



BERENTZEN-GRUPPE
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Declaration of the Executive Board and Supervisory Board of
Berentzen-Gruppe Aktiengesellschaft
regarding the German Corporate Governance Code pursuant to
Section 161 AktG (“Aktengesetz”: German Stock Corporation Act)

November 2020



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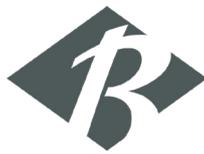
The Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft are obliged pursuant to Section 161 AktG to issue an annual declaration that the recommendations made by the "Regierungskommission Deutscher Corporate Governance Kodex" ["Government Commission German Corporate Governance Code"] as published in the official section of the Federal Gazette by the Federal Ministry of Justice and Consumer Protection have been and are being complied with or which of the recommendations have not been or are not being applied and why.

After due examination, the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft hereby jointly issue the following annual declaration regarding the German Corporate Governance Code pursuant to Section 161 AktG:

I.

The Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft declare that the recommendations made by the "Regierungskommission Deutscher Corporate Governance Kodex" (Code in the version dated December 16, 2019) as published in the official section of the Federal Gazette by the Federal Ministry of Justice and Consumer Protection on March 20, 2020, have been and are being complied with since their publication in the Federal Gazette, with the following exceptions:

The German Corporate Governance Code was substantially revised in its version dated December 16, 2019. In addition, the regulations in the AktG on the remuneration of Executive Board members were fundamentally amended by ARUG II (the German Law on the Implementation of the Second Shareholder Rights Directive) of December 12, 2019. Accordingly, section G of the version of the Code dated December 16, 2019 contains recommendations on the remuneration of Executive Board members, adjusted in line with the ARUG II version of the AktG, that differ considerably from the recommendations set out in the version of the Code dated February 7, 2017. The Supervisory Board and, in preparation for the Supervisory Board, the Personnel Committee of the Supervisory Board are currently developing a system on the remuneration of Executive Board members which corresponds to the requirements of the ARUG II version of the AktG. The Supervisory Board will present this system for approval at the annual general meeting of Berentzen-Gruppe Aktiengesellschaft in 2021. In this connection, the Supervisory Board and its Personnel Committee are also concerning themselves with the recommendations set out in the version of the Code dated December 16, 2019. As it was not possible to take into account the recommendations set out in the version of the Code dated December 16, 2019 when developing the current remuneration system for Executive Board members and concluding the current contracts of the Executive Board members, the system and the contracts do not currently fulfil all of the recommendations of the version of the Code dated December 16, 2019. Therefore, the below exceptions from the relevant recommendations of the version of the Code dated December 16, 2019 were not the result of an intentional decision or a decision taken for specific objective reasons by the Supervisory Board, but are solely attributable to the timing of the events. This means that providing additional objective reasons for the exceptions



listed below as a precautionary measure is not possible, or is only possible to a limited extent. The Supervisory Board has not yet definitively decided whether and to what extent these exceptions will remain when the new system on the remuneration of Executive Board members is developed and the remuneration of Executive Board members is laid down in the contracts of these members, or whether exceptions will arise from other relevant recommendations of the version of the Code dated December 16, 2019.

Against this background, we have taken the precaution of explaining the following exceptions from the recommendations set out in the version of the Code dated December 16, 2019:

1. Contrary to recommendation G.1 of the version of the Code dated December 16, 2019, the current remuneration system does not define in particular
 - how the target total remuneration is determined for each Executive Board member, and the amount that the total remuneration must not exceed (maximum remuneration), and
 - the proportion of (i) fixed remuneration and (ii) short-term and long-term variable remuneration in the target total remuneration.
2. Contrary to recommendation G.2 of the version of the Code dated December 16, 2019, the specific target total remuneration is not specified for each member of the Executive Board.

According to recommendation G.2 of the version of the Code dated December 16, 2019, the Supervisory Board shall set the specific target total remuneration for each Executive Board member on the basis of the remuneration system. This shall be appropriate to the Executive Board member's own tasks and performance as well as to the enterprises' overall situation and performance, and it shall not exceed the usual level of remuneration without specific reasons.

