



Declaration of the Executive Board and  
Supervisory Board of  
Berentzen-Gruppe Aktiengesellschaft  
regarding the  
German Corporate Governance Code  
pursuant to Sec. 161 AktG  
[“Aktengesetz”: German Stock Corporation Act]



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The Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft are obliged pursuant to Sec. 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 Sec. 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 as amended on 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, are being complied with, with the following exceptions:

1. Contrary to 3.8 para. 2 and 3 of the Code as amended on February 7, 2017, the D&O insurance policy concluded by Berentzen-Gruppe Aktiengesellschaft for the members of its Supervisory Board does not contain any deductible.

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft do 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. Consequently, Berentzen-Gruppe Aktiengesellschaft is not seeking to change its current D&O insurance policies.

2. Contrary to 4.2.1 sentence 1 of the Code as amended on February 7, 2017, the Executive Board of Berentzen-Gruppe Aktiengesellschaft does not have a Chairman or a Spokesman.

The Supervisory Board and Executive Board of Berentzen-Gruppe Aktiengesellschaft are of the opinion that there is 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 4.2.2 para. 2 sentence 3 of the Code as amended on February 7, 2017, no consideration is 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.

4.2.2 para. 2 sentence 3 of the German Corporate Governance Code includes the recommendation that the Supervisory Board should take into account the relationship of the remuneration of the Executive Board to that of senior management and the staff overall, particularly in terms of its development over time. When concluding or extending the current Executive Board contracts, 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, and the peer groups used for the comparison and timeframe for the comparison are defined more closely, a deviation from the Code is hereby explained as a precaution. When concluding or extending the currently valid Executive Board contracts, the Supervisory Board does not distinguish between the peer groups within the meaning of 4.2.2 para. 2 sentence 3 of the Code as amended on 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 believes 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 4.2.3 para. 2 sentence 6 of the Code as amended on February 7, 2017, there is no cap in terms of amount on the overall remuneration agreed in the Executive Board contracts.

The Executive Board contracts do indeed contain caps in terms of amount for both the fixed and the variable remuneration components. A fixed cap on the amount of the overall remuneration paid to members of the Executive Board is, however, not included in the Executive Board contracts. The Supervisory Board believes that a cap for the total remuneration arises de facto from the cap on both the fixed and the variable remuneration components.

5. Contrary to 4.2.3 para. 3 of the Code as amended on 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.

The corresponding recommendation of the German Corporate Governance Code states that the Supervisory Board should establish the level of provision aimed for in each case for pension awards – also considering the length of the time for which the individual has been an Executive Board member – and take into account the resulting annual and long-term expense for the Company. All of the Executive Board contracts currently in effect 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, a deviation from the Code is explained in this regard as a precaution.

6. Contrary to 4.2.5 paras. 3 and 4 of the Code as amended on February 7, 2017, the remuneration paid to members of the Executive Board is not disclosed in the Remuneration Report, either individualised or broken down by component – especially benefits granted, allocation and service cost – using the model tables provided in the appendix to the Code.

On May 12, 2016, the Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft adopted a resolution pursuant to Section 286 para. 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 backdrop, it is not possible to provide a breakdown of the remuneration in the Remuneration Report using the model tables provided in the appendix 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. In addition, the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft believe that the disclosures made in accordance with the relevant accounting rules applied by Berentzen-Gruppe Aktiengesellschaft regarding the remuneration of the Executive Board are sufficient. The disclosure broken down by component – especially benefits granted, allocation and service costs – of the remuneration paid to members of the Executive Board using the model tables provided in the appendix to the Code in the Remuneration Report – which must not be made on an individualised basis in line with the above-mentioned resolution adopted by the Annual General Meeting on May 12, 2016 – would yield no additional information relevant for the capital market.

7. Contrary to 5.4.6 para. 3 sentence 1 of the Code as amended on February 7, 2017, the remuneration paid to the members of the Supervisory Board is not disclosed on an individualised basis or broken down by component in the Notes to the Financial Statements or the Management Report.

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft believe that the associated intrusion into the private sphere of the members of the Supervisory Board is not proportionate to the benefits of such a practice. The remuneration paid to members of the Supervisory Board is shown as an aggregate amount in the Notes to the Annual Financial Statements, Notes to the Consolidated Financial Statements, Management Report and Group Management Report. Furthermore, the remuneration is known from the Articles of Association of the Company that have been made publicly accessible. Individualised disclosure would yield no additional information relevant for the capital market.

## 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 Sec. 161 AktG in December 2017, the recommendations made by the "Regierungskommission Deutscher Corporate Governance Kodex" (Code as amended on 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, with the following exceptions:

1. Contrary to 3.8 para. 2 and 3 of the Code as amended on February 7, 2017, the D&O insurance policy concluded by Berentzen-Gruppe Aktiengesellschaft for the members of its Supervisory Board did not include a deductible for the reasons described under I. 1. above.
2. Contrary to 4.2.1 sentence 1 of the Code as amended on February 7, 2017, the Executive Board of Berentzen-Gruppe Aktiengesellschaft has not had a Chairman or a Speaker since May 19, 2017, for the reasons described under I. 2. above.
3. Contrary to 4.2.2 para. 2 sentence 3 of the Code as amended on February 7, 2017, no consideration was taken of the relationship to the remuneration paid to the senior management and the staff overall in terms of its development over time when setting the remuneration of the Executive Board for the reasons described under I. 3. above.
4. Contrary to 4.2.3 para. 2 sentences 3 and 4 of the Code as amended on February 7, 2017, a variable remuneration component agreed as a once-off measure in one Executive Board contract was not based on a multi-year assessment and does not take account of any negative developments.

The design of this variable remuneration component pertained to the remuneration for the activity during somewhat more than half of financial year 2017 of an Executive Board member newly appointed in financial year 2017. In this case, the Supervisory Board did not consider it expedient to provide for a variable remuneration component that meets the criteria of 4.2.3 para. 2 sentences 3 and 4 of the German Corporate Governance Code for this comparatively short period of time. Starting in financial year 2018, however, the variable remuneration component of the corresponding Executive Board contract fully meets the aforesaid criteria.

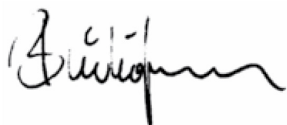
5. Contrary to 4.2.3 para. 2 sentence 6 of the Code as amended on February 7, 2017, the remuneration agreed in the Executive Board contracts did not have a cap in terms of amount as regards the aggregate for the reasons described under I. 4. above.
6. Contrary to 4.2.3 para. 3 of the Code as amended on 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 for the reasons described under I. 5. above.

7. Contrary to 4.2.5 paras. 3 and 4 of the Code as amended on February 7, 2017, the remuneration paid to members of the Executive Board was not disclosed in the Remuneration Report, either individualised or broken down by component – especially benefits granted, allocation and service cost – using the model tables provided in the appendix to the Code for the reasons described under I. 6. above, all this in accordance with the resolution of the Annual General Meeting of the Company on May 12, 2016 pursuant to Section 286 para 5 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.
8. Contrary to 5.4.6 para. 3 sentence 1 of the Code as amended on February 7, 2017, the remuneration paid to the members of the Supervisory Board is not disclosed on an individualised basis or broken down by component in the Notes to the Financial Statements or the Management Report for the reasons described under I. 7. above.

Haselünne, December 2018

**Berentzen-Gruppe Aktiengesellschaft**

For the Executive Board



Ralf Brühöfner

Member of the Executive Board



Oliver Schwegmann

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For the Supervisory Board



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