

## Corporate governance report and statement

In this statement HelloFresh SE (the “**Company**”) reports in accordance with Sec. 289f HGB (“Handelsgesetzbuch”: German Commercial Code) on the principles of corporate governance and in accordance with Sec. 161 AktG (“Aktiengesetz”: German Stock Corporation Act) and No. 3.10 of the German Corporate Governance Code on the Company’s corporate governance. In addition to the declaration of conformity with the German Corporate Governance Code, this statement contains information on corporate governance, the composition and working practices of the Management Board, the Supervisory Board and the Supervisory Board’s committees. The statement on corporate governance in accordance with Sec. 289f HGB is also part of the management report.

### Compliance with the Corporate Governance Code

Corporate governance means the responsible leadership and management of entities with a view to long-term value creation. The corporate governance and culture of HelloFresh SE conform to the legal requirements and – with a few exceptions – the additional recommendations of the German Corporate Governance Code. The Management Board and Supervisory Board are committed to good corporate governance and all business units follow this guiding principle. Competence, transparency and sustainability are core values for the Company.

In preparation for and after the IPO, the Management Board and the Supervisory Board, again, diligently addressed compliance with the guidance of the German Corporate Governance Code in fiscal year 2017. They thereby applied the Code as amended on 7 February 2017 and, in December 2017 in accordance with Sec. 161 AktG, issued their declaration of conformity with the recommendations of the Code for fiscal year 2017 and commented on the limited number of exceptions. The declaration is published on the Company’s website (<http://ir.hellofreshgroup.com/websites/hellofresh/English/5150/declaration-of-conformity.html>).

### Declaration of conformity

The Management Board and Supervisory Board of the Company issued the following joint declaration of conformity in accordance with Sec. 161 AktG in December 2017:

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The Management Board and Supervisory Board of HelloFresh SE declare that HelloFresh SE (the “**Company**”) has, since 1 November 2017, the day of the initial admission of the Company’s shares to trading on a regulated market, complied with and intends to comply in future with the recommendations of the German Corporate Governance Code as amended on 7 February 2017 (published on 24 April 2017 and, with corrections, on 19 May 2017) (the “**Code 2017**”) except for the following:

- NO. 3.8 SENTENCE 5 OF THE CODE 2017: DEDUCTIBLE FOR THE SUPERVISORY BOARD

No. 3.8 Sentence 5 of the Code 2017 recommends that if the Company takes out a D&O policy for the Supervisory Board, a deductible of at least 10% of the loss up to at least the amount of one and a half times the fixed annual remuneration of the Supervisory Board member shall be agreed upon. The D&O policy of the Company does not foresee such deductible for the members of the Supervisory Board as the members of the Supervisory Board do not need such incentive to fulfill their duty of care adequately.

- NO. 4.1.3 SENTENCE 3 OF THE CODE 2017: OPPORTUNITY FOR EMPLOYEES TO REPORT SUSPECTED BREACHES OF THE LAW WITHIN THE ENTITY

No. 4.1.3 Sentence 3 of the Code 2017 recommends that employees shall be given the opportunity to report, in a protected manner, suspected breaches of the law within the entity. The Company has already implemented various compliance measures, however, it has not yet done so with this specific recommendation of the Code 2017. However, the Company is of the opinion that currently, there are sufficient ways of reporting breaches of the law.

- NO. 4.2.3 SENTENCE 4 OF THE CODE 2017: ASSESSMENT BASIS FOR VARIABLE REMUNERATION COMPONENTS

According to No. 4.2.3 Sentence 4 of the Code 2017 variable remuneration components generally have a multiple-year assessment basis that shall have essentially forward-looking characteristics. One of the members of the Management Board received virtual stock options that do not contain any performance targets as well as virtual stock options that only have six-month performance targets. The other Management Board members received virtual stock options with medium term performance targets. Since the Company is a relatively young entity operating in a relatively new market and its business performance is therefore difficult to predict, a two-year assessment basis has been deemed to be reasonable. Since the IPO, virtual stock options having a performance assessment basis of three years have been granted to the Management Board members.

