

FAQ – Frequently Asked Questions

New Agenda Item n. 13. - resolution on the dismissal of a member of the Supervisory Board

Q. In the published opinion of the Supervisory Board, the Chairman of the Audit Committee, Prof. Dr. Rolf Nonnenmacher, is far more suitable than the candidate proposed by MFE in his place, Mr. Simone Scettri. Why do you believe Prof. Nonnenmacher should be removed and why is Simone Scettri the right candidate to replace him?

A. Regarding the removal of Prof. Dr. Nonnenmacher, MFE believe it is time for a fresh start and that an independent (from the Jochen Schweizer mydays issues) members must take care of the investigations into the Jochen Schweizer mydays issues as well as the results. Irrespective of personal liability of any persons involved, the issues show that compliance and risk control measures have to be improved.

When Prof. Dr. Nonnenmacher's last re-election (he joined the Supervisory Board initially in 2015) was approved by the AGM, the Jochen Schweizer mydays problems were not known. The investigated Jochen Schweizer mydays issues indicate deficiencies in M&A due diligence, compliance, internal control and accounting systems. At this stage MFE cannot assess whether members of the Supervisory Board/Audit Committee are to be held liable.

The Company's statement says that the internal investigation has been completed and that the commissioned law firm found no evidence that the Supervisory Board or any of its members had received information about the ZAG issue. The question, however, remains whether they should have dealt more intensively with the compliance, internal control and risk management systems. We believe an Audit Committee should not just rely on information which is provided by the Executive Board but should actively request the information it needs to properly fulfil its duties. Further, we are wondering why

the shareholders have not been fully informed on the outcome of the internal assessment after one year.

Further, MFE would have thought a voluntary resignation by Prof. Dr. Nonnenmacher would have been the appropriate step by the Audit Committee's chairman. Since this did not happen, a removal request was the logical and usual next step.

Regarding Simone Scettri: MFE believes Simone Scettri would be a highly suited candidate to replace Prof. Dr. Nonnenmacher.

P7S1's accounts are prepared under IFRS, not local German GAAP. Therefore, the argument that Simone Scettri is not qualified in German GAAP is irrelevant and does not speak against his competence.

Simone Scettri may not be experienced in pureplay German corporate governance, but he is an expert in the governance of internationally active companies. We do not see any lack of expertise in the person of Simone Scettri. Simone Scettri is perfectly suited as his CV and experience in IFRS shows.

Q. P7S1 management believes there is a risk of a conflict of interest in connection with Mr. Scettri's many years of work for Ernst & Young and Ernst & Young's auditing activities for Jochen Schweizer mydays. Why do you see it differently?

A. The responsibility of EY seems to be made up only for the purpose to discredit Simone Scettri. The Company's statement confirms that the internal investigation has been completed so that the Company should know whether they regard EY as being responsible and liable for not raising the ZAG issue. If the Company sees a potential liability of EY, it is inconceivable that they deny a responsibility of the Audit Committee members at that time (Prof. Dr. Nonnenmacher was a member thereof for 4 years before EY was appointed as auditor).

Simone Scettri has left EY in July 2022 and has rendered limited further services until June 2023. Since then, he has had no ties with EY. EY Italy is a separate entity from EY Germany who was the auditor. Neither Simone Scettri nor EY Italy had any involvement in the relevant P7S1 accounts regarding Jochen Schweizer mydays.