⁽¹⁾	100.0	3.0	12.0	15.0	130.0
Robin Bell-Jones	50.0	1.5	12.0	- / -	63.5
Gregory Dyke	50.0	- / -	- / -	10.5	60.5
Stefan Dziarski ⁽²⁾	21.4	- / -	- / -	- / -	21.4
Philipp Freise	50.0	1.5	15.0	- / -	66.5
Reinhard Gorenflos ⁽³⁾	16.8	- / -	3.0	- / -	19.8
Lord Clive Hollick	50.0	1.5	- / -	- / -	51.5
Thomas Krenz ⁽⁴⁾	21.4	- / -	- / -	- / -	21.4
Dr. Jörg Rockenhäuser ⁽⁵⁾	28.7	- / -	- / -	- / -	28.7
Christoph Röttele ⁽⁶⁾	21.4	1.5	- / -	- / -	22.9
Silke Scheiber ⁽⁷⁾	21.4	- / -	- / -	- / -	21.4
Harry Sloan ⁽⁸⁾	21.4	- / -	- / -	- / -	21.4
Adrianus Johannes Swartjes	50.0	- / -	- / -	12.0	62.0
Marinus Maria Petrus van Lent ⁽⁹⁾	8.2	- / -	- / -	- / -	8.2
Prof. Dr. Harald Wiedmann	50.0	- / -	30.0	- / -	80.0
Total	660.7	12.0	75.0	58.5	806.2

⁽¹⁾ Götz Mäuser was Chairman of the Supervisory Board until June 4, 2009. He was succeeded by Johannes Peter Huth. ⁽²⁾ Stefan Dziarski's term of office expired at the end of the shareholders' meeting on June 4, 2009. ⁽³⁾ Reinhard Gorenflos resigned from the Supervisory Board as of April 30, 2009. ⁽⁴⁾ Thomas Krenz left the Supervisory Board as of the end of the shareholders' meeting on June 4, 2009. ⁽⁵⁾ Dr. Jörg Rockenhäuser was elected to the Supervisory Board at the annual shareholders' meeting on June 4, 2009. ⁽⁶⁾ Christoph Röttele's term of office expired at the end of the shareholders' meeting on June 4, 2009. ⁽⁷⁾ Silke Scheiber left the Supervisory Board as of the end of the shareholders' meeting on June 4, 2009. ⁽⁸⁾ Harry Sloan had been a member of the Supervisory Board since March 7, 2007, and also left the Supervisory Board as of the end of the shareholders' meeting on June 4, 2009. ⁽⁹⁾ Marinus van Lent resigned from the Supervisory Board as of March 1, 2009.