- NO. 4.2.3 SENTENCES 7, 12, 14 AND 15 OF THE CODE 2017: THE AMOUNT OF REMUNERATION SHALL BE CAPPED

According to No. 4.2.3 Sentence 7 of the Code 2017 the amount of remuneration for a member of a Management Board shall be capped at maximum levels, both as regards variable components and in the aggregate. According to No. 4.2.3 Sentence 12 of the Code 2017 it shall be ensured that payments, including fringe benefits, made to a Management Board member due to early termination of their contract do not exceed twice the annual remuneration (Severance Cap) and do not constitute remuneration for more than the remaining term of the employment contract. According to No. 4.2.3 Sentence 14 of the Code 2017 the Severance Cap shall be calculated on the basis of the total remuneration paid for the previous fiscal year and, if appropriate, shall take into account the expected total remuneration for the current fiscal year. Moreover, No. 4.2.3 Sentence 15 of the Code 2017 recommends that benefit commitments made in connection with the early termination of a Management Board member's activity due to a change of control (Change of Control) shall not exceed 150% of the Severance Cap.

Neither the aggregate remuneration, nor the variable components of remuneration of the members of the Management Board under their current service agreements are capped. The Company believes that the nature of variable remuneration components prevents this form of remuneration from being capped. The primary aim of the variable remuneration is to create shareholder value, which would be undermined if the variable part of the remuneration were capped. Also, the Company has a strongly founder-based Management Board and the Company therefore believes that the management should participate in any increase in the value of the Company to the same extent as any other shareholder would do.

Also, the service agreements of the members of the Management Board do not contain a Severance Cap within the meaning of No. 4.2.3 Sentence 12 of the Code 2017 in case of an early termination of their contract. In case of a Change of Control, the Management Board member shall receive 75% of their remaining fixed remuneration, however no further Severance Cap applies. Since an early termination of the contract or a Change of Control may occur outside of the scope of influence of the individual member of the Management Board, the Supervisory Board does not think a cap is appropriate in the case of early termination and in case of a Change of Control, the Supervisory Board believes the cap of 75% is sufficient.

- NO. 4.2.3 SENTENCE 9 OF THE CODE 2017: SUBSEQUENT AMENDMENTS TO PERFORMANCE TARGETS OR COMPARISON PARAMETERS SHALL BE EXCLUDED

No. 4.2.3 Sentence 9 of the Code 2017 recommends that subsequent amendments to the performance targets or comparison parameters shall be excluded. Given the early nature of the Company's business, the Supervisory Board can at its discretion adjust downwards, at a later point in time the performance targets of the Company's virtual stock option program (Amended Virtual Stock Option Program 2016), if the business outlook differs meaningfully from the expectations at the point in time when such targets were determined. The Company included this provision since it is still a young company operating in a relatively new market whose business performance is therefore difficult to predict.

- NO. 4.2.5 SENTENCES 5 AND 6 OF THE CODE 2017: TOTAL COMPENSATION SHALL BE DISCLOSED INDIVIDUALLY

According to No. 4.2.5 Sentence 5 and 6 of the Code 2017 the total compensation of every member of the Management Board shall be disclosed in the remuneration report on an individual basis, divided into fixed and variable compensation granted and received. The model tables provided as appendices to the Code 2017 shall be used to disclose this information.

In accordance with the resolution by the Company's shareholders' meeting held on 11 October 2017, the Company refrains from an individual disclosure of the compensation for each member of the Management Board, as far as legally permissible. The Company believes that the information provided in accordance with mandatory law is sufficient for current and future shareholders and the public.

With respect to the model tables, the Company expects to abstain from using these tables in its compensation report to disclose such information because the Company believes that the relevant information can be displayed in another suitable form in the notes or the management report.