While the existing contracts of the Executive Board members contain the maximum amounts of both the fixed and the variable remuneration components, they do not specify the amount that the total remuneration of the Executive Board members must not exceed or the target total remuneration.

3. Contrary to recommendation G.3 of the version of the Code dated December 16, 2019, the Supervisory Board did not use an appropriate peer group of other third-party entities to assess whether the specific total remuneration of the Executive Board members is in line with usual levels compared to other enterprises and therefore did not disclose its composition.

According to recommendation G.3 of the version of the Code dated December 16, 2019, the Supervisory Board shall, in order to assess whether the specific total remuneration of the Executive Board members is in line with usual levels compared to other enterprises, determine an appropriate peer group of other third-party entities, and shall disclose the composition of that group.



When concluding or extending the existing contracts of the Executive Board members, the Supervisory Board took care to ensure that the total remuneration of the Executive Board members is in line with usual levels compared to other enterprises and therefore that the remuneration of all Executive Board members is appropriate compared to those in equivalent roles in other enterprises in line with the principle of "horizontal appropriateness". However, during the evaluation of whether the remuneration of the Executive Board members is in line with usual levels when concluding or extending the existing contracts of the Executive Board members, the Supervisory Board did not determine, and thus did not disclose the composition of, an appropriate peer group.

4. Contrary to recommendation G.4 of the version of the Code dated December 16, 2019, no consideration was taken of the relationship between the remuneration paid to the senior management and the overall staff in terms of its development over time when setting the remuneration of the Executive Board.

According to recommendation G.4 of the version of the Code dated December 16, 2019, the Supervisory Board shall, to ascertain whether remuneration is in line with usual levels within the enterprise itself, take into account the relationship between Executive Board remuneration and the remuneration of senior managers and the workforce as a whole, and how remuneration has developed over time.

This recommendation essentially corresponds to Section 4.2.2 (2) sentence 3 of the version of the Code dated February 7, 2017, from which an exception has already been expressed in the past. When concluding or extending the current contracts of the Executive Board members, the Supervisory Board took care to ensure, in line with the provisions of the AktG, that the relationship between the total remuneration of the Executive Board members and the usual wage and salary structure within the enterprise is appropriate, and therefore that the remuneration of all Executive Board members is appropriate compared with the workforce as a whole in line with the principle of "vertical appropriateness". An exception from this recommendation is hereby declared as a precautionary measure to the extent that an evaluation of the appropriateness of the remuneration of the Executive Board members compared with the workforce as a whole, as is already required by the AktG, is fleshed out in the version of the Code dated December 16, 2019, or to the extent that the peer groups relevant for the comparison or a time frame for the comparison are specified in more detail. During the evaluation of the appropriateness of the remuneration when concluding or extending the existing contracts of the Executive Board members, the Supervisory Board did not differentiate between the peer groups within the meaning of recommendation G.4 of the version of the Code dated December 16, 2019 or carry out any surveys on how the wage and salary structure has developed over time. The Supervisory Board did not consider such a – purely formal – procedure to be necessary for ensuring the appropriateness of the remuneration of Executive Board members.

5. Contrary to recommendation G.10 of the version of the Code dated December 16, 2019, the variable compensation of the Executive Board members is not predominantly invested in shares of the company and is not granted share-based.



According to recommendation G.10 of the version of the Code dated December 16, 2019, Executive Board members' variable remuneration shall be predominantly invested in company shares by the respective Executive Board member or shall be granted predominantly as share-based remuneration, taking the respective tax burden into consideration. Granted long-term variable remuneration components shall be accessible to Executive Board members only after a period of four years.

The current contracts of the Executive Board members do not currently stipulate that the variable remuneration granted to the members of the Executive Board be invested in company shares by the respective Executive Board member. Furthermore, the variable remuneration does not have any components that are share-based or granted as share-based remuneration.

