

**Declaration on corporate governance in accordance with Section 289f of  
the German Commercial Code (HGB)**  
**Corporate Governance Report**

## PRINCIPLES OF CORPORATE GOVERNANCE AND CORPORATE STRUCTURE

Corporate governance comprises all principles relating to the management and monitoring of a company. Within this meaning, corporate governance is an expression of good and responsible corporate management and, as such, is an integral part of Hapag-Lloyd's management philosophy. The principles of corporate governance pertain, in particular, to cooperation within the Executive Board, the Supervisory Board, and between the two boards as well as between the corporate bodies and the shareholders, in particular in the Annual General Meeting. They also pertain to the relationship between the Company and other persons and institutions that have a business relationship with Hapag-Lloyd.

### **Commitment to the German Corporate Governance Code**

Hapag-Lloyd AG is a listed corporation in accordance with German law. For Hapag-Lloyd, the starting point for ensuring responsible management and control of the Company that is geared towards sustainable appreciation is, in addition to compliance with the applicable laws, a commitment to the German Corporate Governance Code (GCGC).

The Executive Board and Supervisory Board of Hapag-Lloyd AG have given a great deal of attention to the corporate governance system of the Company and the recommendations and suggestions of the Code. The Executive Board and Supervisory Board are committed to responsible corporate governance and identify with the objectives of the GCGC. According to the preamble of the GCGC, in the interests of good corporate management and an active corporate governance culture, this does not preclude non-compliance with individual provisions of the code if the deviations are justified due to the specifics of the Company.

## INFORMATION ON CORPORATE MANAGEMENT AND CORPORATE GOVERNANCE

### **Declaration of Conformity with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG)**

Section 161 of the German Stock Corporation Act (AktG) requires the Executive Board and Supervisory Board of Hapag-Lloyd AG to issue an annual statement indicating that the recommendations by the "Government Commission for the German Corporate Governance Code", published by the German Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette (Bundesanzeiger) were and are being complied with, or which recommendations were not or are not being followed and why. The statement must be made permanently available to the public on the Company's website.

### **Statement by the Executive Board and the Supervisory Board of Hapag-Lloyd Aktiengesellschaft on the recommendations of the "Government Commission for the German Corporate Governance Code" pursuant to Section 161 of the German Stock Corporation Act (AktG)**

The Executive Board and the Supervisory Board of Hapag-Lloyd Aktiengesellschaft hereby declare that the Company has, since its last declaration of conformity of 27 September 2017 complied with the recommendations of the German Corporate Governance Code Commission in the version of 7 February 2017 published in the official section of the Federal Gazette (Bundesanzeiger) on 24 April 2017 with the following exception:

No. 5.3.2 sentence 5 of the German Corporate Governance Code in the version of 7 February 2017 (published on 24 April 2017 and published in its corrected version on 19 May 2017, GCGC) provides, inter alia, the recommendation that the chairman of the Audit and Financial Committee shall be independent. Currently, Oscar Hasbún Martínez is the chairman of the Audit and Financial Committee. Mr Hasbún Martínez is at the same time CEO of a direct main shareholder of Hapag-Lloyd AG. Therefore, within the meaning of no. 5.3.2 sentence 5 GCGC, Mr Hasbún Martínez lacks the required independence. To the conviction of the Supervisory Board, the exercise of the office as chairman of the Audit and Financial Committee by Mr Hasbún Martínez is in the best interest of the Company and its entire shareholders, since Mr. Hasbún Martínez is perfectly suited as chairman of the Audit and Financial Committee. It is not doubtful that he in fact serves independently.

In addition to compliance with the accepted principles of good corporate management, Hapag-Lloyd's own guidelines and standards for good and sustainable corporate development contribute to the good and sustainable development of the Company as well.

In 2010, Hapag-Lloyd introduced a Code of Ethics which expresses Hapag-Lloyd's commitment to law-abiding, sustainable conduct that expresses integrity as well as social responsibility. The Code of Ethics is intended to serve employees as a guideline in performing their responsibilities and defines the basic values of the Company. It serves, in particular, as a guideline on how to treat customers, suppliers and competitors fairly and also addresses conduct within the Company.

Hapag-Lloyd believes that it is not only important that its employees are responsible and comply with the high legal and ethical standards, but also views itself as a company that highly values environmental protection, high quality standards, economic viability, and the health and safety of its employees.

This ethos is firmly anchored in the Company's sustainability policy. The Company's sustainability policy can be found at <https://www.hapag-lloyd.com/en/about-us/sustainability/at-a-glance.html>

The significant importance of quality and environmental protection at Hapag-Lloyd is also reflected in the globally applicable integrated quality and environmental management system (ISO 9001 and 14001). Hapag-Lloyd uses this system to cover all the activities along its global transportation chain. Detailed information about Hapag-Lloyd's quality and environmental protection programmes can be found at <https://www.hapag-lloyd.com/en/about-us/sustainability/at-a-glance.html>

## **Information on relevant corporate management practices**

### **Corporate governance**

Apart from the exception mentioned and justified in the Declaration of Conformity, the Company follows the recommendations of the German Corporate Governance Code (see above).

### **Compliance**

At Hapag-Lloyd, compliance has top priority, as do high quality standards, proactive environmental protection and sustainability in management and all operational processes. The Company expressly commits to fair competition as well as compliance with all national and international laws that apply to Hapag-Lloyd, in particular with regard to corruption, bribery and price fixing. Any internal or external violations of applicable law are strictly opposed and are not tolerated in any way. Hapag-Lloyd will not accept any such legal violations under any circumstances but will legally pursue them. Hapag-Lloyd has a Code of Ethics which clearly spells out the respective conduct instructions (see above and below).