- NO. 5.4.1 SENTENCE 2 OF THE CODE 2017: PREPARATION OF A PROFILE OF SKILLS AND EXPERTISE FOR THE ENTIRE BOARD

According to No. 5.4.1 sentence 2 of the Code 2017 the Supervisory Board shall prepare a profile of skills and expertise for the entire board. The Supervisory Board prepared such profile of skills and expertise for the entire board and resolved on it in its meeting dated 19 December 2017.

- NO. 5.4.2 SENTENCE 4 OF THE CODE 2017: NO MEMBERSHIP IN GOVERNING BODIES OF, OR EXERCISE OF ADVISORY FUNCTIONS AT SIGNIFICANT COMPETITORS

According to No. 5.4.2 sentence 4 of the Code 2017 members of the Supervisory Board shall not be members of governing bodies of, or exercise advisory functions at, significant competitors of the entity. Mr. Oliver Samwer is also an Advisory Board member of Marley Spoon GmbH.

- NO. 5.4.6 SENTENCE 2 OF THE CODE 2017: COMPENSATION OF THE MEMBERS OF THE SUPERVISORY BOARD

According to No. 5.4.6 Sentence 2 of the Code 2017 the status as Chair or deputy Chair of the Supervisory Board, as well as Chair or membership of a committee, shall be taken into consideration when determining the compensation of members of the Supervisory Board. The Company currently considers the status as Chair and deputy Chair of the Supervisory Board as

well as the status as Chair of a committee for compensation purposes. However, the mere membership in the Company's committees is not compensated separately as the Company is of the opinion that such activity is sufficiently compensated by the fixed, annual compensation of the members of the Supervisory Board.

- NO. 7.1.2 SENTENCE 3 OF THE CODE 2017: PUBLICATION OF INTERIM FINANCIAL INFORMATION WITHIN 45 DAYS FROM THE END OF THE REPORTING PERIOD

No. 7.1.2 Sentence 3 Half Sentence 2 of the Code 2017 recommends that mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period. With regards to the reporting period ended on 30 September 2017, the Company published its quarterly financial statements after the deadline provided for in the Code 2017 due to the recently completed IPO. However, the Company intends to comply with this recommendation of the Code 2017 in the future and will accordingly make interim financial information publicly accessible within 45 days from the end of the respective reporting period.

Berlin, December 2017

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### **Information on corporate governance pursuant to Sec. 289f HGB**

The corporate governance of HelloFresh SE is primarily determined by the legal requirements, – with a limited number of exceptions – the recommendations of the German Corporate Governance Code and the Company's internal policies.

Lawful and responsible conduct by all employees and executives, and mutual respect and trust form the basis of our corporate success. All of HelloFresh SE's employees are bound by the Code of Conduct to act in a risk-aware and responsible manner. The Code of Conduct encompasses significant guidance and principles and also contains ethical and legal standards to be upheld by all employees.

In order to strengthen its corporate governance, HelloFresh SE has a range of institutions in place, including but not limited to various compliance officers, a risk monitoring system as part of a comprehensive risk and opportunities management system and an accounting-related internal control system. The corporate governance of HelloFresh SE is as follows:

### **Working practices of the Management Board and Supervisory Board**

An European company (Societas Europaea (SE)) under the German Stock Corporation Act, the SE Act and the SE Regulation, having its registered office in Berlin, HelloFresh SE has a two-tier management system, comprising the Management Board and Supervisory Board. The two boards cooperate closely for the benefit of the Company. The Management Board manages the entity, the Supervisory Board advises and oversees the Management Board. The shareholders of HelloFresh SE exercise their rights in the Annual General Meeting.

