

## **Statement of Compliance by the Administrative Board of PUMA SE with the German Corporate Governance Code**

### **Statement of Compliance 2016:**

Pursuant to Art. 9 p. 1 c) (ii) of the SE Regulation (SE-VO) and Section 22 p. 6 of the German SE Implementation Act (SEAG), in conjunction with Section 161 AktG PUMA SE's Administrative Board declares that PUMA SE has been and will be in compliance with the recommendations issued by the "Government Commission on the German Corporate Governance Code" (the "Code") (code version dated May 05, 2015), since the last Statement of Compliance from November 2015 in consideration of the particulars of PUMA SE's single-tier system described under item 1. with the exceptions mentioned under item 2., and where it is not in compliance, explains why not.

#### **1. Particulars of the Single-Tier Corporate Governance System**

According to Artt. 43 - 45 SE-VO, in conjunction with Sections 20 et seq. SEAG, under the single-tier system, the management of the SE is the responsibility of a single company organ, the Administrative Board (see Para. 7 of the Code's Preamble). The Administrative Board manages the Company, determines the Company's basic business strategies and monitors the implementation of said strategies by the Managing Directors. The Managing Directors manage the Company's business, represent the Company in and out of court and are bound by instructions from the Administrative Board.

Basically, PUMA SE takes those parts of the Code that used to apply to the Supervisory Board and applies them to the Administrative Board and takes those parts of the Code that used to apply to the Board of Management and applies them to its Managing Directors. The following exceptions apply with respect to the legal framework for the single-tier system:

- In derogation of No. 2.2.1 s. 1 of the Code, the Administrative Board must submit the annual financial statements and the consolidated financial statements to the Annual General Meeting, Section 48 p. 2 s. 2 SEAG.
- In derogation of Nos. 2.3.1 s. 1 and 3.7 p. 3 of the Code, the Administrative Board is responsible for convening the Annual General Meeting, Sections 48 and 22 p. 2 SEAG.
- The duties of the Board of Management listed in Nos. 4.1.1 (Corporate Governance), 4.1.2 in conjunction with 3.2 half-sentence 1 (Development of the Company's Strategic Orientation) of the Code are the responsibility of the Administrative Board, Section 22 p. 1 SEAG.

- The powers of the Board of Management governed by Nos. 2.3.3 s. 2 (Proxy Bound by Instructions), 3.7 p. 1 (Statement on a Takeover Bid) and 3.7 p. 2 (Conduct during a Takeover Bid), as well as 3.10 (Corporate Governance Report), 4.1.3 (Compliance) and 4.1.4 (Risk Management and Controlling) of the Code shall be the responsibility of PUMA SE's Administrative Board, Section 22 p. 6 SEAG.
- In derogation of Nos. 5.1.2 p. 2 s. 1 and 2 of the Code, Managing Directors, unlike members of the Board of Management, are not subject to a fixed, maximum term of office, Section 40 p. 1 s. 1 SEAG.
- In derogation of Nos. 5.4.2 s. 2 and 5.4.4 of the Code, members of the Administrative Board may be appointed as Managing Directors, provided that the majority of the Administrative Board continues to consist of non-executive Managing Directors, Section 40 p. 1 s. 2 SEAG.

## **2. Exceptions to the Code's recommendations**

- In derogation of No. 3.8 p. 3 of the Code, members of the Administrative Board are provided with D&O insurance with no deductible. The Administrative Board feels that it can dispense with a deductible for members of the Administrative Board, because the D&O insurance is group insurance for people in Germany and abroad, and a deductible is fairly unusual abroad.
- In derogation of No. 4.2.3 p. 2 s. 6 of the Code the compensation of the Managing Directors does not show the maximum amount limits in total or their variable compensation components. The employment contracts of the Managing Directors were concluded in accordance with the then current version of the Code and are deemed to be proper and correct by PUMA SE.
- In derogation of No. 4.2.3 p. 5 of the Code no limits on severance payments for premature termination as a Managing Director due to a change of control have been agreed, because an agreement drawn up in advance would not be able to take into account the specific situation that gave rise to a premature termination or the other circumstances of the individual case of termination.
- In accordance with the authorization by the Annual General Meeting on May 07, 2013, pursuant to Section 286 p. 5 HGB, the Company shall not publish the amounts of compensation for individual Managing Directors until the authorization expires (Nos. 4.2.4 and 4.2.5 of the Code). The Managing Directors shall adhere to the authorization when they prepare the annual financial statements. Based on the authorization of the Annual General Meeting, and in derogation of No. 4.2.5 p. 3 of the Code the information stated in this Section regarding the compensation of the Managing Directors is not included in the Compensation Report.

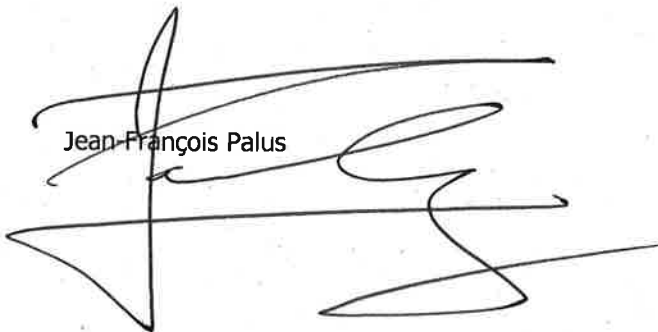
- In derogation of No. 5.4.6 p. 2 s. 2 of the Code, members of the Administrative Board receive performance-based compensation that is not linked to the sustainable success of the Company. The compensation was authorized by the Annual General Meeting on April 14, 2011, it is stipulated in the Articles of Association and is deemed to be proper and correct by PUMA SE.
- In derogation of No. 5.4.6. p. 3 of the Code, the compensation of the Administrative Board members is not shown individually. In the opinion of PUMA SE, this is not additional information relevant to the capital market as the respective remuneration regulations included in the Articles of Association are in the public domain.

Herzogenaurach, November 9, 2016

PUMA SE

For the Administrative Board

Jean-François Palus

A handwritten signature in black ink, consisting of several fluid, overlapping strokes. The signature is positioned to the right of the printed name 'Jean-François Palus'.