To prevent breaches of compliance, the Executive Board has implemented a range of measures as part of the compliance-management-system. These include mandatory compliance training, which every employee worldwide must complete, as well as a whistle-blower system, which allows violations to be reported anonymously.

The compliance programme of Hapag-Lloyd AG, the implementation of which is seen to by the compliance organisation, primarily consists of anti-competition and antitrust law, combating corruption, and compliance with embargoes and sanctions.

### **Compliance organisation**

The central Global Compliance team, which reports directly to the Chief Financial Officer of Hapag-Lloyd AG, as well as the compliance officers in the regional centres and the national affiliates ensure that the Hapag-Lloyd compliance programme is implemented across the Group, for example through online and on-site training sessions. The Executive Board and the Supervisory Board's Audit and Financial Committee are regularly updated via compliance reports.

The compliance organisation of Hapag-Lloyd makes it possible to fundamentally implement measures as part of the compliance programme which ensure that the Company complies with laws and internal and external guidelines.

## Compliance organisation



### Code of Ethics

The Global Code of Ethics reflects the corporate culture of Hapag-Lloyd and defines the basic values and expectations regarding the conduct of executives and employees, both with regard to internal and external relationships. This code summarises the principles governing fair dealings with each other as well as the customers and business partners of Hapag-Lloyd (see above).

### Corporate responsibility

Hapag-Lloyd, with its long-standing tradition as a global company, bears a social responsibility towards its customers, employees, investors and the general public. Hapag-Lloyd therefore regards compliance with individual rights, laws and internal guidelines as the foundation of its own corporate and economic activities. The global focus and strategy of profitable growth require a common system of values and principles which serves as a code of conduct for all employees.

Hapag-Lloyd's compliance organisation helps to incorporate and permanently embed the aforementioned values in the corporate structure. It ensures that the compliance programme is implemented globally.

The aforementioned important documents that outline the approach of the Hapag-Lloyd Group can be found online at <https://www.hapag-lloyd.com/en/about-us.html>

### Transparency

Informing the general public in a timely and consistent manner is an important element of good corporate governance for Hapag-Lloyd. For this purpose, extensive information is available in German and English on the Hapag-Lloyd website under Investor Relations.

A financial calendar provides a quick overview of the key publication dates.

The most up-to-date financial calendar is available at <https://www.hapag-lloyd.com/en/ir/calendar-events/financial-calendar.html>

The business development of Hapag-Lloyd is explained in particular in the financial reports, the annual report and investor relations presentations. In addition, details about Hapag-Lloyd's share and the terms and conditions of Hapag-Lloyd's issued bonds are available.

Mandatory publications under capital market law – such as ad-hoc announcements, voting right notifications and information about managers' transactions – are immediately posted on the Investor Relations' web page as well.

Explanations about the corporate strategy, shareholder structure and business model complete the range of information provided.

### **Executive Board and Supervisory Board**

The German Stock Corporation Act (AktG) is the legal basis of the corporate governance of Hapag-Lloyd AG. It is further enhanced by the Company's articles of association and the provisions of the GCGC (see above).

The Executive Board manages the business of Hapag-Lloyd AG and represents the Company. It manages the Company under its own responsibility for the benefit of the Company, i.e. taking into consideration the interests of shareholders, its employees and all other groups associated with the Company (stakeholders), and pursues the goal of sustainable value creation. It also develops the corporate strategy and controls and manages its implementation. The Executive Board ensures that the legal provisions and internal guidelines are complied with and that the Group companies follow them (compliance). It has also implemented an effective internal control and risk management system. It closely collaborates with the other corporate bodies for the benefit of the Company.

The Supervisory Board has issued rules of procedure for the Executive Board. These rules stipulate the division of responsibilities within the Executive Board and the transactions and measures that require a resolution by the entire Executive Board. The rules of procedure also include a list of transactions that may only be performed with the approval of the Supervisory Board.

The Executive Board currently has 4 members. One member, Mr Rolf Habben Jansen, was appointed Chief Executive Officer. The Chief Executive Officer coordinates the work of the Executive Board members and the provision of information to the Supervisory Board. He also keeps in regular contact with the Chairman of the Supervisory Board. The Executive Board members work together cooperatively and continually update each other about important measures and events in their business areas. In general, the Executive Board passes resolutions during regularly scheduled meetings. Resolutions require a simple majority. If the vote is tied, the Chief Executive Officer has the casting vote.

As at 31 December 2018, the members of the Executive Board were Rolf Habben Jansen (Chief Executive Officer), Nicolás Burr, Anthony J. Firmin and Joachim Schlotfeldt.