### **Working practices of the Management Board**

The Management Board manages the Company on its own responsibility in accordance with the legal provisions, the Articles of Association of HelloFresh SE (the "**Articles of Association**") and the rules of procedure for the Management Board dated 18 July 2017, as amended most recently by resolution of

the Supervisory Board dated 19 December 2017, the “**Management Board Rules of Procedure**”). It is obligated to protect the Company’s interest, in particular to increase its long-term business value. The Management Board develops the Company’s strategy, discusses and agrees on it with the Supervisory Board and ensures that it is implemented. It is also responsible for appropriate risk management and control as well as regular, timely and comprehensive reporting to the Supervisory Board.

The Management Board performs its management function as a collective body. Notwithstanding their overall responsibility for management, the individual members of the Management Board manage the areas assigned to them on their own responsibility within the framework of the Management Board’s resolutions. The allocation of responsibilities among the members of the Management Board is defined in the Management Board Rules of Procedure, according to which the members of the Company’s Management Board are responsible for the following areas:

**CEO: Dominik Richter**

- Marketing
- Technology
- Analytics

**Operations: Thomas Griesel**

- International markets (with Germany, without US market)
- Supply chain
- Operations
- Innovation and new business models

**Finance: Christian Gärtner**

- Global finance
- Investor relations
- Global PR
- Legal
- Compliance

**Strategy: Tobias Hartmann**

- Strategy
- Global business development
- US market
- HR

The Management Board’s work is precisely stated in the Management Board Rules of Procedure. Art. 4 stipulates that the Management Board as a whole must decide on the Company’s strategic alignment and the strategic planning of the use of funds. In addition, measures and transactions of strategic and/or extraordinary importance for the Company and/or group companies or associated with an extraordinary economic risk require the prior approval of the entire Management Board. Furthermore, the Management Board Rules of Procedure and the Articles of Association stipulate that certain transactions of fundamental importance require the prior approval of the Supervisory Board or one of its committees.

The Management Board principally meets once a fortnight and, in addition, if required (cf. Art. 6 (1) of the Management Board Rules of Procedure).

The Management Board informs the Supervisory Board pursuant to Art. 7 of the Management Board Rules of Procedure regularly, timely and comprehensively on all relevant issues relating to strategy, planning, business development and risk management relevant for the entity.

## **Supervisory Board**

The Supervisory Board advises and oversees the Management Board. It works closely with the Management Board for the benefit of the Company and is involved in all decisions of fundamental importance (see also above).

Its rights and duties are governed by the legal requirements, the Articles of Association, the rules of procedure for the Supervisory Board dated 29 August 2016, last amended by resolution of the Supervisory Board on 19 December 2017 (the “**Supervisory Board Rules of Procedure**”) and the Management Board Rules of Procedure. It appoints and removes the members of the Management Board and, together with the Management Board, ensures long-term succession planning.

The work of the Supervisory Board takes place in plenary meetings and in its committees (see below). The work of the committees is aimed at improving the efficiency of the Supervisory Board’s work. The chairpersons report regularly to the Supervisory Board on the work of the respective committee. According to its rules of procedure (Art. 6 (1) Sentence 1), the Supervisory Board must meet at least twice every six months. In addition, it convenes whenever it is in the Company’s interest to do so. Four Supervisory Board meetings are currently scheduled for 2018.

The members of the Supervisory Board are selected according to their knowledge, capabilities, professional aptitude and competence. Only persons who are younger than 70 years of age on the date of election and who have regularly been a member of the Supervisory Board for less than 12 years may be nominated for election as members of the Company’s Supervisory Board. The Supervisory Board has defined in its Rules of Procedure the target that at least one independent member of the Supervisory Board must have expert knowledge of financial reporting or auditing (Art. 47 (2) a) of Council Regulation (EC) No 2157/2001 on the Statute for a European company (SE), as amended from time to time (“**SE Regulation**”) in conjunction with Sec. 100 (5) AktG). Furthermore, the Rules of Procedure stipulate that a member of the Supervisory Board who is also a member of the management board of a listed company, must not, in addition to the supervisory board mandate at the Company, hold more than two further supervisory mandates at listed companies or be a member of supervisory bodies of companies with similar requirements which do not belong to the HelloFresh SE Group of the company of which they are also a member of the Management Board. In addition, according to Art. 2 (5) of the Supervisory Board Rules of Procedure, the members of the Supervisory Board must not hold board mandates or perform advisory functions for significant competitors of the HelloFresh SE Group. Diversity should also be considered in appointing members to the Supervisory Board. The Company has satisfied the specific recommendations in No. 5.4.1 (2) of the German Corporate Governance Code relating to the definition of specific targets for the composition of the supervisory board, the criteria to be considered in respect of its composition and the development of a competence profile.

