

tamedia:

Internal Governance Rules

approved by
the Board of Directors
of
Tamedia AG

CONTENTS

I.	INTERNAL GOVERNANCE PRINCIPLES	3
1.	SCOPE	3
2.	PRINCIPLES	3
II.	BOARD OF DIRECTORS	4
3.	STRUCTURE	4
4.	DUTIES AND RESPONSIBILITIES	4
5.	MEETINGS	5
6.	REMUNERATION.....	5
III.	CHAIRMAN OF THE BOARD OF DIRECTORS	6
7.	DUTIES AND RESPONSIBILITIES	6
8.	REPORTING	6
IV.	CHIEF EXECUTIVE OFFICER	6
9.	DUTIES AND RESPONSIBILITIES	6
10.	REPORTING	7
V.	EXECUTIVE BOARD	8
11.	DUTIES AND RESPONSIBILITIES	8
12.	MEETINGS	8
VI.	GENERAL	8
13.	AUTHORITY TO SIGN	8
14.	WITHDRAWAL	9
VII.	FINAL PROVISION	9

Pursuant to statutory provisions and the articles of incorporation of Tamedia AG ("Tamedia"), the Board of Directors has approved the following Internal Governance Rules ("Rules"):

I. INTERNAL GOVERNANCE PRINCIPLES

1. Scope

- 1.1 The internal governance of Tamedia is subject to statutory provisions, articles of incorporation, the present Rules and additional regulations ("regulations") approved by the competent bodies.
- 1.2 The present Rules govern the function, responsibilities and structure of the following governing bodies of Tamedia ("governing bodies"):
 - (a) Board of Directors ("BoD")
 - (b) Chairman of the Board of Directors ("CBoD")
 - (c) Chief Executive Officer ("CEO")
 - (d) Executive Board ("EB")
- 1.3 Insofar as the present Rules govern the duties and responsibilities of Governing Bodies they will also apply to subsidiary companies and companies in which Tamedia holds a major strategic interest.

2. Principles

- 2.1 The Board of Directors decides upon strategic issues (corporate strategy, midterm planning, budget, important projects and contracts etc.) and is responsible for disclosure of information (with its Chairman acting in day-to-day business as Chief Information Officer). The Board of Directors is jointly responsible for the development of corporate culture. It appoints and assesses executive management positions in accordance with the Appendix to these Rules. Its Chairman is the most senior representative of the company both internally and in respect of third parties.
- 2.2 The members of the Executive Board serving in their respective functions are responsible for business operations and the development of policies and proposals which form the basis of decisions taken by the Board of Directors.
- 2.3 Tamedia's success is mainly the result of a constructive collaboration between the Board of Directors and the Executive Board, and a clear definition of responsibilities. The Chief Executive Officer shall promptly inform the Board of Directors of the development of business operations at its meetings or in writing. In between Board meetings, the Chairman and the Chief Executive Officer shall inform and consult with each other on a continuous basis.

- 2.4 The following rules and any additional regulations are to be construed and applied according to the meaning and spirit of these principles.

II. BOARD OF DIRECTORS

3. Structure

- 3.1 The Board of Directors constitutes itself. It shall elect one or several Vice-Chairmen from amongst its number, and a Secretary who need not be a Board member or a shareholder.
- 3.2 Members of the Board have collective responsibility for its operation. Without prejudice to any specific provision in the present Rules, Board members shall not exercise individual functions with respect to other governing bodies and may not deal with those bodies in an individual capacity.
- 3.3 The Board of Directors may appoint committees to carry out responsibilities as determined by the Board of Directors and shall appoint their chairpersons. The committees will be constituted primarily by members of the Board of Directors. The committees or their chairpersons shall inform the Chairman of the Board on a continuous basis and at meetings about their work. They may consult directors of Tamedia and request access to any necessary documents. They shall submit their proposals to the Board of Directors.

4. Duties and Responsibilities

- 4.1 The Board of Directors has the following non-delegable statutory duties and responsibilities:
- (a) ultimate management of Tamedia and the issuing of necessary directives
 - (b) establishment of the internal governance of Tamedia
 - (c) corporate finance planning and supervision, including structuring of the accounting system
 - (d) appointment and removal of persons entrusted with managerial functions and having authority to act for Tamedia, establishment of terms of delegation of authority to sign
 - (e) supervision of persons entrusted with managerial functions and their compliance with statutory provisions, articles of incorporation, regulations and directives
 - (f) preparation of the annual report and of shareholders' meetings, execution of shareholders' resolutions
 - (g) notification of the courts in the event of over-indebtedness of Tamedia
- 4.2 In fulfilling the conditions under Section 4, the Board of Directors has implementation duties and financial functions as set out in the Appendix to these Rules.

5. Meetings

- 5.1 Meetings of the Board of Directors shall be convened by the Chairman by written notice as often as business may require (as a rule six to eight times a year, and a retreat). Notice of the meeting shall be given at least 7 days prior to the date of the meeting to each member of the Board of Directors and to the Chief Executive Officer.

Other members of the Board of Directors may present a demand to the Chairman to convene a meeting, which shall be held within 30 days of such demand.

