

## Declaration of Conformity

Since publishing the last Declaration of Conformity on 6 February 2014, 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 versions dated 13 May 2013 and 24 June 2013 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 24 June 2014 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, 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.*

Section 5.4.6 (2) requires that if variable compensation is offered to Supervisory Board members it be geared to sustainable corporate governance.

*The compensation rules for the Supervisory Board of HSH Nordbank that applied until the 2014 annual general meeting provide for performance-based compensation for Board members that has a fixed ceiling and is paid only if the Bank pays a dividend for the financial year in question. Due to the dividend ban imposed by the EU Commission within the framework of the state aid decision this arrangement does not currently apply. New compensation rules, which no longer provide for any variable compensation for members of the Supervisory Board have applied since the 2014 annual general meeting, meaning there will be no such deviation in the future.*

Section 5.4.6 (3) provides that the compensation paid to members of the Supervisory Board be reported separately for each individual and broken down by component in either the Notes or the Management Report.

*The compensation paid to the Supervisory Board is not disclosed on an individualised basis at HSH Nordbank. The shareholders receive sufficient information on the compensation paid to the members of the Supervisory Board by virtue of the fact that this compensation is determined by the shareholders themselves at the annual general meeting. HSH Nordbank intends to disclose the compensation paid to the Supervisory Board on an individualised basis in the future.*

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 2013 and the interim reports for 2014 publicly available within the prescribed period. The Bank will probably not publish either its 2014 consolidated financial statements or the 2015 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 recommendations so far as they make sense for a non-listed public limited company.

Hamburg/Kiel, 3 December 2015

On behalf of the Management Board:



Constantin von Oesterreich

On behalf of the Supervisory Board:



Dr. Thomas Mirow