



Declaration of Conformity
with the German Corporate Governance Code
by Berentzen-Gruppe Aktiengesellschaft
pursuant to Section 161 of the German Stock
Corporation Act (AktG)

**This version of the Declaration of Conformity
with the German Corporate Governance Code
is provided for the convenience of our English-speaking readers.
It has been translated from the original German version,
which takes precedence in all respects.**

July 2017



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Upon completion of the obligatory review, the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft hereby issue the following updated joint Declaration of Conformity:

I.

The Company complies with the recommendations made by the Government Commission: German Corporate Governance Code (Code as amended on February 7, 2017) as published in the Federal Gazette on April 24, 2017, with the following exceptions:

1. Contrary to 3.8 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 sentences 3 and 4 of the Code as amended on February 7, 2017, the one-time variable remuneration component agreed in one Executive Board contract is not based on a multi-year assessment and does not take account of any negative developments. In addition, the one-time variable remuneration component agreed in another Executive Board contract is also not based on a multi-year assessment.

The aforesaid design of variable remuneration components pertains in the first case to the activity of a newly appointed Executive Board member during somewhat more than half of financial year 2017. In this case, the Supervisory Board does 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. In addition, it was agreed with a since departed Executive Board member that the pro-rated variable remuneration component still owed to him for financial year 2017 would also not be based on a multi-year assessment. Also 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 the comparatively short time period of less than half a year.

5. 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.

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.

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 Code does not define the term “pension award”, however, a deviation from the Code is explained in this regard as a precaution.

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 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 the Company 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 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.

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.

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. Moreover, consent to individualised disclosure has not been obtained from the members of the Supervisory Board.

II.

Since issuing its last Declaration of Conformity in November 2016, until April 23, 2017 the Company has complied with the recommendations of the Government Commission: German Corporate Governance Code as published in the Federal Gazette on June 12, 2015 (Code as amended on May 5, 2015), and since April 24, 2017 as published in the Federal Gazette on April 24, 2017 (Code as amended on February 7, 2017), with the following exceptions:

1. Contrary to 3.8 of the Code as amended on May 5, 2015 and 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 did not consist of more than one person in the time from May 19, 2017 to May 31, 2017.

The Supervisory Board of Berentzen-Gruppe Aktiengesellschaft is of the opinion that the very short period of vacancy resulting from a change of one of the two Executive Board members was acceptable considering the immediately initiated, but nevertheless time-consuming search for a competent and experienced successor and the conduct of a careful selection process. For the sake of continuing to fulfil the collegiality principle and for reasons of transparency in corporate governance and supervision, the Executive Board and Supervisory Board further chose not to propose an amendment of the company's Articles of Association, as allowed under the German Stock Corporation Act, to the effect that the Executive Board only needs to consist of one person, to the Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft held on May 19, 2017.

3. 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.
4. Contrary to 4.2.2 para. 2 sentence 3 of the Code as amended on May 5, 2015 and 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.
5. Contrary to 4.2.3 para. 2 sentence 3 of the Code as amended on May 5, 2015 and February 7, 2017, the variable remuneration components agreed in one Executive Board contract were exceptionally only based to a relatively minor extent on a multi-year assessment.

In this individual instance, the Supervisory Board believed it was not absolutely necessary to employ a multi-year assessment for the variable remuneration components as a whole or only to a large extent. Even without such an assessment, the Supervisory Board believed it was ensured, taking into account the circumstances of the specific case and the structuring of the variable remuneration components, that the remuneration paid to the member of the Executive Board concerned as a whole was oriented toward the sustainable growth of the Company. In the case of one Executive Board member, however, a variable remuneration component designed in this way was applied for the last time in financial year 2016.

6. Contrary to 4.2.3 para. 2 sentences 3 and 4 of the Code as amended on May 5, 2015 and February 7, 2017, a variable remuneration component agreed in one Executive Board contract was not based on a multi-year assessment and did not take account of any negative developments, for the reasons described under I. 4. above. In addition, a variable remuneration component agreed in another Executive Board contract was also not based on a multi-year assessment, for the reasons described under I. 4. above.
7. Contrary to 4.2.3 para. 2 sentence 6 of the Code as amended on May 5, 2015 and 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. 5. above.
8. Contrary to 4.2.3 para. 3 of the Code as amended on May 5, 2015 and 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. 6. above.
9. Contrary to 4.2.5 paras. 3 and 4 of the Code as amended on May 5, 2015 and 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. 7. above, all this in accordance with the resolution of the Annual General Meeting of the Company on May 12, 2016 pursuant to Section 286 (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.

- 10.** Contrary to 5.3.2 sentence 3 of the Code as amended on May 5, 2015 and 5.3.2 para. 3 sentence 2 of the Code as amended on February 7, 2017, the Finance and Audit Committee had a chairman who was not independent within the meaning of the Code until May 19, 2017.

German law as embodied in the Stock Corporation Act considers it sufficient if at least one member of the Finance and Audit Committee with expert knowledge in the fields of accounting or auditing of financial statements is independent. This member does not have to be the chairman. The amendment to the Stock Corporation Act dated May 10, 2016 stemming from the "Law to implement the audit-related provisions of Directive 2014/56/EU and to implement the corresponding rules of Regulation (EU) No. 537/2014 with regard to the statutory audit of public-interest entities (Abschlussprüfungsreformgesetz/AReG: German Audit Reform Act) that took effect on June 17, 2016 means that this statutory requirement of independence of one member of the Finance and Audit Committee no longer applies. The Supervisory Board of the Company concurs with this assessment of German law.

- 11.** Contrary to 5.4.6 para. 3 sentence 1 of the Code as amended on May 5, 2015 and 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. 8. above.

Haselünne, July 2017

Berentzen-Gruppe Aktiengesellschaft

For the Executive Board



Oliver Schwegmann

For the Supervisory Board



Gert Purkert