- 5.2 The notice of the meeting shall state the items on the agenda as determined by the Chairman.

Each member may suggest additional items for the agenda to the Chairman within a reasonable time prior to the meeting. The Chairman shall promptly inform the Board of Directors of the new agenda items and complete the agenda accordingly.

- 5.3 The majority of members of the Board of Directors must be present for the passing of resolutions. No quorum is required to pass resolutions on an increase in authorised share capital and the corresponding amendment to the articles of incorporation.

The Board of Directors shall pass resolutions and carry out elections by a majority of votes cast. In the case of a tie, the Chairman shall have a casting vote.

The handling of requests to re-examine resolutions passed by the Board of Directors shall require the approval of the majority of Board members who took part in the initial vote.

Resolutions on items which are not on the agenda shall require the approval of two-thirds of the members present and an absolute majority of the Board of Directors.

- 5.4 Resolutions of the Board of Directors may be passed by telephone, video conference and, where no member requires oral consultation, in writing, by fax or electronic data transmission. Section 5.3 shall apply as appropriate to the passing of resolutions.

- 5.5 Minutes of all consultations and resolutions of the Board of Directors must be taken. Members taking part in the consultation process may request that brief personal statements be recorded in the minutes. The minutes shall be signed by the Chairman and the Secretary.

Circular resolutions are to be included in the minutes of the next Board meeting.

The minutes shall be sent to the members of the Board of Directors and normally to the Chief Executive Officer, with the notice of the next meeting.

6. Remuneration

Members of the Board of Directors shall receive adequate remuneration, as determined by the Board of Directors.

Cash expenses of Board members shall be covered separately by an expense allowance, normally determined by the Board of Directors.

III. CHAIRMAN OF THE BOARD OF DIRECTORS

7. Duties and Responsibilities

- 7.1 The Chairman in office prepares and chairs meetings of the Board of Directors and shareholders.
- 7.2 The Chairman has a general authority to represent the Board of Directors internally and with respect to third parties and to the Chief Executive Officer. This includes in particular:
- (a) ultimate responsibility for information. In this function, the Chairman is responsible for public relations with the media and shall appear as editor in journals and newsletters published by Tamedia and consolidated subsidiary companies.
 - (b) public relations with decision-makers, competitors, readers, customers and suppliers
 - (c) participation in in-house and external events, and holding positions on committees
 - (d) supporting and leading negotiations of agreements of significance to the company as a whole.
- 7.3 In fulfilling the conditions under Section III, the Chairman has the implementation duties as set out in the Appendix to these Rules.
- 7.4 In the event of the Chairman being absent or unable to act, the Vice-Chairman of the Board of Directors shall assume the duties and responsibilities of Chairman.

8. Reporting

- 8.1 The Chairman shall advise the Board of Directors on the development of the company at its meetings and, in matters of urgency, on an ad hoc basis.
- 8.2 The Chairman shall assist the Chief Executive Officer in operations. He shall advise him on the affairs of the Board of Directors and normally consult with him weekly and, in matters of urgency, on an ad hoc basis.

IV. CHIEF EXECUTIVE OFFICER

9. Duties and Responsibilities

- 9.1 The Chief Executive Officer prepares and chairs meetings of the Executive Board.

- 9.2 The Chief Executive Officer has the authority to represent the Executive Board internally and with respect to third parties and the Board of Directors. He is responsible to the Board of Directors for Tamedia operations. This includes in particular:
- (a) preparation of policies and proposals which form the basis of decisions of the Board of Directors, and execution of Board resolutions.
 - (b) supporting and leading negotiations of agreements of significance to the company as a whole
 - (c) public relations with customers, suppliers, competitors and decision-makers
 - (d) participation in in-house and external events, and holding positions on committees
- 9.3 In fulfilling the conditions under Section IV, the Chief Executive Officer has the implementation duties as set out in the Appendix to these Rules.
- 9.4 In the event of the Chief Executive Officer being absent or unable to act, the deputy CEO shall assume his duties and responsibilities.

10. Reporting

- 10.1 The Chief Executive Officer shall advise the Board of Directors on the development of the company at Board meetings and in written monthly reports and, in matters of urgency, on an ad hoc basis.
- In addition, the Chief Executive Officer shall make available to the Chairman of the Board of Directors a biannual list of reserves for anticipated or existing litigation and advise him on an ad hoc basis on matters of especial importance, such as an amount in dispute in excess of CHF 1 million.
- 10.2 The Chief Executive Officer shall advise the Chairman on the affairs of the Executive Board and normally consult with him weekly and, in matters of urgency, on an ad hoc basis. The Chief Executive Officer and Chairman shall discuss business proposals to be presented to the Board of Directors based on the duties and responsibilities of the Board of Directors according to Sections 2 and 4.
- 10.3 Under this Section 10, the Chief Executive Officer shall report on the following areas:
- (a) Tamedia's financial situation, financial planning, investments and disinvestments
 - (b) business development and prospects
 - (c) project progress and negotiations of agreements of significance to the company as a whole
 - (d) important changes in personnel
 - (e) extraordinary items

V. EXECUTIVE BOARD**11. Duties and Responsibilities**

- 11.1 The Executive Board is authorised to make decisions in any matters which are not reserved or delegated to another governing body pursuant to statute, articles of incorporation or regulations approved by the Board of Directors.