**Members of the Executive Board of Hapag-Lloyd AG (31 December 2018):**

<b>Rolf Habben Jansen</b> Born in 1966	<b>Member of the Executive Board/CEO</b>
First appointment:	Member of the Executive Board of Hapag-Lloyd AG since 2014 Chief Executive Officer of Hapag-Lloyd AG since 2014
Current appointment:	Until 31 March 2024
<b>Nicolás Burr</b> Born in 1975	<b>Member of the Executive Board/CFO</b>
First appointment:	Member of the Executive Board of Hapag-Lloyd AG since 2015
Current appointment:	Until 29 February 2020
<b>Anthony J. Firmin</b> Born in 1953	<b>Member of the Executive Board/COO</b>
First appointment:	Member of the Executive Board of Hapag-Lloyd AG since 2014
Current appointment:	Until 30 June 2019
<b>Joachim Schlotfeldt</b> Born in 1954	<b>Member of the Executive Board/CPO</b>
First appointment:	Member of the Executive Board of Hapag-Lloyd AG since 2018
Current appointment:	Until 31 March 2021

Up until his departure by mutual consent on 31 March 2018, Mr Thorsten Haeser was a member of the Executive Board. As part of the reallocation of Executive Board responsibilities, the scope of responsibilities of the Chief Commercial Officer was transferred to the Chief Executive Officer. Mr Joachim Schlotfeldt was appointed as new member of the Executive Board as of 1 April 2018, who is *inter alia* responsible as labour director for the newly created division of Chief Personnel and Global Procurement.

According to a resolution of the Supervisory Board of 17 December 2018 Dr Maximilian Rothkopf was appointed as a new Executive Board member with effect from 1 May 2019. Dr Rothkopf will become new COO and succeed Mr Anthony J. Firmin, who will retire on 30 June 2019.

The Supervisory Board works with the Executive Board to ensure that there is long-term succession planning for the Executive Board. When examining candidates for an Executive Board position, the Supervisory Board believes that the key suitability criteria are the candidates' specialist qualifications for the position in question, leadership qualities, previous performance and knowledge of the Company's business model. The Supervisory Board has adopted a diversity concept for the composition of the Executive Board that takes account of the recommendations of the German Corporate Governance Code and ensures that diversity is taken into consideration with regard to the composition of the Executive Board. Due to the large number of tasks and changes as part of the merger with United Arab Shipping Company Limited, the Supervisory Board passed the conclusive resolution on the diversity concept for the Executive Board on 7 March 2018.

The diversity concept for the Executive Board comprises the following components:

- The target set by the Supervisory Board for the percentage of women on the Executive Board in accordance with Section 111 (5) of the German Stock Corporation Act (AktG);
- Appointments as a member of the Executive Board should end one year after the member's 65th birthday as a rule, whereby this age will increase in line with changes to the regulatory age limit in the statutory retirement pension system, and the Supervisory Board reserves the right to make exceptions in individual cases;
- Executive Board members should have long-standing managerial experience and, if possible, experience from a range of different professions;
- At least two Executive Board members should have international managerial experience;
- The Executive Board as a whole should have long-standing experience in the areas of finance and human resource management.

The Executive Board and the Supervisory Board of Hapag-Lloyd AG work together closely and in confidence for the benefit of the Company. The Executive Board and the Supervisory Board are jointly responsible for ensuring that the Supervisory Board is provided with adequate information. The Executive Board provides the Supervisory Board with reports prepared pursuant to Section 90 of the German Stock Corporation Act (AktG) and in accordance with the rules of procedure of the Supervisory Board/Executive Board. It informs the Supervisory Board regularly, promptly and comprehensively about all questions relevant to the Company and the Group relating to strategy, planning, business development, the internal control and risk management system, and adherence to compliance guidelines. If the course of business deviates from the set plans and objectives, the Executive Board addresses this and provides reasons.

The Executive Board agrees the strategic orientation of the Company with the Supervisory Board and they regularly discuss the status of the strategy implementation. Furthermore, the Executive Board promptly submits to the Supervisory Board the transactions and measures that require the approval of the Supervisory Board pursuant to the articles of association or the rules of procedure of the Supervisory Board/Executive Board such as the Group's annual budget. In individual cases, the Supervisory Board may also make other transactions and measures subject to its approval.

The Executive Board members must act in the interest of the Company. Members of the Executive Board may not pursue personal interests in their decision-making or use for their own advantage business opportunities that have arisen for the Company.

Executive Board members are subject to a comprehensive non-compete agreement while working for the Company. They may only enter into other commitments, in particular positions on supervisory boards at companies that are not associated companies of Hapag-Lloyd AG, with the approval of the Chairman of the Supervisory Board. If they do accept such offices with the approval of the Chairman of the Supervisory Board, the Executive Board member in question performs the role in a personal capacity – adhering to their strict obligation of confidentiality and the strict separation of their activities as a member of the Company's Executive Board. Each Executive Board member is required to immediately disclose any conflict of interest to the Chairman of the Supervisory Board and to inform the other Executive Board members as well.

No conflicts of interest arose among members of the Executive Board of Hapag-Lloyd AG in the 2018 financial year.

All transactions between the Company or one of its Group companies on one side and the Executive Board members and persons or undertakings close to them on the other side must adhere to customary industry standards. There were no transactions of this type in the reporting period.

Hapag-Lloyd AG has taken out pecuniary damage liability insurance (D&O insurance) for the members of the Executive Board and the Supervisory Board. For the Executive Board members, an excess of 10% of the damages up to 1.5 times the fixed annual remuneration of the Executive Board member in question has been agreed. Finally, a D&O insurance policy is in place for the members of the Supervisory Board. This covers statutory liability arising from their Supervisory Board activities. In the event of a claim, an excess of 10% of the damages up to 1.5 times the fixed annual remuneration of the Supervisory Board member is provided for.

