

**Declaration of Conformity of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– to the German Corporate Governance Code in the version of May 13, 2013**

The Board of Management issued the 12th Declaration of Conformity to the German Corporate Governance Code in the version of May 13, 2013 on November 19, 2013 as well as the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– on December 18, 2013.

BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– has complied with the recommendations of the Government Commission of the German Corporate Governance Code with the following exceptions and will comply with the recommendations during the declaration period with the following exceptions:

**1. Number 2.3.1, clauses 2 and 3**

*“The calling of the Annual Shareholders’ Meeting as well as the reports and documents required by law for this meeting, including the Annual Report, shall be made available to the shareholders on the website of the company along with the agenda to the extent that they cannot be transmitted directly to the shareholders. If an absentee ballot is offered, the same applies to the forms used for this purpose.”*

**Number 2.3.3, clause 1**

*“The company shall make it easy for the shareholders to personally exercise their rights and be represented via proxy.”*

The company complies with the provisions of number 2.3.1 and number 2.3.3 of the German Corporate Governance Code and the provisions of Section 124a sent. 1 no. 1 – 4 of the Stock Corporation Act (AktG). Since far more than 85 percent of our shareholders attend the Annual Shareholders’ Meetings, the benefit expected from an absentee ballot would be out of all proportion to the costs. For this reason we have currently decided against the use of an absentee ballot so that support in holding an absentee ballot is not necessary. The Memorandum and Articles of Association of the company have been amended such that the Board of Management is authorized to make provisions for an absentee ballot.

**2. Number 2.3.3**

*“The Company should enable the shareholders to follow the Annual Shareholders’ Meeting through modern means of communication (e.g. Internet).”*

Far over 85 percent of our shareholders attend the Annual Shareholders’ Meetings. The expected benefit and/or acceptance of these media by the shareholders is out of all reasonable proportion to the costs. At present the company has decided against the use of further means of communication.

### **3. Number 4.2.3, 4th subsection, clauses 1 and 2**

*“On conclusion of contracts with the Board of Management it should be ensured that, in the case of premature termination of the Board of Management position, payments to a member of the Board of Management, including additional compensation, do not exceed the amount of two years’ remuneration (severance pay cap) and do not provide remuneration for longer than the remaining term of the employment contract. If the employment contract is terminated for a substantial reason for which the member of the Board of Management is responsible, no payments shall be made to the member of the Board of Management.”*

The code recommends inclusion of an agreement on the upper limit for severance pay in the contracts with members of the Board of Management. The contracts with the members of the Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– concluded before this recommendation comes into force do not contain such an arrangement. Such an upper limit for severance pay shall be provided for new contracts.

### **4. Number 5.3.3**

*“The Supervisory Board should form a nomination committee that is solely composed of representatives of the shareholders and proposes suitable candidates to the Supervisory Board for the latter’s election suggestions to the Annual Shareholders’ Meeting.”*

The Supervisory Board has assigned the powers of a nomination committee to the Human Resources Committee. The Human Resources Committee is composed of representatives of the shareholders and of the employees.

### **5. Number 5.4.1, 2nd subsection, 3rd subsection, clause 1**

*“The Supervisory Board should stipulate specific goals for its composition that take into account the international activities of the company, potential conflicts of interest, the number of independent Supervisory Board members in accordance with number 5.4.2, an age limit to be defined for members of the Supervisory Board and diversity while keeping in mind the company’s specific situation. These specific goals should, in particular, provide for appropriate participation of women. Proposals of the Supervisory Board to the responsible election bodies should give consideration to these goals.”*

The Supervisory Board has defined an age limit for its members in the rules of procedure. In proposals to the responsible election bodies the Supervisory Board takes into account the age limit it has defined and the actual age of the candidate. A static election of candidates according to their age and the defined age limits alone does not take place. The actual age is put in proportion to the professional and personal aptitude of the candidate and further requirements based on the criteria of diversity, among other things. The Board of Management and Supervisory Board ensure diversity in connection with the appointment of management positions and target appropriate involvement of women.

## **6. Number 5.4.3, clause 2**

*“An application for court appointment of a member of the Supervisory Board should be limited in time until the next Annual Shareholders’ Meeting.”*

Until the Annual General Meeting on May 23, 2013 the Board of Management and Supervisory Board had reserved the right not to limit applications for court appointment of Supervisory Board members until the next Annual Shareholders’ Meeting. In this way the company wanted to be able to respond flexibly to vacancies on the Supervisory Board. The right of the Annual Shareholders’ Meeting to elect Supervisory Board members of the shareholders was not curtailed. Since May 24, 2013 this recommendation of the German Corporate Governance Code has been complied with.

## **7. Number 7.1.2, last clause**

*“The consolidated financial statement should be publicly accessible within 90 days after the end of the financial year, the interim statements within 45 days after the end of the reporting period.”*

Currently BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– cannot comply with all recommended deadlines. However, complete compliance with this recommendation is planned for the medium term. The consolidated financial statement will be published within four months after the end of the financial year in accordance with the legal provisions.

Bremen, December 18, 2013

BREMER LAGERHAUS-GESELLSCHAFT

–Aktiengesellschaft von 1877–

The Board of Management and the Supervisory Board