

## Declaration of Conformity

Since publishing the last Declaration of Conformity on 3 May 2016, the Management Board and the Supervisory Board of HSH Nordbank declare that HSH Nordbank has conformed to the recommendations of the German Corporate Governance Code in the version dated 5 May 2015 in every respect save for the following exceptions stated below. As of the date on which the next declaration of conformity is published, HSH Nordbank will be conforming to all the recommendations of the Code in the version dated 5 May 2015 save for the exceptions stated below.

Section 4.2.3 provides that compensation for the Management Board shall comprise fixed and variable components.

*According to the provisions of the EU state aid decision and the Bank's obligation under the guarantee made available by the states of Hamburg and Schleswig-Holstein, the current Management Board compensation system does not provide for any variable compensation for members of the Management Board.*

Section 4.2.3 (3) requires that in the case of benefit commitments the Supervisory Board shall stipulate the target level for benefits and take the extrapolated annual and long-term expenditure for the company into account.

*For members of the HSH Nordbank Management Board a contribution plan applies that is not aimed at a specific level of benefits.*

Section 4.2.4 stipulates that the total compensation of each one of the members of the Management Board is to be disclosed by name, divided into fixed and variable compensation components.

*This does not involve a recommendation of the GCGC, but is rather mandatory requirement for market-listed companies, because the German Commercial Code (HGB) stipulates disclosure for market-listed companies. However, as a non-listed company, HSH Nordbank is in principle not subject to this obligation. Furthermore, the parameters for compensating members of the Management Board in accordance with the EU Commission's stipulations – set upper limit for the basic salary, no variable compensation – are already sufficiently common knowledge.*

Section 4.2.5 requires certain presentation of the compensation and fringe benefits concerning each member of the Management Board on the basis of details determined by reference tables.

*As HSH Nordbank does not disclose any individual Management Board compensation, these details are not disclosed either. (c.f. also Section 4.2.4)*

Under Paragraph 2 of Section 5.4.1, the Supervisory Board is required to specify concrete objectives regarding its composition, including a regular limit of the length of membership for the Supervisory Board.

*The Supervisory Board has decided to refrain from defining a regular limit of the length of membership for the Supervisory Board as an optimum length of membership is difficult to determine and it is important given the Bank's current situation for expertise to be retained within the Supervisory Board.*

According to Section 7.1.2 Sentence 4, the consolidated financial statements are to be published within 90 days of the end of the fiscal year and the interim reports within 45 days of the end of the period to which they refer.

*HSH Nordbank did not make its consolidated financial statements for fiscal 2014 and the interim reports for 2015 publicly available within the prescribed period. The Bank will neither publish its 2015 consolidated financial statements nor probably the 2016 interim reports within the recommended periods. The Bank is working on being able to adhere to the stipulated periods in future.*

HSH Nordbank conformed to the Code's suggestions so far as they make sense for a non-listed public limited company.

Hamburg/Kiel, June 9, 2016

On behalf of the Management Board:



Stefan Ermisch

On behalf of the Supervisory Board:



Dr. Thomas Mirow