The Supervisory Board of Hapag-Lloyd AG advises the Executive Board in the management of the Company and monitors its business administration. It appoints the members of the Executive Board and one of its members as the CEO. If necessary, it also removes members from the Executive Board. It determines the remuneration of the Executive Board members. It reviews

the annual financial statements and the consolidated financial statements and is responsible for their approval and adoption. It also reviews the Executive Board's proposal on the appropriation of profits as well as the respective management reports. The Supervisory Board has issued rules of procedure that govern its work.

The Executive Board requires the approval of the Supervisory Board for decisions of an important and fundamental nature that are specified in a list of business transactions requiring approval. These include, for example:

- The approval of the business plan and annual budget;
- Investments of over EUR 100 million, unless already included in the annual budget;
- Access to assets with a value of more than EUR 75 million, unless already included in the annual budget;
- Legal transactions between the Company or a subsidiary of the Company and an affiliated company within the meaning of Section 15 ff. of the German Stock Corporation Act (AktG), insofar as these are not part of regular business operations or are not conducted at arm's length;
- Borrowing outside of the annual budget with an amount of more than EUR 75 million;
- Acceptance of sureties, guarantees or similar liabilities as well as the provision of collateral, in each case for third-party liabilities outside of regular business operations, if the value in individual cases exceeds EUR 2 million;
- Conclusion, amendment or termination of contracts with businesses within the meaning of Sections 291 ff. of the German Stock Corporation Act (AktG) in which the Company has an investment.

The Supervisory Board currently consists of 16 members.

The Supervisory Board is subject to the German Co-Determination Act (MitbestG). Accordingly, the eight representatives of the shareholders are generally elected by the Annual General Meeting and the eight representatives of the employees are elected in accordance with the provisions of the German Co-Determination Act (MitbestG). As at the reporting date, 3 employee representatives were court-appointed. One of these court-appointed Supervisory Board members left the Company on 28 February 2019 on grounds of age, and therefore a new employee representative was appointed by the court after the reporting date.

Each member of the Supervisory Board is required to act in the interest of the Company and may not pursue personal interests in their decision-making or use for their own advantage business opportunities that have arisen for the Company. Supervisory Board members must disclose any conflict of interest to the Supervisory Board. This member is excluded from participating in resolutions at Supervisory Board meetings involving the matter where the conflict of interest exists. The Supervisory Board will outline any conflicts of interest that have arisen and how they were dealt with in its report to the Annual General Meeting. If a Supervisory Board member has a conflict of interest which is significant and not just temporary, this should lead to the termination of their position.

Any consulting agreements or other service agreements between a Supervisory Board member and the Company require the approval of the Supervisory Board. There were no such agreements or conflicts of interest among Supervisory Board members of Hapag-Lloyd AG in the 2018 financial year. The Supervisory Board has issued rules of procedure that also govern the formation and responsibilities of the committees. Two ordinary Supervisory Board meetings are held in every calendar half-year. In addition, Supervisory Board meetings may be convened as needed and/or resolutions passed by the Supervisory Board outside of meetings. If voting on the Supervisory Board is tied and a second vote results in another tie, the Chairman of the Supervisory Board has the casting vote.

### **Composition goals and diversity concept for the Supervisory Board**

The composition of the Supervisory Board must ensure that the body as a whole has the necessary knowledge, abilities and specialist experience to perform its roles properly. Each member of the Supervisory Board must ensure that they have enough time to perform their Supervisory Board role.

The Supervisory Board has set itself goals for its composition and drawn up a competence profile for the body. Together with the statutory gender quota, these composition goals form the diversity concept, which ensures that the body has a diverse

composition. When proposing resolutions to the Annual General Meeting for regular Supervisory Board elections and the election of a new Supervisory Board member, the composition goals and the diversity concept must be taken into consideration:

The revised composition goals and the diversity concept were conclusively passed by the Supervisory Board on 7 March 2018.

### **Goals for the composition of the Supervisory Board**

The Supervisory Board has set the following goals for its composition:

- At least one seat on the Supervisory Board on the shareholder side for one person who does not have any potential conflicts of interest and is independent within the meaning of Section 5.4.2 GCGC;
- The Supervisory Board should not have more than 2 former members of the Executive Board in accordance with Section 5.4.2 GCGC;
- In general, persons who have reached the age of 70 or who have been on the Supervisory Board of the Company for more than 20 years at the time of the election should not be considered for nomination.

### **Competence profile for the Supervisory Board**

The Supervisory Board has drawn up the following competence profile for itself:

- At least two Supervisory Board seats for individuals with in-depth knowledge and/or experience of regions outside of Germany in which the Hapag-Lloyd Group conducts a substantial volume of business, due to their background or professional experience with an international relevance;
- At least 1 Supervisory Board seat for an individual who has expert knowledge within the fields of accounting or auditing and is thus regarded as a financial expert in accordance with Section 100 (5) of the German Stock Corporation Act (AktG);
- At least 2 Supervisory Board seats for individuals with in-depth knowledge of and experience in the fields of risk management and controlling;
- At least 2 Supervisory Board seats for individuals with shipping sector knowledge;
- At least 2 Supervisory Board seats for individuals with experience in managing or controlling a major company;
- At least 2 Supervisory Board seats for individuals with particular knowledge in the fields of corporate governance and compliance;
- At least 2 Supervisory Board seats for individuals with particular knowledge of human resources;
- At least 1 Supervisory Board seat for an individual with particular knowledge of information technology or digitalisation.

