

**Spark Networks SE**  
**Statement of Corporate Governance**

The statement of corporate governance is published separately on the Internet pursuant to Section 289f HGB (German Commercial Code). It includes the declaration of conformity pursuant to Section 161 AktG (Stock Corporation Act), relevant information on corporate governance practices, a description of the working methods of the Management Board and Supervisory Board, as well as the composition and working methods of their committees and the provisions for promoting the participation of women in management positions pursuant to Sections 76 (4) and 111 (5) Stock Corporation Act, as well as a declaration on the diversity concept.

**1. Declaration of conformity pursuant to Section 161 AktG:**

The Management Board and the Supervisory Board or - in the case of a one-tier system of corporate governance - the Administrative Board of a listed German stock corporation are obliged under Section 161 AktG to declare at least once a year compliance with the German Corporate Governance Code or to clarify possible non-application of recommendations of the Code. The Administrative Board of Spark Networks SE issued the following statement in April 2018, which was published on the Company's website at <http://investor.spark.net/corporate-governance/compliance-statement>:

**Compliance Statement**  
**on German Corporate Governance Code**  
*(as amended on 7 February 2017)*  
**according to Sec. 161 German Stock Corporation Act**

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 Stock Corporation Act, the Administrative Board of Spark Networks SE ("Company") hereby declares as follows:

The Company has been and will be in compliance with the recommendations of the German Corporate Governance Code in the version dated 7 February 2017 (the "Code") published by the German Ministry of Justice in the official section of the Federal Gazette on 24 April 2017 in consideration of the particulars of the Company's single-tier system described under item 1. and with the exceptions listed below under item 2. for the reasons outlined therein.

**1st Particulars of the Single-Tier Corporate Governance System**

According to Art. 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.

Spark Networks 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 as far as applicable.

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

### **Sec. 3.10 (Corporate Governance Report)**

Pursuant to sec. 3.10 the Administrative Board shall report annually on Corporate Governance (Corporate Governance Report), and shall publish this report in connection with the Corporate Governance Statement. As the shares of the Company are listed on the New York Stock Exchange (NYSE) the Company has adopted corporate governance policies implementing the corporate governance standards set by the New York Stock Exchange Rules. These rules do not completely correspond to the recommendations of the German Corporate Governance Code. As the shares of the Company are not listed on a German stock exchange a separate German Corporate Governance Report will not be released.

### **Sec. 4.1.3 (Compliance Management System)**

Pursuant to sec. 4.1.3 of the Code the managing directors shall take appropriate measures based on the risk situation of the company (Compliance Management System) and disclose the main features of such system. The Managing Directors continuously deal responsibly with relevant risks, as the systematic management of business risks is considered fundamental to professional governance. The Company has already implemented several compliance guidelines, e.g. a whistleblower policy, a corporate governance guideline, a code of ethics and an insider trading policy. So far the Company has not yet implemented a complete Compliance Management System covering all consolidated companies. The Company intends to examine and to implement further compliance management measures in the near future.

### **Sec. 4.2.2 (Remuneration)**

Pursuant to sec. 4.2.2 when determining the remuneration of the Managing Directors, the ratio between the remuneration of the Managing Directors and the senior management and the workforce as a whole shall be considered. Within the process of the recent set up of the Spark group by merger of a German and a US entity the Administrative Board has adopted the legacy remunerations of the Managing Directors as it has been agreed between the parties involved in the merger process.

### **Sec. 4.2.5 (Remuneration Report)**

Pursuant to sec. 4.2.5 the Company shall disclose the remuneration report, which describes the principal features of the Managing Board remuneration system in a generally comprehensible way and including certain additional information. As the Company qualifies as smallest company under Section 267a German Commercial Code it is not required to disclose a remuneration report at all. Therefore, the Company is non-compliant with the recommendation to disclose the remuneration report in a certain form and including certain additional information.

### **Sec. 5.4.1 (Composition of the Administrative Board)**

Pursuant to sec. 5.4.1 the Administrative Board shall determine concrete objectives regarding its composition and shall prepare a profile of skills and expertise for the entire Board. The board has not

specified objectives for its composition since it has to follow US securities rules and standards due the listing of its shares on the NYSE. Those standards addressing the qualifications and responsibilities of board members are taken into account in every election proposal.

