



BERENTZEN-GRUPPE
Thirst for life

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)

March 2021



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)

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.

The annual declaration of conformity with the German Corporate Governance Code (DCGK) pursuant to Section 161 AktG was last issued by the Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft in November 2020.

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. Against this background, the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft revised the remuneration system for Executive Board members and adjusted – with retroactive economic effect from January 1, 2021 – the employment contracts with the Executive Board members accordingly. In accordance with statutory provisions, the Supervisory Board will propose the revised remuneration system for Executive Board members for approval at the annual general meeting taking place on May 11, 2021. In determining this remuneration system, the Supervisory Board followed the recommendations of the “Government Commission on the German Corporate Governance Code” (version of the Code dated December 16, 2019) published by the Federal Ministry of Justice and Consumer Protection in the official part of the Federal Gazette on March 20, 2020.

Against this background, and after due examination, the Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft jointly issue the following updated declaration on 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 of the “Government Commission on the German Corporate Governance Code” (version of the Code dated December 16, 2019) published by the Federal Ministry of Justice and Consumer Protection in the official part of the Federal Gazette on March 20, 2020 have been followed since the adjustment of the Executive Board member contracts with retroactive effect from January 1, 2021 and will continue to be followed, with the following exception:

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 provide for a special right of termination in the event of individual change of control circumstances defined in the contract, which each involve a change in the shareholder structure with a new majority shareholder. In the event that the special right of termination is exercised, the Executive Board members have a right to severance payments. In this case, the monetary value of the variable remuneration components applicable at the time the special right of termination is exercised should be paid out. Severance payments are capped at two years' remuneration and are made in one lumpsum payment 14 days after the special right of termination is exercised. The Supervisory Board and the Executive Board are of the view that a change of control regularly involves changes within a company, which would not appear to justify making the amount of payment from long-term variable remuneration components dependent on the company's development and share price after the change of control. In the view of the Supervisory Board and the Executive Board, this contractual provision does not negatively impact the alignment of remuneration to the company's sustainable, long-term development, as the Executive Board members cannot foresee changes of control at a later time during their work as an Executive Board member.

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 2020 until the contracts of the Executive Board members were adjusted to take into account the revised remuneration system with retroactive effect from January 1, 2021, the recommendations made by the "Government Commission on the German Corporate Governance Code" (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, were complied with, with the following exceptions:

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 former remuneration system for Executive Board members and concluding the former contracts of the Executive Board members, the system and the contracts did not yet at that time 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.



1. Contrary to recommendation G.1 of the version of the Code dated December 16, 2019, the remuneration system did not define
 - how the target total remuneration is determined for each Executive Board member or the amount that the total remuneration must not exceed (maximum remuneration), or
 - 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 was not set for each Executive Board member.

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 contracts of the Executive Board members contained the maximum amounts of both the fixed and the variable remuneration components, they did 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 former contracts of the Executive Board members, the Supervisory Board took care to ensure that the total remuneration of the Executive Board members was in line with usual levels compared to other enterprises and therefore that the remuneration of all Executive Board members was 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.

When concluding or extending the former 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 was appropriate, and therefore that the remuneration of all Executive Board members was appropriate compared with the workforce as a whole in line with the principle of "vertical appropriateness". An exception from this recommendation was 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 was not predominantly invested in shares of the company and was 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 contracts of the Executive Board members at the time did not 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 did 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 that existed at the time did 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 contracts of the Executive Board members that existed at the time did not 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 at the time provided 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 contracts of the Executive Board members that existed at the time provided 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 contracts of the Executive Board members that existed at the time provided 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 was 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 contracts of the Executive Board members that existed at the time stipulated 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 was 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 exercised intra-group Supervisory Board memberships at the time, for which remuneration was not granted, however.

9. Contrary to recommendation G.16 of the version of the Code dated December 16, 2019, the Supervisory Board did 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 contracts of the Executive Board members that existed at the time stipulated 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 was 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.

Haselünne, March 2021

Berentzen-Gruppe Aktiengesellschaft

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For information purposes, this declaration is also available in English. In the event of deviations, the German version shall be the sole definitive version and take precedence over the English version.