### **Diversity concept for the Supervisory Board**

The diversity concept for the Supervisory Board comprises the following components:

- Goals for the composition of the Supervisory Board
- Competence profile for the Supervisory Board
- The gender quota of 30%, which is already legally required for the composition of the Supervisory Board of Hapag-Lloyd AG in accordance with Section 96 (2) of the German Stock Corporation Act (AktG) and must be complied with accordingly.

As per a self-assessment by the Supervisory Board, it conformed with these goals for its composition on the reporting date of 31 December 2018. In particular, the Supervisory Board fulfilled the goal requiring that at least one representative on the shareholder side be independent within the meaning of GCGC on the reporting date. In this regard, the Supervisory Board member Ms Gehrt was classified as independent. The Supervisory Board and its Nomination Committee will ensure that the objective continues to be fulfilled.

**Members of the Supervisory Board of Hapag-Lloyd AG:**

**Michael Behrendt**

(Chairman of the Supervisory Board)

**Christine Behle (until 30 September 2018)**

Member of the Federal Executive Board, Head of Transport

ver.di – Vereinte Dienstleistungsgewerkschaft, Berlin

(First Deputy Chairwoman of the Supervisory Board until 30 September 2018)

**Klaus Schroeter**

Federal Group Leader for the shipping industry

ver.di – Vereinte Dienstleistungsgewerkschaft, Berlin

(First Deputy Chairman of the Supervisory Board since 6 November 2018)

**Oscar Eduardo Hasbún Martínez**

Chief Executive Officer

Compañía Sud Americana de Vapores S.A., Santiago de Chile, Chile

(Second Deputy Chairman of the Supervisory Board until 10 July 2018)

**Karl Gernhardt**

Chairman of the Board of Directors

Kühne Holding AG, Schindellegi, Switzerland (Second Deputy Chairman of the Supervisory Board since 10 July 2018)

**Felix Albrecht (since 11 March 2019)**

Marine Works Council

Hapag-Lloyd AG, Hamburg

**H.E. Sheikh Ali bin Jassim Al-Thani**

Advisor to the CEO

Qatar Investment Authority, Qatar

**Turqi Alnowaiser (since 23 February 2018)**

Head of International Investments

Public Investment Fund, Saudi Arabia

**Jutta Diekamp**

Deputy Chairwoman of the Works Council for Shipping Operations

Hapag-Lloyd AG, Hamburg

**Nicola Gehrt**

Head of Investor Relations TUI Group

TUI AG, Hannover

**Dr Rainer Klemmt-Nissen**

Managing Director

HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg

**Joachim Kramer (until 28 February 2019)**

Marine Works Council

Hapag-Lloyd AG, Hamburg

**Annabell Kröger**  
Commercial Clerk  
Hapag-Lloyd AG, Hamburg

**Arnold Lipinski**  
HR Manager for Shipping Operations  
Hapag-Lloyd AG, Hamburg

**Sabine Nieswand**  
Chairwoman of the Works Council  
Hapag-Lloyd AG, Hamburg

**José Francisco Pérez Mackenna**  
Chief Executive Officer  
Quiñenco S.A., Santiago de Chile, Chile

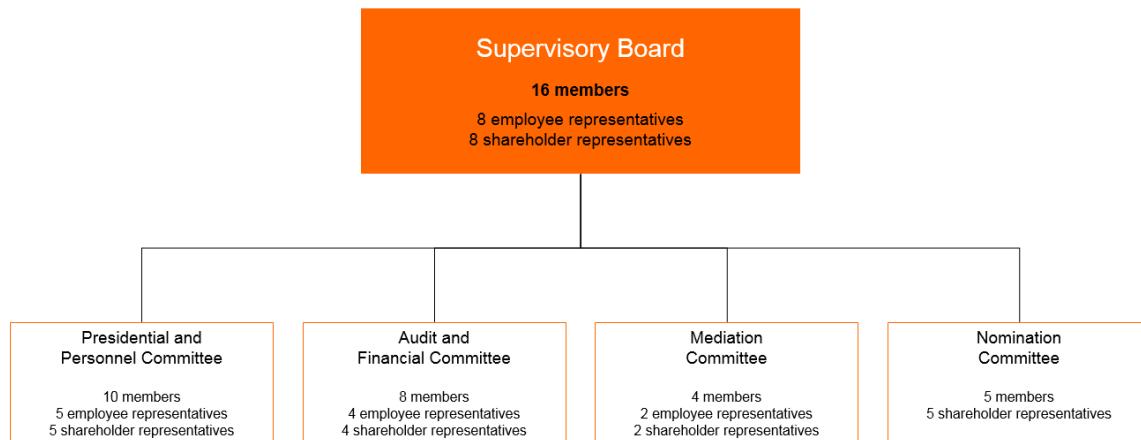
**Maya Schwiegershausen-Güth (since 26 October 2018)**  
Head of treaty office of the ITF “flag of convenience” campaign  
Federal department of maritime economy  
ver.di Bundesverwaltung, Berlin

**Uwe Zimmermann**  
Commercial Clerk  
Hapag-Lloyd AG, Düsseldorf

**Supervisory Board committees**  
During the past financial year, the Supervisory Board formed the following committees:

In order to efficiently handle its responsibilities, the Supervisory Board has set up a total of four committees that prepare the resolutions of the Supervisory Board and the topics to be discussed during board meetings. To the extent this is legally permitted, the Supervisory Board may in certain situations transfer decision-making authority to its committees. The Supervisory Board has established a Presidential and Personnel Committee, an Audit and Financial Committee, a Nomination Committee and a Mediation Committee in accordance with Section 27 (3) of the German Co-Determination Act (MitbestG) as permanent committees.