#### **Sec. 5.4.5 (Board mandates)**

Pursuant to sec. 5.4.5 of the Code board members of a listed company shall not accept more than a total of three Supervisory Board mandates in non-group listed companies or in supervisory bodies of non-group companies which make similar requirements. According to our Corporate Governance Guidelines sec. 11, which reflects the corresponding NYSE rules, the full-time board members may have 4 board positions and non- full-time board members 6 board positions beside their board membership in the Company.

#### **Sec. 7.1.2 (Financial statements)**

Pursuant to sec. 7.1.2 the Consolidated Financial Statements and the group management report shall be publicly accessible within 90 days of the end of the financial year and the mandatory interim financial information shall be publicly accessible within 45 days of the end of the reporting period.

The Company makes its Financial Statements and the interim financial information publicly accessible within the time frame provided by German and US securities law in order to avoid additional administrative efforts which would be required due to its international group structure.

Berlin, April, 2018

Spark Networks SE

For the Administrative Board

David Khalil

#### **2 Information on corporate governance practices:**

The corporate governance of Spark Networks SE is determined primarily by the statutory provisions, the recommendations of the German Corporate Governance Code and the internal corporate guidelines.

Following the decision of the shareholders of Spark Networks SE, the internal structure of Spark Networks SE will be organized according to the one-tier system. Pursuant to Art. 43 - 45 of the SE Regulation in conjunction with Sections 20 ff. SEAG, according to the one-tier system of corporate governance, the management of the SE is the task of a single management organ, specifically the Administrative Board (see Section 7 of the preamble to the Code). The Administrative Board manages the Company, determines the Company's core business strategies and oversees the implementation of said strategies by the Managing Directors. The Managing Directors manage the affairs of the Company, represent the Company in and out of court, and are bound by the instructions of the Administrative Board.

Spark Networks SE applies the recommendations of the German Corporate Governance Code which are intended for the Supervisory Board to the Administrative Board and applies insofar as possible the recommendations of the Code which are intended for the Administrative Board to the management.

Efficient cooperation between the Administrative Board and the Managing Directors, respect for shareholder interests, openness and transparency are key aspects of good corporate governance.

Another corporate body is the General Meeting. The powers of the governing bodies are governed by the Regulation on the Statute for a European Company (SE), the SE Implementation Act, the Stock Corporation Act, the Articles of Association and the Company's internal guidelines.

Lawful conduct and responsibility of employees and executives form the basis for the success of Spark Networks SE. All employees of Spark Networks SE are required by the Code of Conduct to act in a risk-aware manner and to avoid existence-jeopardizing risks. The Code of Conduct summarizes key policies and guidelines and also includes moral standards and legal requirements that each employee must adhere to.

To enhance good corporate governance, the Administrative Board and the Managing Directors are responsible for ensuring that the Company's compliance management system is appropriate and reflects the Company's risk situation. The Managing Directors continually and responsibly deal with the relevant risks, as business risk management is considered a fundamental part of professional business management. Spark Networks SE has already adopted several internal corporate policies: Whistleblower Policy, Code of Conduct, Corporate Governance Policy, Code of Ethics and Insider Trading Policy. Due to the short time that has elapsed since the completion of the Spark Group SE cross-border merger under the parent company Spark Networks SE in November 2017, Spark Networks SE has not yet implemented a complete compliance management system covering all consolidated companies. The Company intends to implement further compliance management measures soon.

For further information on key corporate governance practices, please visit the Spark Networks SE home page: <http://investor.spark.net/corporate-governance/highlights>

### **3 Functioning and composition of the Administrative Board, committees of the Administrative Board and functioning of the Managing Directors**

The Managing Directors manage the affairs of Spark Networks SE, represent Spark Networks SE in and out of court, and are bound by the instructions of the Administrative Board. The Managing Directors manage the affairs of Spark Networks SE pursuant to the law, the Articles of Association of Spark Networks SE and the instructions of the Administrative Board. They are bound to observe the best interests of the Company and committed to increasing the sustainable value of the Company. The three Managing Directors, Jeronimo Folgueira Sánchez, Michael Schrezenmaier and Rob O'Hare, manage the business of Spark Networks SE by implementing the principles and guidelines defined by the Administrative Board. Jeronimo Folgueira Sánchez was appointed CEO, Michael Schrezenmaier as COO and Rob O'Hare as CFO of Spark Networks SE by the Administrative Board. The Managing Directors conduct the business of the Company with the care and diligence of a prudent and conscientious manager. The Managing Directors cooperate with the other bodies of the Company in a collegial and trust-based manner for the benefit of the Company.