6. Contrary to recommendation G.11 of the version of the Code dated December 16, 2019, the contracts of the Executive Board members do not provide for the variable remuneration to be retained or reclaimed in justified cases.

According to recommendation G.11 of the version of the Code dated December 16, 2019, the Supervisory Board shall have the possibility to account for extraordinary developments to an appropriate extent. It shall be permitted to retain or reclaim variable remuneration, if justified.

The existing contracts of the Executive Board members do not currently provide for the variable remuneration to be retained or reclaimed in justified cases.

7. Contrary to recommendation G.12 of the version of the Code dated December 16, 2019, the contracts of the Executive Board members provide for severance payments to be made at short notice if a special right of termination agreed therein is exercised.

According to recommendation G.12 of the version of the Code dated December 16, 2019, if an Executive Board member's contract is terminated, the disbursement of any remaining variable remuneration components attributable to the period up until contract termination shall be based on the originally agreed targets and comparison parameters, and on the due dates or holding periods stipulated in the contract.

The existing contracts of the Executive Board members currently provide for a special right of termination in the event that restructuring measures are applied to Berentzen-Gruppe Aktiengesellschaft or in the event of a change of control. In the event that the special right of termination is exercised, the Executive Board members have a right to severance payments. In this case, only the monetary value of the variable remuneration components applicable at the time the special right of termination is exercised will be paid out. The existing contracts of the Executive Board members provide for such severance payments to be made in one lumpsum payment 14 days after the special right of termination is exercised.



8. Contrary to recommendation G.15 of the version of the Code dated December 16, 2019, any remuneration for the exercise of intra-group Supervisory Board memberships by members of the Executive Board is not generally taken into account.

According to recommendation G.15 of the version of the Code dated December 16, 2019, if Executive Board members are also members of intra-group Supervisory Boards, the remuneration shall be taken into account.

The existing contracts of the Executive Board members stipulate that Executive Board members may only engage in secondary employment activities if such activities do not affect the work of the Executive Board member for the company or undermine the interests of the company from a competition perspective. However, there is no provision explicitly stipulating that any remuneration for the exercise of Supervisory Board memberships be taken into account or specifying a decision by the Supervisory Board on the matter. The Executive Board members are currently exercising intra-group Supervisory Board memberships, for which remuneration is not granted, however. Nonetheless, an exception from this recommendation has been expressed as a precautionary measure.

9. Contrary to recommendation G.16 of the version of the Code dated December 16, 2019, the Supervisory Board does not decide whether and to what extent the remuneration is to be taken into account when members of the Executive Board assume non-group Supervisory Board memberships.

According to recommendation G.16 of the version of the Code dated December 16, 2019, if Supervisory Board memberships are assumed at non-group entities, the Supervisory Board shall decide whether and to what extent the remuneration from such memberships shall be taken into account.

The existing contracts of the Executive Board members stipulate that Executive Board members may only engage in secondary employment activities if such activities do not affect the work of the Executive Board member for the company or undermine the interests of the company from a competition perspective. However, there is no provision explicitly stipulating that any remuneration for the exercise of Supervisory Board memberships be taken into account or specifying a decision by the Supervisory Board on the matter.

II.

The Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft declare that, since issuing their last annual declaration regarding the German Corporate Governance Code pursuant to Section 161 AktG in November 2019, the recommendations made by the "Regierungskommission Deutscher Corporate Governance Kodex" (Code in the version dated February 7, 2017) as published in the official section of the Federal Gazette by the Federal Ministry of Justice and Consumer Protection on April 24, 2017, have been complied with until March 19, 2020, with the following exceptions:



1. Contrary to the recommendation in Section 3.8 (2) and (3) of the version of the Code dated February 7, 2017, the D&O insurance policy taken out by Berentzen-Gruppe Aktiengesellschaft for the members of its Supervisory Board did not provide for any deductible.