## Supervisory Board and committees of Hapag-Lloyd AG



- (1) The **Presidential and Personnel Committee** coordinates the work of the Supervisory Board and its committees. It generally prepares the Supervisory Board meetings and monitors the execution of the resolutions passed by the Supervisory Board. As a general rule, it prepares the resolutions of the Supervisory Board regarding legal transactions requiring approval. The Presidential and Personnel Committee also prepares the Supervisory Board's decisions on the appointment and dismissal of Executive Board members, on the conclusion, amendment and termination of employment contracts with Executive Board members, and on the Executive Board's remuneration system.

### Members:

Michael Behrendt (Chairman), Sheikh Ali bin Jassim Al-Thani, Christine Behle (until 30 September 2018), Jutta Diekamp, Karl Gernandt, Dr Rainer Klemmt-Nissen, Arnold Lipinski, Sabine Nieswand, José Francisco Pérez Mackenna, Klaus Schroeter (since 6 November 2018), Uwe Zimmermann

- (2) The **Audit and Financial Committee** of the Supervisory Board handles the financial planning and reviews the investment projects of the Hapag-Lloyd Group. It is responsible for performing the preliminary examination of the documents for the annual financial statements and the consolidated financial statements, including the respective management reports and the Executive Board's proposal on the appropriation of profits. It prepares the adoption of the annual financial statements and the approval of the consolidated financial statements by the Supervisory Board, as well as its decision on the Executive Board's proposed resolution on the appropriation of profits. The Audit and Financial Committee also submits a substantiated recommendation to the Supervisory Board for the selection of the external auditors at the Annual General Meeting and handles the awarding of the audit engagement to the external auditors and the fee agreement. It also monitors the external auditors' independence. In addition to the above, it is responsible for monitoring the effectiveness of the internal control system, the risk management system, the compliance and the internal auditing system.

### Members:

Oscar Eduardo Hasbún Martínez (Chairman since 10 July 2018), Karl Gernandt (Chairman until 10 July 2018), Turqi Alnowaiser (since 28 March 2018), Dr Rainer Klemmt-Nissen, Annabell Kröger, Arnold Lipinski, Klaus Schroeter, Uwe Zimmermann

- (3) The **Nomination Committee** makes proposals to the Supervisory Board regarding suitable candidates to act as shareholder representatives on the Supervisory Board. In turn, the Supervisory Board submits proposals to the Annual General Meeting. In line with the GCGC's recommendation, the Nomination Committee consists solely of shareholder representatives.

**Members:**

Michael Behrendt (Chairman), Sheikh Ali bin Jassim Al-Thani, Karl Gernandt, Dr Rainer Klemmt-Nissen, José Francisco Pérez Mackenna

- (4) There is also a **Mediation Committee**, which was established in accordance with Section 27 (3) of the German Co-Determination Act (MitbestG). This committee submits proposals to the Supervisory Board for the appointment of Executive Board members if the necessary two-thirds majority of votes by Supervisory Board members is not reached in the first round of voting.

**Members:**

Michael Behrendt (Chairman), Christine Behle (until 30 September 2018), Jutta Diekamp, José Francisco Pérez Mackenna, Klaus Schroeter (since 6 November 2018)

The Mediation Committee and the Nomination Committee only meet when needed. All other committees meet regularly and also on specific occasions in accordance with their respective responsibilities as per the Supervisory Board's rules of procedure. The activities of the Supervisory Board and its committees in the last financial year are detailed in the Report of the Supervisory Board. It also provides information about the attendance of Supervisory Board members at meetings.

**Share transactions and shareholdings of members of the Executive Board and the Supervisory Board**

In accordance with the Market Abuse Regulation (MAR) (Article 19 MAR), persons who perform management functions, in other words the members of executive boards and supervisory boards, as well as persons closely related to them (including spouses, registered partners and dependent children) are required to report any transactions of their own involving the shares of Hapag-Lloyd AG or any related financial instruments to Hapag-Lloyd AG, and the German Federal Financial Supervisory Authority (BaFin) if the total amount of the transactions of an executive board member or supervisory board member and persons closely related to them reaches or exceeds EUR 5,000.00 in the calendar year. The transactions reported have been published on the website of Hapag-Lloyd AG at <https://www.hapag-lloyd.com/en/ir/corporate-governance/managers-transactions.html#tabnav>

As at the reporting date, the total volume of shares in Hapag-Lloyd AG and related financial instruments held by all members of the Executive Board and Supervisory Board was less than 1% of issued shares.

**Executive Board and Supervisory Board remuneration**

An important component of responsible corporate governance is a remuneration system structure for the Executive Board and the Supervisory Board that provides incentives and rewards good performance.

The basic features of the remuneration system and the Executive Board and Supervisory Board members' remuneration are outlined in the remuneration report as part of the management report.

**Shareholders**

The shareholders exercise their rights at the Annual General Meeting. The Annual General Meeting selects the external auditors, elects the shareholder representatives to the Supervisory Board and passes resolutions on the discharge of the members of the Executive Board and the Supervisory Board, the appropriation of profits, capital measures and changes to the articles of association. The shares are registered. Shareholders who are recorded in the share register and have registered in time before the Annual General Meeting are entitled to attend the Annual General Meeting and exercise their voting rights. Shareholders can either exercise their voting right at the Annual General Meeting themselves or have it exercised by a proxy of their choice or by a voting representative of the Company who is required to follow their instructions. Each share grants one vote.