The Administrative Board manages Spark Networks SE, determines the principles of the Company's activities and oversees their implementation. It cooperates closely with the Managing Directors and other bodies of Spark Networks SE on the basis of trust for the benefit of the Company.

The Administrative Board currently consists of the following members: David Khalil (Chairman), Bradley J. Goldberg, Jeronimo Folgueira Sánchez, Joshua Keller, Colleen Birdnow Brown and Axel Hefer.

The Administrative Board has established an Audit Committee and a Nomination and General Committee.

The Audit Committee consists of three members and is responsible for the following topics: Preparation of the Board's resolution on the annual financial statements of Spark Networks SE, the application of accounting standards, the monitoring of the accounting process, the monitoring of the effectiveness of the internal audit system, the internal risk management system, the internal control system, and compliance issues; the decision on the appointment of the auditor to the auditing mission, the determination of audit priorities, the monitoring of the audit process and the independence of the auditor. The Audit Committee shall prepare the resolution of the Administrative Board regarding the annual financial statements (including the consolidated financial statements) and the proposal of the Supervisory Board concerning the election of the auditor for the General Meeting and the instructions for the auditor.

The Chairman of the Audit Committee shall have expertise and experience in the application of accounting policies and internal control systems. In addition, the Chairman of the Audit Committee may not be the Chairman of the Administrative Board or a former Managing Director of Spark Networks SE who was removed from his post as Managing Director within the previous two years.

The Audit Committee of Spark Networks SE must have at least one member who qualifies as a specialist within the meaning of Section 100 (5) AktG and one member who is an audit committee expert within the meaning of the provisions of the US Securities and Exchange Commission with experience in accounting practice or in finance. The members of the Audit Committee must be fully acquainted with the sector in which the Company operates.

The members of the Audit Committee shall be considered independent if the Administrative Board determines that they are independent under the terms of the NYSE American LLC and the US Securities and Exchange Commission.

The Audit Committee currently consists of the following members: Colleen Birdnow Brown (Chair), Bradley J. Goldberg and Axel Hefer.

The Nomination and General Committee consists of three members and is to make proposals to the Administrative Board for candidates to submit to the General Meeting for the election of Supervisory Board members. The Nomination and General Committee shall also prepare the decisions of the Administrative Board regarding the appointment, dismissal, remuneration and employment contract of the Managing Directors.

The members of the Nomination and General Committee shall be considered independent if the Administrative Board determines that they are independent under the terms of the NYSE American LLC.

The Nomination and General Committee currently consists of the following members: Bradley J. Goldberg (Chair), David Khalil und Colleen Birdnow Brown.

#### **4 Determination to promote the participation of women in management positions pursuant to Sections 76 (4) and 111 (5) AktG**

Pursuant to Section 9 (1c) (ii) of the SE Regulation and Section 22 (6) of the SE Implementation Act in conjunction with Section 76 (4) and Section 111 (5) AktG, the Administrative Board shall establish the objective of a woman on the Administrative Board, at the level of the Managing Directors, and at the two levels of management below the Managing Directors. Spark Networks SE has no executive level below the Managing Directors, therefore Spark Networks SE shall focus exclusively on the Administrative Board and the Managing Directors in respect of this objective.

Spark Networks SE currently has one woman on its Administrative Board. On 28 March 2018, the Administrative Board established as an objective until 30 June 2022 to continue to have a woman on the seven-member Administrative Board. At management level, a target of 0% is set until 30 June 2022.

#### **5 Diversity concept**

Pursuant to Section 289f (2) point 6 HGB, public limited companies must describe the diversity concept which is pursued with regard to the composition of the body authorized to represent the Company and of the Supervisory Board with respect to aspects such as age, gender, educational or professional background, as well as the objectives of this diversity concept, the nature of its implementation and the results achieved in the financial year. Pursuant to Section 289f (5) HGB, if a company does not pursue a diversity concept, it must explain this in the corporate governance statement.

On March 28, 2018, the members of the Administrative Board of Spark Networks SE passed a resolution that, - with the exception of the agreement of the objective of a woman on the Administrative Board, which consists of a total of seven members, - the Administrative Board shall not establish its own diversity concept as per Section 289 f (2) HGB concerning the composition of the Administrative Board and the Managing Directors with regard to age, education and work experience. The Administrative Board believes that - on top of the agreed objectives for the composition of the Administrative Board and other measures previously introduced to promote diversity in the Company - an additional diversity concept would not be expedient. Nevertheless, the Administrative Board will examine in financial year 2018 whether the establishment of its own diversity concept would be advisable.

Berlin, in April 2018