According to the recommendation in Section 3.8 (2) and (3) of the version of the Code dated February 7, 2017, a deductible of at least 10 % of the damage up to at least one and a half times the fixed annual remuneration of the Supervisory Board member shall be agreed in a D&O insurance policy taken out by the company for the Supervisory Board.

The Supervisory Board of Berentzen-Gruppe Aktiengesellschaft does not essentially believe that agreeing such a deductible would enhance the motivation and responsibility with which the members of the Supervisory Board carry out their duties.

2. Contrary to the recommendation in Section 4.2.1 (1) of the version of the Code dated February 7, 2017, the Executive Board of Berentzen-Gruppe Aktiengesellschaft had not had a Chairman or a Spokesman.

According to the recommendation in Section 4.2.1 (1) of the version of the Code dated February 7, 2017, the Executive Board shall have a Chairman or Spokesperson.

The Supervisory Board and Executive Board of Berentzen-Gruppe Aktiengesellschaft are of the opinion that there was no need to appoint an Executive Board Chairman or Speaker given the fact that the Executive Board currently has only two members. The existing rules of procedure for the Executive Board already include clear and unambiguous rules governing communication with the Supervisory Board and the representation of the Executive Board vis-à-vis the Supervisory Board also in this case, as well as the divisional responsibilities of Executive Board members and therefore also the representation of the Company and the Group.

3. Contrary to the recommendation in Section 4.2.2 (2) sentence 3 of the version of the Code dated February 7, 2017, no consideration was taken of the relationship between the remuneration paid to the senior management and the overall staff in terms of its development over time when setting the remuneration of the Executive Board.

According to the recommendation in Section 4.2.2 (2) sentence 3 of the version of the Code dated February 7, 2017, the Supervisory Board shall consider the ratio of Executive Board remuneration to the remuneration paid to the senior management and entire staff, including its development over time.



When concluding or extending the current contracts of the Executive Board members, the Supervisory Board is required by the provisions of the Stock Corporation Act to ensure that the total remuneration granted to the members of the Executive Board is in an appropriate relationship to the general remuneration structure within the Company and hence the so-called "vertical appropriateness" of the remuneration paid to members of the Executive Board is guaranteed. To the extent that this review of the vertical appropriateness of the remuneration paid to members of the Executive Board required by the Stock Corporation Act is specified by the German Corporate Governance Code of the version of the Code dated February 7, 2017, and the peer groups used for the comparison and timeframe for the comparison are defined more closely, an exception from the Code is hereby explained as a precaution. When concluding or extending the currently valid contracts of the Executive Board members, the Supervisory Board does not distinguish between the peer groups within the meaning of Section 4.2.2 (2) sentence 3 of the version of the Code dated February 7, 2017, when checking the appropriateness and does not carry out any assessment of the development over time of the remuneration structure either. It considered that such a purely formal approach is not necessary to ensure the appropriateness of the remuneration paid to members of the Executive Board.

4. Contrary to the recommendation in Section 4.2.3 (2) sentence 6 of the version of the Code dated February 7, 2017, the remuneration agreed in the existing contracts of the Executive Board members did not include a maximum amount for the total remuneration.

According to the recommendation in Section 4.2.3 (2) sentence 6 of the version of the Code dated February 7, 2017, the amount of remuneration of the Executive Board members shall be capped with maximum levels, both as regards variable components and in the aggregate.

The existing contracts of the Executive Board members contain maximum levels for both fixed and variable remuneration components. However, these contracts do not include a maximum level for the total remuneration of the Executive Board members. The Supervisory Board is of the opinion that a maximum level for the total remuneration is in fact already set by the contractual cap on both the fixed and the variable remuneration components.

5. Contrary to the recommendation in Section 4.2.3 (3) of the version of the Code dated February 7, 2017, the level of provision aimed for in each case was not determined and the resulting annual and long-term expense for the Company was not taken into account when granting pension awards to the members of the Executive Board.