## **Stipulations to promote the participation of women in leadership roles**

Under Sec. 111 (5) AktG, the Supervisory Board is required to set targets for the percentage of women on the Supervisory Board and Management Board. With regard to the Management Board, this obligation pursuant to Sec. 76 (4) AktG is relevant for the top two management levels below the Management Board. In view of this, the Supervisory Board and Management Board of HelloFresh SE have resolved the following:

At its meeting on 25 September 2017, the Supervisory Board set the target percentage of women in the Supervisory Board at one seventh (1/7). This represents a retention of the status quo. For the

Management Board of HelloFresh SE, at the same meeting (on 25 September 2017), the Supervisory Board set a target percentage of women at 0%, thus also maintaining the status quo. These targets are to be met by the end of 24 September 2022 and were met in the period under review.

The Supervisory Board of HelloFresh SE has decided to retain the current Management Board and Supervisory Board structures as it considers the aim of increasing the percentage of women in the Management Board and Supervisory Board to be currently subordinate to the business interest in continuing the highly successful work carried out by the incumbent Supervisory Board and Management Board members.

However, HelloFresh SE is committed to building a diverse employee structure throughout the entity and is aware of the particular importance of female participation at all management levels of HelloFresh SE. Please note that the defined targets do not, of course, preclude a further increase in the percentage of women in the Management Board and Supervisory Board and that ongoing and intensive efforts are being made to recruit qualified and suitable candidates for all management levels, but in particular also for the Management Board and Supervisory Board.

Furthermore, the Management Board of HelloFresh SE has, in light of this, set itself extremely ambitious goals for raising the percentage of women in the top two management levels below the Management Board. Even though the legal obligation to set such targets only relates to HelloFresh SE, the Management Board is aware of its global responsibility and has also set targets for the rest of the HelloFresh Group.

At its meeting on 18 December 2017, the Management Board defined minimum target percentages for women in the top two management levels below the Management Board of 20% in each case; the percentage of women must not fall below these targets. The targets for HelloFresh SE and the rest of the HelloFresh Group should be reached by the end of 17 December 2022. The Company did not meet these targets in the reporting period. According to the Management Board this is owed to the fact that HelloFresh SE is a relatively young company which only got listed in the reporting year. However, in the long term, the percentage of women in the top two management levels below the Management Board should be raised to meet the defined targets and, if possible, exceed them.

### **Composition of the Management Board and Supervisory Board**

According to the Articles of Association (Art. 6 (1)), the Management Board comprises one or more persons. The number of members is determined by the Supervisory Board. In fiscal year 2017, until August 2017 the Management Board had three (3) and from August 2017 four (4) equal members, each of whom is responsible for the areas assigned to them.

According to the Articles of Association, the Supervisory Board has seven (7) members. It is not subject to employee co-determination. All members of the Supervisory Board are elected by the Annual General Meeting as shareholder representatives.

Details on the members of the Management Board and the Supervisory Board are provided in the notes to the financial statements of HelloFresh SE in accordance with Sec. 285 No. HGB).

### **Cooperation between the Management Board and Supervisory Board**

The Management Board and the Supervisory Board cooperate closely for the benefit of the Company. Ongoing and intensive dialog between the boards is the basis for efficient and effective corporate management. The Management Board develops Hello Fresh SE's strategy, discusses and agrees on it with the Supervisory Board and ensures that it is implemented.