As at 31 December 2018, the shareholders of Hapag-Lloyd AG were:

in %	2018
CSAV Germany Container Holding GmbH	25.8
Kühne Holding AG and Kühne Maritime GmbH	25.0
Qatar Holding Germany GmbH	14.5
HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH	13.9
Public Investment Fund of the Kingdom of Saudi Arabia	10.2
Free float	10.6
<b>Total</b>	<b>100.0</b>

#### **Accounting and auditing**

The Executive Board prepares the annual financial statements and associated management report of Hapag-Lloyd AG in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The consolidated financial statements are prepared in accordance with the principles of the International Financial Reporting Standards (IFRS), as applicable within the European Union, and the German legal provisions applicable in accordance with Section 315 e (1) of the German Commercial Code (HGB). The Group management report is prepared in accordance with the provisions of the German Commercial Code (HGB). The annual and consolidated financial statements as well as the management report and Group management report are examined by the external auditors and by the Supervisory Board.

At the proposal of the Supervisory Board, the Annual General Meeting on 10 July 2018 selected KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, (KPMG) as the external auditors of the annual and consolidated financial statements as well as the respective management reports of Hapag-Lloyd AG for the 2018 financial year. The Supervisory Board had previously verified the independence of the external auditors. The signatory auditors of the annual and consolidated financial statements of Hapag-Lloyd AG are Niels Madsen (since the 2017 financial year) and Dr Victoria Röhricht (since the 2018 financial year). The audits covered the risk early-warning system in addition to the accounting system.

#### **Risk management and internal control system (ICS)**

The Hapag-Lloyd Group's risk management system, including the ICS as it relates to the accounting process, is detailed in the risk report as part of the management report.

#### **Information on statutory diversity requirements**

The German Law for the Equal Participation of Women and Men in Leadership Positions in the Private Sector and the Public Sector is in force. Its provisions apply in addition to existing diversity requirements under the GCGC, which Hapag-Lloyd AG already complies with. Hapag-Lloyd has addressed the requirements at the various levels and in the responsible committees and has passed the necessary resolutions.

As a listed company which is also subject to the German Co-Determination Act (MitbestG), a fixed gender quota applies to the Supervisory Board of Hapag-Lloyd AG and must be observed for new appointments from 1 January 2016. This means that the Supervisory Board must consist of at least 30% women and at least 30% men. As at 31 December 2018, there were 5 women on the Supervisory Board of Hapag-Lloyd AG. This means that 31% of the Supervisory Board members were women as at the reporting date. The statutory requirements have thus been fulfilled.

Hapag-Lloyd will also take the statutory regulations into account for new appointments in the future so that it fulfils the corresponding requirements.

The German Law for the Equal Participation of Women and Men in Leadership Positions in the Private Sector and the Public Sector also requires that targets be set for the percentage of women on the Executive Board and at the two management levels below the Executive Board as well as deadlines for achieving this.

The initial deadline to be set for achieving the target could not be later than 30 June 2017. The Supervisory Board set a target of 0% for the Executive Board for the period until 30 June 2017 and maintained the status quo at the time. No women had been appointed as Executive Board members as at the reporting date of 30 June 2017. For the period until 30 June 2022, the Supervisory Board has decided on a target of 20% for the Executive Board.

For the first two management levels below the Executive Board, the Executive Board at that time set targets of 0% for the first management level and 14% for the second management level, taking succession planning into consideration, and also specified 30 June 2017 as the deadline for reaching these targets. As at the reporting date of 30 June 2017, the percentage of women at the first management level was 0% and at the second management level it was 14%.

For the period until 30 June 2022, the Executive Board of Hapag-Lloyd AG has set a target of 5% for the percentage of women at the first management level and 15% at the second management level.

#### **Offices held by members of the Executive Board in supervisory boards and other comparable supervisory bodies of commercial companies**

##### **Rolf Habben Jansen**

Stolt-Nielsen Limited – Member of the Board of Directors  
World Shipping Council – Supervisory Board Member

##### **Anthony J. Firmin**

HHLA Container Terminal Altenwerder GmbH – Supervisory Board Member  
SCA Service Center Altenwerder GmbH – Supervisory Board Member  
FRANK Beteiligungsgesellschaft mbH – Advisory Board Member  
The Britannia Steam Ship Insurance Association Ltd. – Deputy Chairman

##### **Thorsten Haeser (until 31 March 2018)**

REVIDERM AG – Supervisory Board Member

#### **Offices held by members of the Supervisory Board in other supervisory boards and other comparable supervisory bodies of commercial companies**

##### **H.E. Sheikh Ali bin Jassim Al-Thani**

SCI Elysees 26 – Member of the Board of Directors  
Libyan Qatari Bank – Deputy Chairman of the Board of Directors  
Qatar Holding LLC – Member of the Board of Directors  
Al Rayan Bank – Member of the Board of Directors

##### **Turqi Alnowaiser**

Noon Investment – Supervisory Board Member  
Saudi Information Technology Company (SITCO) – Supervisory Board Member

##### **Christine Behle (until 30 September 2018)**

Deutsche Lufthansa AG – Deputy Chairwoman of the Supervisory Board  
Bremer Lagerhaus-Gesellschaft – Aktiengesellschaft von 1877 – Deputy Chairwoman of the Supervisory Board  
Bochum-Gelsenkirchener Straßenbahnen Aktiengesellschaften/Bochum Gelsenkirchener Bahngesellschaft mbH – Supervisory Board Member (since 31 August 2018)  
Dortmunder Stadtwerke AG/Dortmunder Stadtwerke Holding GmbH – Supervisory Board Member (since July 2018)