According to the recommendation in Section 4.2.3 (3) of the version of the Code dated February 7, 2017, the Supervisory Board shall establish the target level of pension benefits for every pension commitment – including based on the duration of membership of the Executive Board – and shall consider the resulting annual and long-term expense incurred by the company.



The existing contracts of the Executive Board members each contain a provision under which a fixed amount is granted to the Executive Board member for a life insurance policy to be concluded by this person or a financial instrument suitable for pension purposes to be concluded by this person. This amount may also be paid into a company pension plan at the request of the Executive Board member. This provision does not, however, grant the Executive Board member either a direct claim to a pension, neither does it result in a future financial expense for the Company beyond the end of the Executive Board contract. Against this backdrop, the Executive Board and Supervisory Board assume that such a purely monetary amount granted is not a pension award within the meaning of the German Corporate Governance Code. Since the German Corporate Governance Code does not define the term "pension award", however, an exception from the Code is explained in this regard as a precaution.

6. Contrary to the recommendation in Section 4.2.5 (3) and (4) of the version of the Code dated February 7, 2017, the remuneration of the Executive Board members was not disclosed individually and broken down by components – in particular by benefits granted, benefits received and service costs – in the Remuneration Report using the model tables provided in the appendices to the Code.

According to the recommendation in Section 4.2.5 (3) and (4) of the version of the Code dated February 7, 2017, the Remuneration Report shall present the following information for every Executive Board member:

- the benefits granted for the reporting period, including fringe benefits, supplemented in the case of variable remuneration components by the maximum and minimum remuneration achievable,
- the benefits received for the reporting period, consisting of fixed remuneration, short-term variable remuneration and long-term variable remuneration, broken down by the relevant reference years,
- the service cost incurred in/for the reporting period for pension benefits and other commitments.

The model tables provided as appendices to the Code in the version dated February 7, 2017, shall be used to disclose this information.

On May 12, 2016, the Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft adopted a resolution pursuant to Section 286 (5) of the German Commercial Code (HGB) to dispense with the individualised disclosure of the remuneration of the Executive Board and to disclose the remuneration of the Executive Board in the Notes to the Annual Financial Statements, the Notes to the Consolidated Financial Statements and the Management Report of the Company and the Group in aggregate form only. Against this background, it is not possible to provide a breakdown of the remuneration in the Remuneration Report using the model tables provided in the appendices to the German Corporate Governance Code as this would result in the individualised disclosure of the remuneration of the Executive Board in violation of the resolution adopted by the Annual General Meeting on May 12, 2016.



7. Contrary to the recommendation in Section 5.4.6 (3) sentence 1 of the version of the Code dated February 7, 2017, the remuneration of the Supervisory Board members was not disclosed on an individualised basis or classified by remuneration components in the Notes to the Financial Statements or the Management Report.

According to the recommendation in Section 5.4.6 (3) sentence 1 of the version of the Code dated February 7, 2017, the remuneration of the Supervisory Board members shall be disclosed individually in the Notes to the Financial Statements or the Management Report, classified by remuneration components.

In accordance with the relevant statutory provisions currently applicable to the disclosure of the remuneration of Supervisory Board members, the remuneration of the Supervisory Board members will be disclosed in aggregate form in the Notes to the (Consolidated) Financial Statements or the Management Report, which is summarised with the Group Management Report. Furthermore, the basic amount of the remuneration granted to Supervisory Board members exclusively as fixed remuneration is disclosed in the company's publicly accessible Articles of Association. Considering the invasion on the privacy of the Supervisory Board members that would result from disclosing their remuneration on an individualised basis on the one hand and the proportionality of this in relation the benefits it would bring on the other, the Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft are of the view that the provision of a cumulative statement disclosing the remuneration of the Supervisory Board members in the reporting components specified is sufficient – as this will not reveal any additional information relevant to the capital markets.

Haselünne, November 2020

Berentzen-Gruppe Aktiengesellschaft

For the Executive Board

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This declaration is also provided in English as a convenience translation. In the event of discrepancies, the German version shall exclusively prevail over the English translation.