The Management Board discusses the progress made in implementing the strategy with the Supervisory Board at regular intervals. The Chairman of the Supervisory Board has regular contact with the Management Board and advises it on strategy, planning, business development and risk management issues. The Management Board informs the Chairman of the Supervisory Board without delay about important events which are of significance for the assessment of the position and development as well as for the management of the Company and its group companies. The Chairman of the Supervisory Board subsequently informs the rest of the Supervisory Board and, if necessary, convenes an extraordinary Supervisory Board meeting.

The Articles of Association and the Management Board Rules of Procedure contain provisions stipulating that the Supervisory Board is required to give its approval for transactions of fundamental significance.

The members of the Management Board must disclose any conflicts of interest to the Supervisory Board and the other members of the Management Board without delay. Significant transactions by members of the Management Board and related parties with the Company require the approval of the Supervisory Board, as does the acceptance of sideline work outside the entity.

A D&O group policy (without a deductible) was concluded for the members of the Management Board and the Supervisory Board.

### **Supervisory Board committees**

In fiscal year 2017, the Supervisory Board had three committees: the Executive and Nomination Committee, the Audit Committee and the Remuneration Committee. Additional committees may be established as required.

#### **Executive and Nomination Committee**

The Executive and Nomination Committee consults on with key topics and prepares Supervisory Board resolutions, especially on the following matters:

- Appointment and removal of members of the Management Board, appointment of the Chairman of the Management Board
- Conclusion, amendment and termination of service contracts with the members of the Management Board, considering the recommendations of the Remuneration Committee
- Nominations of the Supervisory Board to the Annual General Meeting for the election of suitable members of the Supervisory Board
- Acceptance, amendment and cancellation of the annual plan of the Company and its group companies, including the related investment, budget and financial planning

Together with the Management Board, the Executive and Nomination Committee consults regularly on the long-term succession planning for the Management Board.

As of 13 February 2018, the members of the Executive and Nomination Committee are Jeffrey Lieberman, Oliver Samwer and Dmitry Falkovich. The Chairman of the Supervisory Board is also the Chairman of the Executive and Nomination Committee.



## **Audit Committee**

The Audit Committee deals in particular with the monitoring of the financial reporting process, the effectiveness of the internal control and internal audit systems, auditing, in particular the independence of the auditor, additional services by the auditor, engaging the auditor, determining the areas of audit focus and fee arrangement, and compliance.

The Audit Committee prepares the Supervisory Board's resolutions on the separate and, if necessary, the consolidated financial statements, i.e., it bears responsibility for the preliminary audit of the documents relating to the separate and consolidated financial statements and for preparing the approval and ratification of these financial statements and of the Management Board's proposal for profit appropriation. Furthermore, the Audit Committee prepares the agreements with the auditor, in particular the engagement of the auditor, the determination of the areas of audit focus and the appointment of the auditor by the Annual General Meeting. This also includes evaluating the required independence; the Audit Committee takes suitable action to determine and monitor the auditor's independence. The Audit Committee rather than the Supervisory Board decides on whether or not to approve agreements with auditors on additional advisory services, if such agreements require approval. The Audit Committee discusses with the Management Board the principles for compliance, risk identification, risk management and the design and operating effectiveness of the internal control system. Five meetings of the Audit Committee are currently scheduled for 2018.

As of 13 February 2018 the members of the Audit Committee are Derek Zissman (Chairman), Ursula Radeke-Pietsch and John H. Rittenhouse. The Chairman of the Audit Committee is independent, has specific knowledge and experience in the application of accounting principles and internal control procedures and thus satisfies the requirements of Art. 47 (2) a) of the SE Regulation in conjunction with Sec. 100 (5) AktG. The members of the Audit Committee have expert knowledge in financial reporting and auditing and the composition meets all requirements relating to independence for the purposes of the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board (2005/162/EC) and the recommendations of the German Corporate Governance Code.