The Executive Board has the duties and responsibilities as set out in the Appendix to these Rules.

- 11.2 The Executive Board may transgress its competencies in matters of urgency if, in all probability, this is the only means of avoiding prejudice to Tamedia. This includes the immediate withdrawal of authority to sign. The Chief Executive Officer is obliged, where possible, to make prior contact with the Chairman of the Board of Directors. He must subsequently advise the Chairman of the Board of Directors without delay on such matters.

12. Meetings

- 12.1 The Executive Board shall normally meet at least once a month. The majority of members of the Executive Board must be present for the passing of resolutions.

Resolutions of the Executive Board shall require a relative majority of votes cast. The Chief Executive Officer shall vote and, in the event of a tie, shall have a casting vote. In addition, the Chief Executive Officer has a right of veto. If he exercises this right, the matter shall be referred for decision to the Board of Directors.

- 12.2 Important decisions of the Executive Board shall be recorded in minutes which shall be sent to members of the Executive Board and Board of Directors.

VI. GENERAL**13. Authority to Sign**

Members of the Board of Directors and Executive Board have joint and dual authority to sign.

The Board of Directors may delegate authority to sign, which must be joint and dual. It may approve a regulation detailing the terms of authority to sign, and delegating the power to delegate a general or special authority to act, where the delegated duties and responsibilities so require.

14. Withdrawal

Members of the Board of Directors and Executive Board must withdraw when the business being transacted affects their personal interests or the interests of natural or legal persons close to them. Individual members of governing bodies may not simultaneously conclude agreements on their own and Tamedia's behalf.

VII. FINAL PROVISION

The present Rules were approved by the Board of Directors on 25.03.2011 and took effect on that date. They shall replace the Regulations dated 3.12.2010.

Appendix:

- Organigram showing decision-making processes

Chairman of the Board of Directors:

Dr. Pietro Supino

Secretary of the Board of Directors:

Reto Spiri

Decision Schematic

P: Proposal
Delib: Deliberation (previously)
D: Decision

BoD	CBoD	CEO	EB
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	BoD	CBoD	CEO	EB
1. Company strategy				
• Mission Statement	D	Delib		P
• Strategic planning	D	Delib		P
• Acquisitions, cooperation initiatives and projects of company-wide significance	D	Delib		P
2. Company organisation				
• Organisation of Tamedia down to EB (organisational chart, job descriptions)	D	Delib	P	
• Appointment CEO	D	P		
• Appointment of members of EB and the deputy CEO	D	Delib	P	
• Appointment and evaluation of Head of Staff Units		Delib	D	
• Filling of BoD subsidiary and holding companies		Delib		D
3. Journalism				
• Appointment and evaluation of editors in chief or program directors and filling comparable positions***	D	Delib		P
• Enactment of editing regulations***	D	Delib		P
• Acquisition, new launch or suspension of publications, broadcasts and similar tasks, as well as definition of fundamental publication orientation	D	Delib		P
4. Financial planning and oversight				
• Annual planning / budgeting	D	Delib		P
• Drafting of the annual report and preparation of the GSM	D	Delib		P
• Medium-term planning / financial projections	D	Delib		P
• Liquidity steering				D
• EBIT-earning targets for company units	D	Delib		P
• Basic principles in financing policies and controlling	D	Delib		P
5. Personnel, pay and pension fund issues				
• Basic principles of personnel and pay policies	D	Delib		P
• Annual evaluation and pay setting CEO	D	P		
• Annual evaluation and pay setting EB	D	Delib	P	
• Employee profit-sharing	D	Delib	P	
• Appointment of employer representatives in pension fund bodies	D	P	Delib	

6. Financial competence of the BoD	In CHFk
<ul style="list-style-type: none"> • Investments and disinvestments <ul style="list-style-type: none"> budgeted /per occurrence not budgeted /per occurrence not budgeted /per year (in the event of overrun of budget supplement) 	<ul style="list-style-type: none"> over 3,000 over 1,500 over 3,000
<ul style="list-style-type: none"> • Marketing outlays* <ul style="list-style-type: none"> budgeted /per occurrence not budgeted /per occurrence not budgeted / per year (in the event of overrun of budget supplement) 	<ul style="list-style-type: none"> over 3,000 over 1,500 over 3,000
<ul style="list-style-type: none"> • Long-term loans and other financing transactions / per year 	over 10,000
<ul style="list-style-type: none"> • Warranties, guarantees and other potential liabilities 	over 1,500
<ul style="list-style-type: none"> • Loans extended (see waiver social loans) 	over 500
<ul style="list-style-type: none"> • Other contracts** 	over 3,000

* Excluding media partnerships and other revenue-neutral counter-transactions

** Liabilities until next available termination deadline including contractual disentanglement costs

*** Delegations to BoD-committees or bodies is possible