**Michael Behrendt**

Barmenia Allgemeine Versicherungs AG – Deputy Chairman of the Supervisory Board  
Barmenia Krankenversicherung AG – Deputy Chairman of the Supervisory Board  
Barmenia Lebensversicherung AG – Deputy Chairman of the Supervisory Board  
ESSO Deutschland GmbH – Supervisory Board Member  
EXXON Mobil Central Europe Holding GmbH – Supervisory Board Member  
MAN SE – Supervisory Board Member  
MAN Energy Solutions SE – Supervisory Board Member  
MAN Truck & Bus AG – Supervisory Board Member  
Renk AG – Supervisory Board Member

**Nicola Gehrt**

TUI Deutschland GmbH – Supervisory Board Member

**Karl Gernhardt**

Kühne + Nagel International AG – Deputy Chairman of the Board of Directors  
Kühne Holding AG – President/Chairman of the Board of Directors  
Kühne + Nagel (AG & Co.) KG – Chairman of the Supervisory Board  
Kühne & Nagel A.G, Luxembourg – Chairman of the Supervisory Board  
Kühne Invest AG, Switzerland – Member of the Board of Directors  
Kühne Holding (Management) AG – Chairman of the Board of Directors  
Kühne Logistics University – Chairman of the Supervisory Board  
Kühne Real Estate AG – Chairman of the Board of Directors  
LogIndex AG – Member of the Board of Directors  
VTG Aktiengesellschaft – Supervisory Board Member  
HSV Fußball AG – Supervisory Board Member (until 6 February 2018)

**Óscar Eduardo Hasbún Martínez**

SM-SAAM S.A. – Member of the Board of Directors  
SAAM S.A. – Member of the Board of Directors  
SAAM Logistics S.A. – Member of the Board of Directors  
SAAM Ports S.A. – Chairman of the Board of Directors  
SAAM SMIT Towage Brasil S.A. – Member of the Board of Directors  
SAAM SMIT Towage Mexico S.A. DE C.V. – Member of the Board of Directors  
SAAM Puertos S.A. – Chairman of the Board of Directors  
Florida International Terminal LLC. – Member of the Board of Directors  
IQUIQUE Terminal Internacional S.A. – Member of the Board of Directors  
San Antonio Terminal Internacional S.A. – Member of the Board of Directors  
San Vicente Terminal Internacional S.A. – Member of the Board of Directors  
Sociedad Portuaria De Caldera (SPC) S.A. – Member of the Board of Directors  
Sociedad Portuaria Granelera De Caldera (SPGC) S.A. – Member of the Board of Directors

**Dr Rainer Klemmt-Nissen**

Hamburger Hochbahn AG – Supervisory Board Member (until July 2018)  
HSH Nordbank AG – Supervisory Board Member (until December 2018)  
HSH Beteiligungsmanagement GmbH – Supervisory Board Member (until 22 January 2019)  
Vattenfall Wärme Hamburg GmbH – Supervisory Board Member (until July 2018)  
HMC Hamburg Messe und Congress GmbH – Supervisory Board Member (until July 2018)  
HSH Finanzfonds AöR – Member of the Guarantor Assembly (until September 2018)

**José Francisco Pérez Mackenna**

Banchile Corredores de Seguros Limitada – Member of the Board of Directors  
Banco de Chile – Member of the Board of Directors  
Compañía Cervecerías Unidas S.A. – Member of the Board of Directors  
Compañía Cervecerías Unidas Argentina S.A – Member of the Board of Directors  
Cervecería CCU Limitada – Member of the Board of Directors  
Central Cervecería de Colombia SAS – Member of the Board of Directors  
Compañía Industrial Cervecería S.A. – Member of the Board of Directors  
Compañía Pisquera de Chile S.A. – Member of the Board of Directors  
Compañía Sud Americana de Vapores S.A. – Chairman of the Board of Directors  
Embotelladoras Chilenas Unidas S.A – Member of the Board of Directors  
Empresa Nacional de Energía S.A. ENEX – Chairman of the Board of Directors  
Invexans S.A. – Chairman of the Board of Directors  
Invexans Ltd. – Member of the Board of Directors  
Inversiones IRSA Limitada – Member of the Board of Directors  
Inversiones LQ-SM Limitada – Member of the Board of Directors  
Inversiones y Rentas S.A. – Member of the Board of Directors  
Nexans S.A. – Member of the Board of Directors  
LQ Inversiones Financieras S.A. – Member of the Board of Directors  
SAAM S.A. – Member of the Board of Directors  
Sociedad Administradora de la Obligación Subordinada SAOS S.A. – Member of the Board of Directors  
Sociedad Matriz del Banco de Chile S.A. – Member of the Board of Directors  
Sociedad Matriz SAAM S.A. – Member of the Board of Directors  
Sudamericana Agencias Aéreas y Marítimas S.A. – Member of the Board of Directors  
Tech Pack S. A. – Chairman of the Board of Directors  
Viña San Pedro Tarapacá S.A. – Member of the Board of Directors

**Maya Schwiegershausen-Güth**

HHLA Hamburger Hafen und Logistik AG – Supervisory Board Member

The Executive Board and Supervisory Board members not listed above do not hold any offices on other legally required supervisory boards or comparable supervisory bodies of commercial companies.