## **Remuneration Committee**

The Remuneration Committee examines and consults on remuneration topics and prepares related Supervisory Board resolutions. Specifically,

- the Remuneration Committee examines all aspects of remuneration and terms of service for the Management Board and issues recommendations in this respect to the Supervisory Board and prepares resolutions for the Supervisory Board. It also prepares, where necessary, presentations for the Annual General Meeting on the conclusion, amendment or termination of the service contracts for the members of the Management Board, also in respect of remuneration policies, incentive schemes, strategy and framework.
- the Remuneration Committee examines the remuneration and general employment terms for employees of the second management level and is authorized in this respect to issue recommendations to the Management Board.
- the Remuneration Committee commissions, if appropriate, its own independent review of the remuneration policies and the remuneration packages paid to the Management Board to ensure that the policies are in line with best practices and the packages are competitive and in line with market practice.

- the Remuneration Committee presents an assessment of the Management Board's performance and issues a recommendation to the Supervisory Board for the service terms and remuneration of the Management Board.
- the Remuneration Committee assists the Supervisory Board in monitoring the system with which the Company meets the legal requirements and the provisions of the German Corporate Governance Code regarding the communication of information on the remuneration of the Management Board and other executives.
- the Remuneration Committee examines the remuneration policies which serve as a basis for all remuneration matters to be presented to and resolved by the Supervisory Board.

As of 13 February 2018, the members of the Remuneration Committee are Jeffrey Lieberman, Oliver Samwer and Dmitry Falkovich. The Chairman of the Supervisory Board is also the Chairman of the Remuneration Committee.

### **Management Board committees**

The Management Board has not established any committees. It performs its management function as a collective body, with responsibility for specific areas being assigned to the individual members of the Management Board.

### **Annual General Meeting and shareholders**

The shareholders of HelloFresh SE exercise their rights, including their right to vote, at the Annual General Meeting. Each share in the Company grants one vote.

The ordinary Annual General Meeting is held within the first six months of the fiscal year. The agenda of the Annual General Meeting and the reports and documents required for the Annual General Meeting are published on the Company's website (<http://ir.hellofreshgroup.com/websites/hellofresh/English/6000/annual-general-meeting.html>).

Fundamental resolutions are adopted by the Annual General Meeting, including on the appropriation of profit, the exoneration of the Management Board and Supervisory Board, the election of Supervisory Board members and the auditor, amendments to the Articles of Association and capital measures. The Annual General Meeting gives the Management Board and the Supervisory Board the opportunity to meet the shareholders and discuss the further corporate development.

To facilitate the personal exercise of their rights, HelloFresh SE makes available a proxy who is bound by instructions and who may also be contacted during the Annual General Meeting. The invitation to the Annual General Meeting explains how instructions may be given ahead of the Annual General Meeting. In addition, shareholders may arrange to be represented at the Annual General Meeting by a proxy of their choice.

### **Other corporate governance issues**

#### **Management Board remuneration**

The Management Board's remuneration system is regularly the subject of the consultations, reviews and revisions by the Remuneration Committee.

The Management Board contracts of HelloFresh SE contain fixed and variable remuneration components. For all members of the Management Board, variable remuneration is in line with the requirements of Sec. 87 (1) Sentence 3 AktG. It is linked to the achievement of economic goals and is primarily based on multiple-year assessment bases. Variable remuneration can only be claimed if business performance is positive. In this way, the remuneration structure is designed to encourage sustainable corporate development, thus optimizing the incentive and risk-taking effect of variable remuneration.

### **Supervisory Board remuneration**

The remuneration of the Supervisory Board is approved by the Annual General Meeting in accordance with Art. 13 of the Articles of Association. On 11 October 2017, the Annual General Meeting decided that each member of the Supervisory Board shall receive an annual fixed payment of EUR 25,000.00; however instead (i) the Chairman of the Supervisory Board shall receive an annual fixed payment of EUR 50,000.00, (ii) the Deputy Chairman of the Supervisory Board shall receive an annual fixed payment of EUR 37,500.00 and (iii) the Chairman of the Audit Committee, the Chairman of the Remuneration Committee and the Chairman of the Executive Committee shall each receive a fixed payment of EUR 35,000.00. Should the chairman of the respective committee receive higher remuneration in their capacity as a chairman or deputy chairman of the Supervisory Board as the chairman of committee, this higher remuneration shall be paid.

In addition, each member of the Supervisory Board shall be reimbursed for all expenses incurred in exercising this post and any VAT payable on their remuneration and expenses.

Furthermore, the Company has included the members of the Supervisory Board in a D&O group policy (without any deductible).

No performance-linked remuneration is paid to members of the Supervisory Board.

### **Reportable securities transactions and shareholdings of the Management Board and Supervisory Board**

The members of the Management Board and Supervisory Board of HelloFresh SE and closely related persons are required under Art. 19 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse of 16 April 2014 (Market Abuse Regulation) to notify the Company of transactions relating to shares of HelloFresh SE or financial instruments linked to the same promptly and no later than three business days after the date of the transaction. The Company publishes the reports promptly in accordance with Art. 19 (2) of the Market Abuse Regulation and no later than three business days after the transaction. Reports are available on the Company's website ([http://ir.hellofreshgroup.com/websites/hellofresh/English/4200/managers\\_-transactions.html](http://ir.hellofreshgroup.com/websites/hellofresh/English/4200/managers_-transactions.html)).

### **Compliance as a key management function**

In order to ensure compliance with the conduct standards prescribed by the German Corporate Governance Code, HelloFresh SE has appointed a compliance officer and a capital market compliance officer. The former informs management and employees about relevant legal requirements. The latter keeps the Company's insider list and informs management, employees and business partners of the consequences of failure to comply with insider regulations.

### **Appropriate opportunity and risk management**

A responsible approach to opportunities and risks is a priority for HelloFresh SE. This is ensured by having an extensive opportunity and risk management to identify and monitor the major opportunities and risks. The system is being continuously enhanced and adapted to the changing conditions.

The management report contains detailed information on the Company's risk management system. The risk management of HelloFresh SE is presented from page 50, strategic opportunities and risks are described on page 51 and information on group financial reporting is provided on page 52 of the notes to the financial statements.

### **Committed to transparency**

As part of ongoing investor relation activities, all important dates for shareholders, investors and analysts during the upcoming fiscal year are published in our financial calendar at the beginning of the year. The financial calendar, which is regularly updated, is available on the Company's website (<http://ir.hellofreshgroup.com/websites/hellofresh/English/7000/financial-calendar.html>).

The Company informs shareholders, analysts and journalists according to uniform criteria. The information is transparent and consistent for all capital market participants. Ad hoc reports and press releases as well as presentations of press and analyst conferences are published immediately on the Company's website.

Insider information (ad hoc publicity), voting rights notifications and securities transactions by members of the Management Board and Supervisory Board and related persons ("directors' dealings) are announced by HelloFresh SE in accordance with the legal requirements. This information is also available on the Company's website (<http://ir.hellofreshgroup.com/websites/hellofresh/English/4000/news.html>).

### **Financial reporting**

In 2017, the Annual General Meeting elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Berlin office, as auditor of the separate and consolidated financial statements. In preparation, the auditor presented a declaration that there are no business, financial, personal or other relationships between the auditor, its governing bodies and audit managers on the one hand and the Company and its directors on the other hand which could give cause to doubt the auditor's independence.

### **Further information**

Further information on the work of the Supervisory Board and its committees and on its cooperation with the Management Board is provided in the Supervisory Board Report.

HelloFresh SE  
Management Board